

**FY25 Budget Adjustment Act**  
**House Committee on General, Housing, and Military Affairs**  
Megan Sullivan, Vice President of Government Affairs  
January 23, 2025

The Vermont Chamber of Commerce represents businesses of all sizes, from every industry, across every region of Vermont. We understand what it takes to help businesses grow and thrive to build strong and vibrant communities, and businesses have trusted us to center stewardship in our mission of advancing the Vermont economy. Because of this, we ask the House General and Housing Committee to support the Vermont Housing Finance Agency's (VHFA) Budget Adjustment Act request for \$25 million for the Middle-Income Homeownership Development Program and Rental Revolving Loan Fund.

Vermont is experiencing the most severe labor shortage in living memory and the housing crisis is a significant contributor to this challenge. Aging housing stock, gross under supply, and rising prices have forced people to make difficult choices about where to live and work. Vermont businesses are struggling to attract employees to move to Vermont, losing out-of-state candidates who are being forced to turn down job offers because of lack of available housing. Employers have also seen critical staff move out of state because of Vermont's lack of affordable, available, and suitable housing stock. The Rental Revolving Loan Fund and the Middle-Income Housing Development Program have been forward-thinking ways to address the housing shortage for both potential renters and buyers in a way that leverages tax dollars investments to get a significant number of units for the State's investment.

**Rental Revolving Loan Fund Program**

This VHFA program provides low/no interest loans to rental housing developers up to 35% of the cost to meet the housing needs of moderate-income households earning between 65-150% AMI. It brings together new and emerging developers, municipalities, and employers to support a community's housing ecosystem. In 2024, VHFA awarded just under \$10 million and will create 292 apartments (259 affordable). This program also leveraged \$21 million in municipal and employer investments.

**Middle-Income Homeownership Development Program**

This program launched in 2023 and has provided funding to housing developers for up to 35% of the cost to increase the supply of moderately priced, newly constructed homes. VHFA awarded \$24 million to developers, who are building 125 homes at an average purchase price of just under \$195,000, with an average subsidy of just over \$130,000.

Investing in these cost-effective programs that put new housing units online is investing in Vermont's future. We ask that you support VHFA's funding request in the FY25 Budget Adjustment Act to ensure these programs continue to spur the critical work of building more middle-income housing. With continued state support, VHFA's innovative and impactful programs can build on their successes and deliver measurable benefits for Vermonters.

Thank you for your consideration of this critical funding request. The Vermont Chamber of Commerce stands ready to collaborate with VHFA and state leaders to address our shared priority of strengthening Vermont's workforce and housing infrastructure.