

May 1, 2025

Dear Members of the House Committee on General and Housing,

Thank you for the work that your committee has put into the Community Housing and Infrastructure Program (CHIP) in S.127. We appreciate the need to maximize housing production across our state, and it is equally urgent that this production occurs in an equitable way. As such, we urge your Committee to ensure that the bill's stated purpose – encouraging the development of primary residences low- or moderate-income households – is ensured in practice. Specifically, we urge your committee to make the following amendments:

- Integrate the provisions currently used for Priority Housing Projects into CHIP. (10 V.S.A. § 6001(27)); and
- If a project size threshold for the inclusionary zoning provision is necessary, add a 15-unit threshold to the definition of mixed income housing.

Low- and moderate-income Vermonters are disproportionately impacted by Vermont's housing crisis. According to the 2024 Vermont Housing Needs Assessment, Vermont needs 24,000 – 36,000 additional year-round homes by 2029 “to meet demand, normalize vacancy rates, house the homeless and replace homes lost from the stock through flooding and other causes.”ⁱ This includes 3,295 homes to address homelessness and 3,957 homes to normalize vacancy rates.ⁱⁱ The report also notes that rising rents and home costs have disproportionately impacted low- and middle-income Vermonters and that rising rents and “inadequate housing quality” have left hundreds of rental housing vouchers on the table,ⁱⁱⁱ both of which further fuel Vermont's rising homelessness crisis.

We also urge your Committee to ensure that the legislation continues to require that homes produced through this program are sold as primary residences or used as long-term apartments. As the 2024 Vermont Housing Needs Assessment made clear, Vermont has a severe need for additional *year-round* homes.^{iv}

CHIP can be a positive vehicle for addressing Vermont's housing crisis, but only if it ensures that public funds are used for our most pressing community needs. As Vermont continues to have one of the highest rates of unhoused people in the country (the 4th highest rate of unhoused people per capita in the country last year),^v the urgency of the need for affordable housing cannot be overstated.

Vermont's housing and homelessness crisis is the result of multiple factors, the core of which is the severe shortage of homes affordable to people with the lowest incomes^{vi} and a widening gap between incomes and housing costs.^{vii} By incentivizing the production of affordable housing, CHIP would not only address a core driver of Vermont's housing crisis, but also allow our state to reduce our need for and costs related to our homelessness response system, which is currently in very high demand.

Thank you for considering our position.

Sincerely,



Frank Knaack
Executive Director

ⁱ Vermont Department of Housing and Community Development, Vermont Housing Needs Assessment: 2025-2029, June 2024, p. 6, available at https://outside.vermont.gov/agency/ACCD/ACCD_Web_Docs/Housing/Housing-Needs-Assessment/2025-2029/VT-HNA-2025.pdf.

ⁱⁱ *Id.* at p. 5.

ⁱⁱⁱ *Id.* at p. 7.

^{iv} *Id.* at p. 6.

^v U.S. Dept. of Housing and Urban Development, The 2024 Annual Homelessness Assessment Report (AHAR) to Congress, Part 1 - PIT Estimates of Homelessness, Dec. 2024, p. 76-79, available at <https://www.huduser.gov/portal/sites/default/files/pdf/2024-AHAR-Part-1.pdf>.

^{vi} National Low Income Housing Coalition, No State Has an Adequate Supply of Affordable Rental Housing for the Lowest-Income Renters, available at <https://nlihc.org/gap>.

^{vii} National Low Income Housing Coalition, How Much Do You Need to Earn to Afford a Modest Apartment in Your State?, available at <https://nlihc.org/orr>.