

Senate Committee on Economic Development

January 21, 2025



Vermont
Housing &
Conservation
Board

Gus Seelig
Executive Director

Pollaidh Major
Director Of Policy & Special Projects



New Avenue Apartments, St. Johnsbury



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Statutory Purpose

“the dual goals of creating affordable housing for Vermonters, and conserving and protecting Vermont’s agricultural land, forestland, historic properties, important natural areas, and recreational lands of primary importance to the economic vitality and quality of life of the State.”

10 V.S.A.15 §302



Marble Village, West Rutland



West Rutland Marsh



Paramount Theater, Rutland

VHCB Housing Impacts since 2020*

4,964 households served (rental & homeownership)

Total VHCB investment: \$377.4M → Total leverage: \$680.6M

RENTAL

2,303 total units

1,925 new units

694 homes for unhoused Vermonters

SHELTER

24 shelters served total

10 new shelters

571 beds

269 new beds total

HOMEOWNERSHIP

389 households supported

169 new construction

single-family homeownership units

ACCESSIBILITY IMPROVEMENTS

384 households received accessibility improvements

MOBILE HOME COMMUNITIES

27 infill units

944 lots in 11 communities

FARMWORKER HOUSING

59 repair projects

6 replacement projects

237 farmworkers to be served

RECOVERY RESIDENCES

4 projects

59 residents benefitted

LEAD ABATEMENT

77 households served

58 apartments

19 single-family homes

*January 1, 2020 – December 31, 2024



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Housing Production Underway

Bay Ridge, Shelburne



Reid Commons, St. Albans



COTS Main Street Family Housing
Burlington



Squire House, Bennington



100 New Units in Hartford



Riverwalk Apartments

42 units
8 units for those
experiencing homeless



Mountainvale Apartments

40 units
8 units for those
experiencing homeless



747 Hartford Avenue

18 units for those experiencing
homelessness

2025 HOUSING PIPELINE

\$13.5M available funding

\$50M in potential projects

for 500 homes, apartments,
shelter beds, a manufactured
home community, and housing
for persons with ID/DD



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Central & Main Apartments, Windsor

Photo credit: William Daugherty



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Return on Housing Investment

Affordable housing development attracts investment, benefits communities and shifts costs from the state budget.

Return on Investment

- Financial
- Downtown development
- Rural Village Development
- Brownfield redevelopment
- New Neighborhoods
- Protecting vulnerable Vermonters
- Creating permanent housing



Bayview Crossing, South Hero
Photo courtesy of Sally McCay



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Permanent Affordability

Protects Vermonters



Protects Mixed-Income Communities

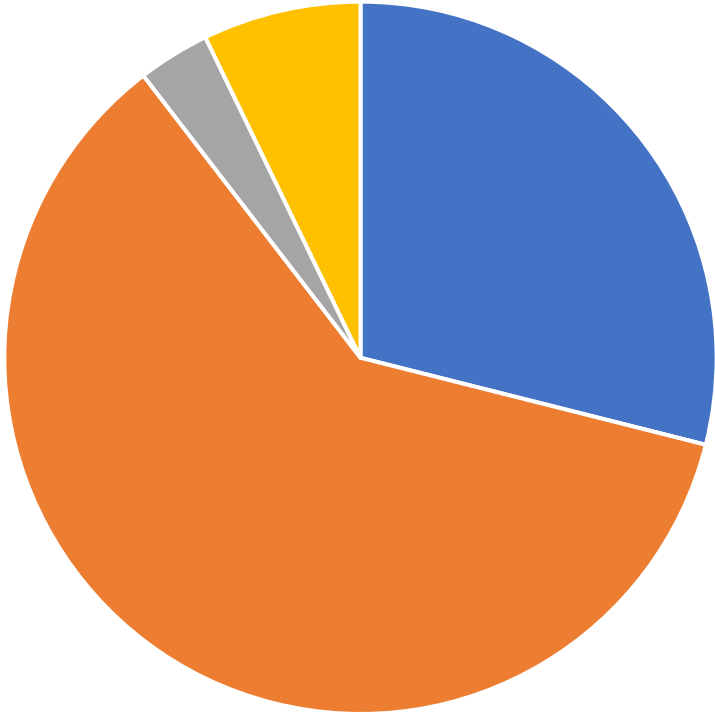


Protects the State's assets



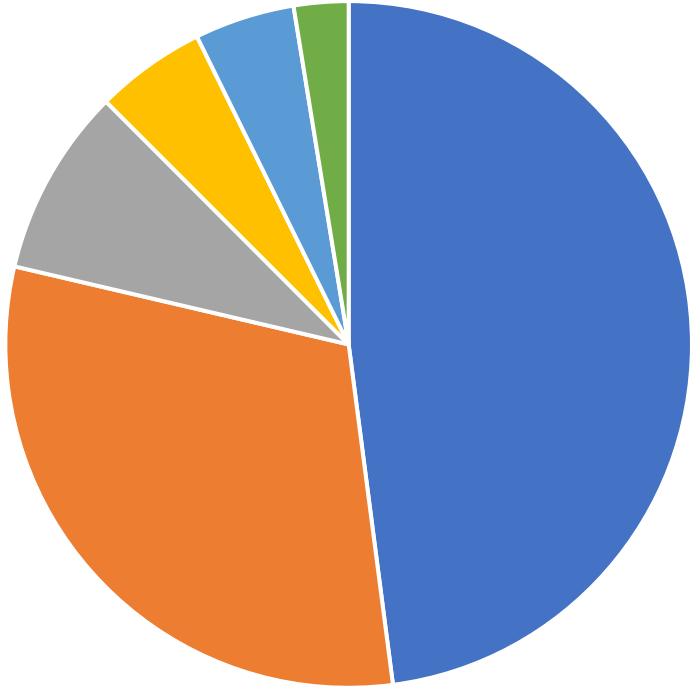
Financial: State investment leverages outside capital to create housing

Typical New Construction 9% deal



■ VHCB ■ Private equity ■ Other ■ Permanent Debt

Typical New Construction 4% Deal

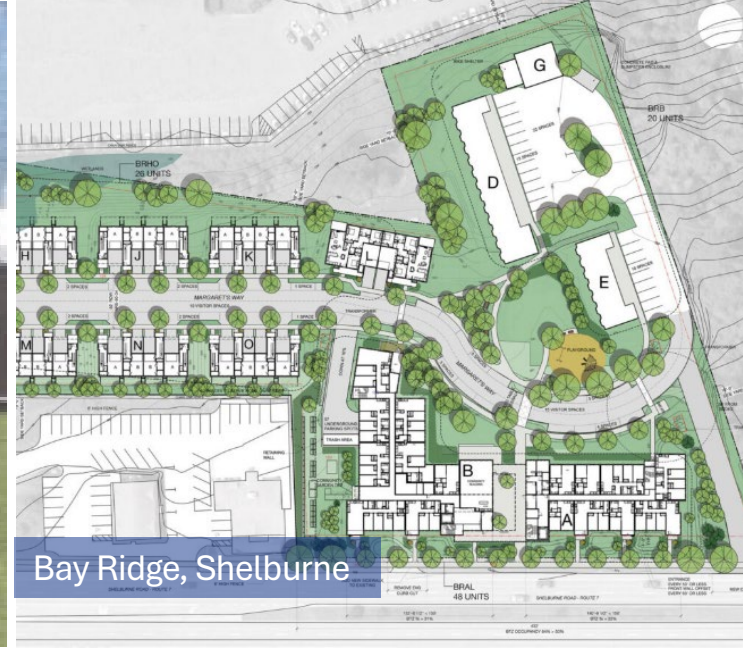


■ VHCB ■ LIHTC Equity ■ Other
■ State Tax Credits ■ Permanent Loan ■ VCDP

Creation of New Neighborhoods: New neighborhoods are under development in St. Albans, Middlebury, Newport, Burlington, Morristown, South Burlington, Shelburne, and Berlin.



Newport Crossing, Newport



Bay Ridge, Shelburne



Stonecrop Meadows, Middlebury



Fox Run Apartments, Berlin

St. Albans TIF District Investments



Tim's House



Reid Commons, St. Albans



Lake & Maple Apartments



Congress Street Apartments



10 Maiden Lane

Protecting Vulnerable Vermonters

Affordable Housing Units Newly Leased to Households Experiencing Homelessness

Total units turned over in FY24 (July 1, 2023 - June 30, 2024)	1034
Of these units, number leased to households who experienced homelessness	383
Percentage of turned units leased to households experiencing homelessness	37%

1,450+

households experiencing
homeless that VHCB helped to
house in the past three years



Bellows Falls Garage,
Rockingham



Whistlestop Mobile Home Park, Bradford

VHCB Housing Programs

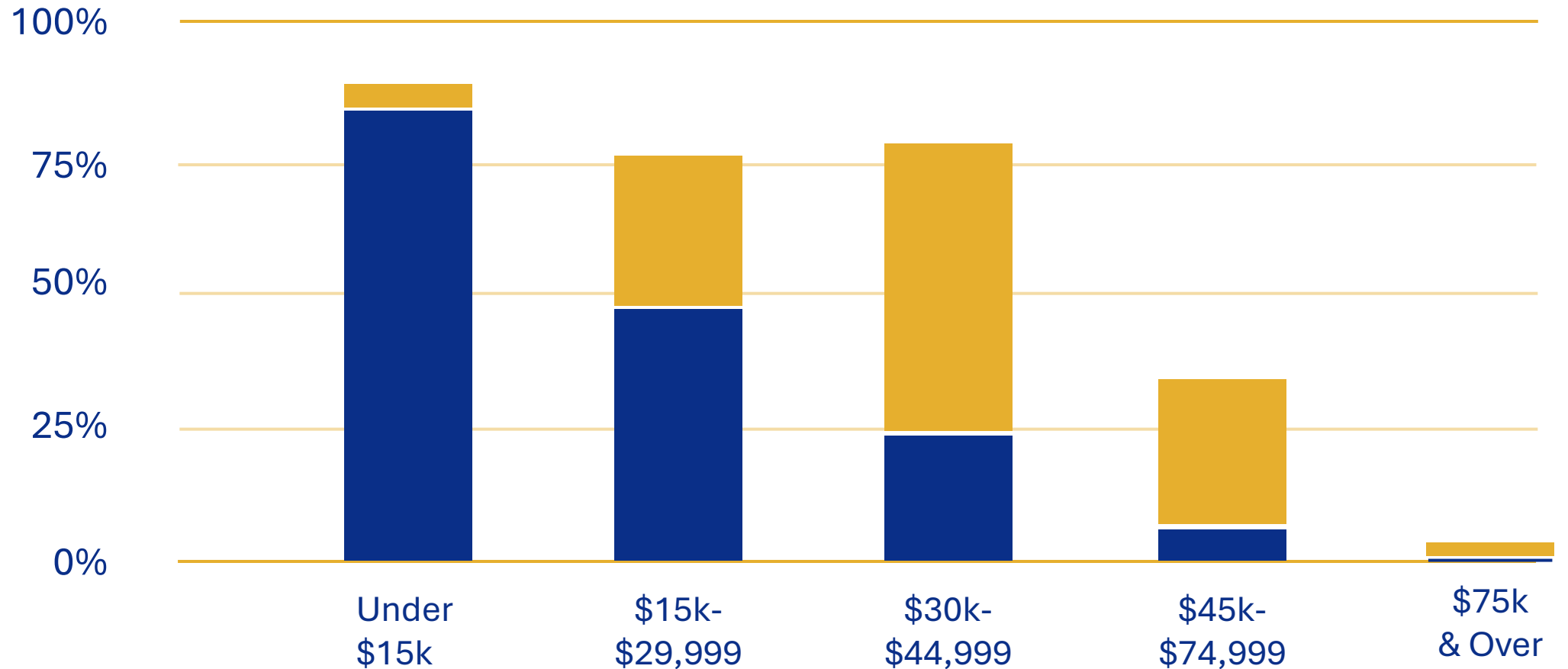
- Home Ownership
- Manufactured Home Communities
- Multi-Family Rental Housing
- Home Accessibility Improvements
- Career Technical Education (CTE) Program
- Farmworker Housing
- Permanent Supportive Housing
- Recovery Residences
- Shelter Improvement and Expansion

**16,335 homes
across all 14 Vermont counties**



Housing cost burden by income

2022 Share of Renter Households (Percent)





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Affordability for Vermonters

Market Gaps

Cost to build a new home in 2023: **\$615,000**
Household income needed with 20%
downpayment: **\$164,551**

Average cost to purchase a home in 2023: **\$315,000**
Household income needed with 5% downpayment:
\$105,353



Safford Commons, Woodstock



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Affordability for Vermont's Workforce

VHCB supports rental housing for Vermonters up to 100% AMI and homeownership for Vermonters up to 120% AMI*

- **100% AMI for a one-person household = \$71,700**
- **100% AMI for a three-person household = \$92,100**
- **120% AMI for a one-person household = \$86,000**
- **120% AMI for a three-person household = \$110,600**

Occupations served by VHCB-funded rental housing:

- Childcare workers
- Automotive mechanics
- Teachers
- Building maintenance workers
- Community social service occupations
- Nursing assistants
- Farmers and farmworkers
- Mental health counselors
- Truck drivers
- Medical assistants
- Installation and repair workers

* Based on HUD median income estimates for 2024



Junny Tsiba, health aide and shared equity homeowner with CHT and Habitat

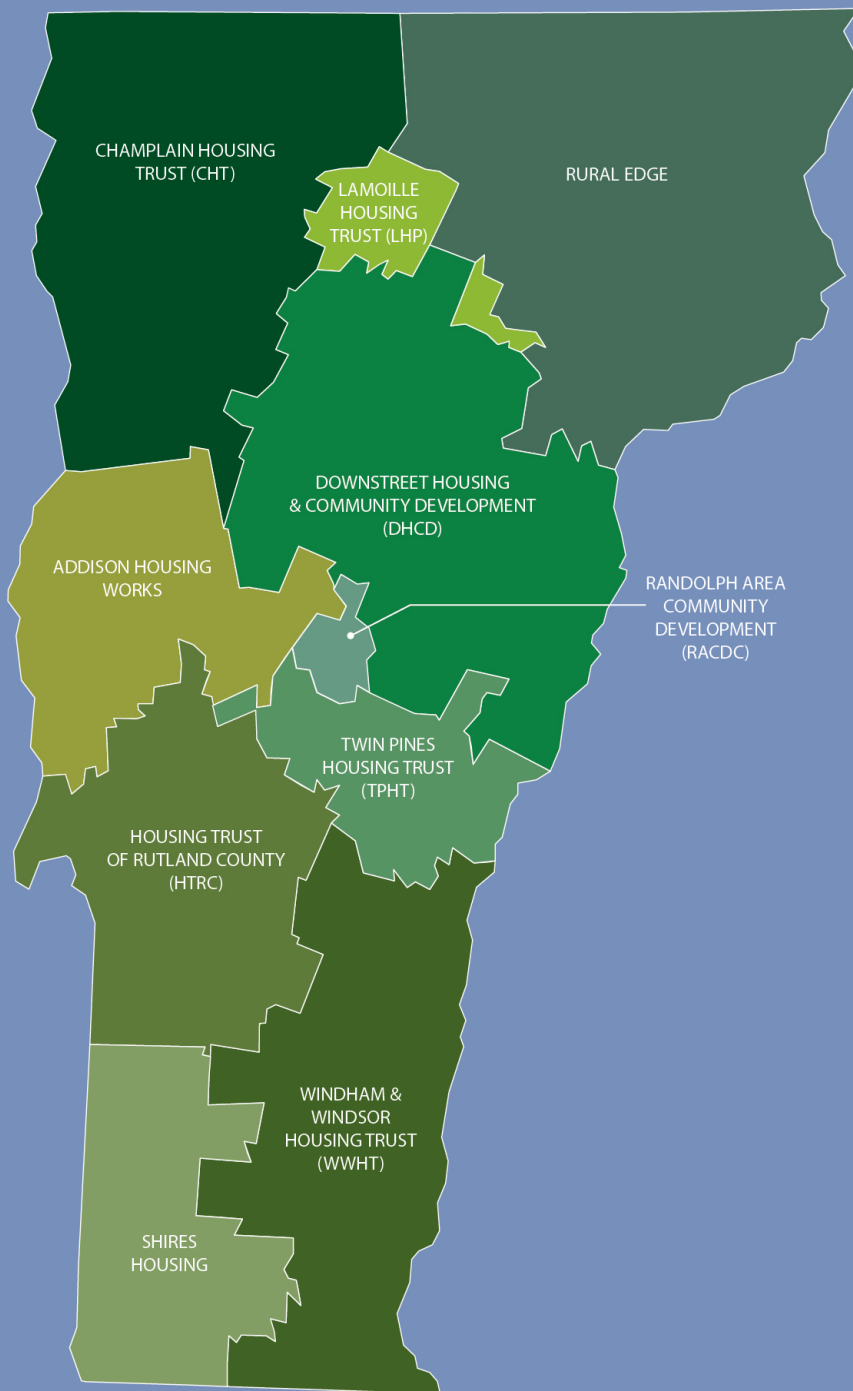


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Promoting Equity in Housing Programs



- Supporting BIPOC homeownership through shared equity and enhancing the statewide reach of CHT's BIPOC Homeownership Program
- Farmworker Housing
- Recovery Housing
- Housing for Vermonters with Developmental Disabilities
- Flood Resilience and Recovery
- Serving BIPOC Vermonters at a rate that exceeds that of the general population



The Non-Profit Development Network

- Rural Edge
- Champlain Housing Trust
- Addison Housing Works
- Downstreet Housing and Community Development
- Randolph Area Community Development Corporation
- Twin Pines Housing Trust
- Windham & Winsor Housing Trust
- Cornerstone Housing Partnership
- Habitat for Humanity Chapters
- Evernorth

Private Sector Partnerships

Partnership Strategies

- Turnkey development
- For-profit developers building and managing permanently affordable housing
- Private sector construction



Maple Street Apartments, Stowe



Farmstead Lofts, South Burlington

How public investment creates affordability

Riverwalk, Hartford: 42 units developed by Twin Pines Housing Trust

Riverwalk case study

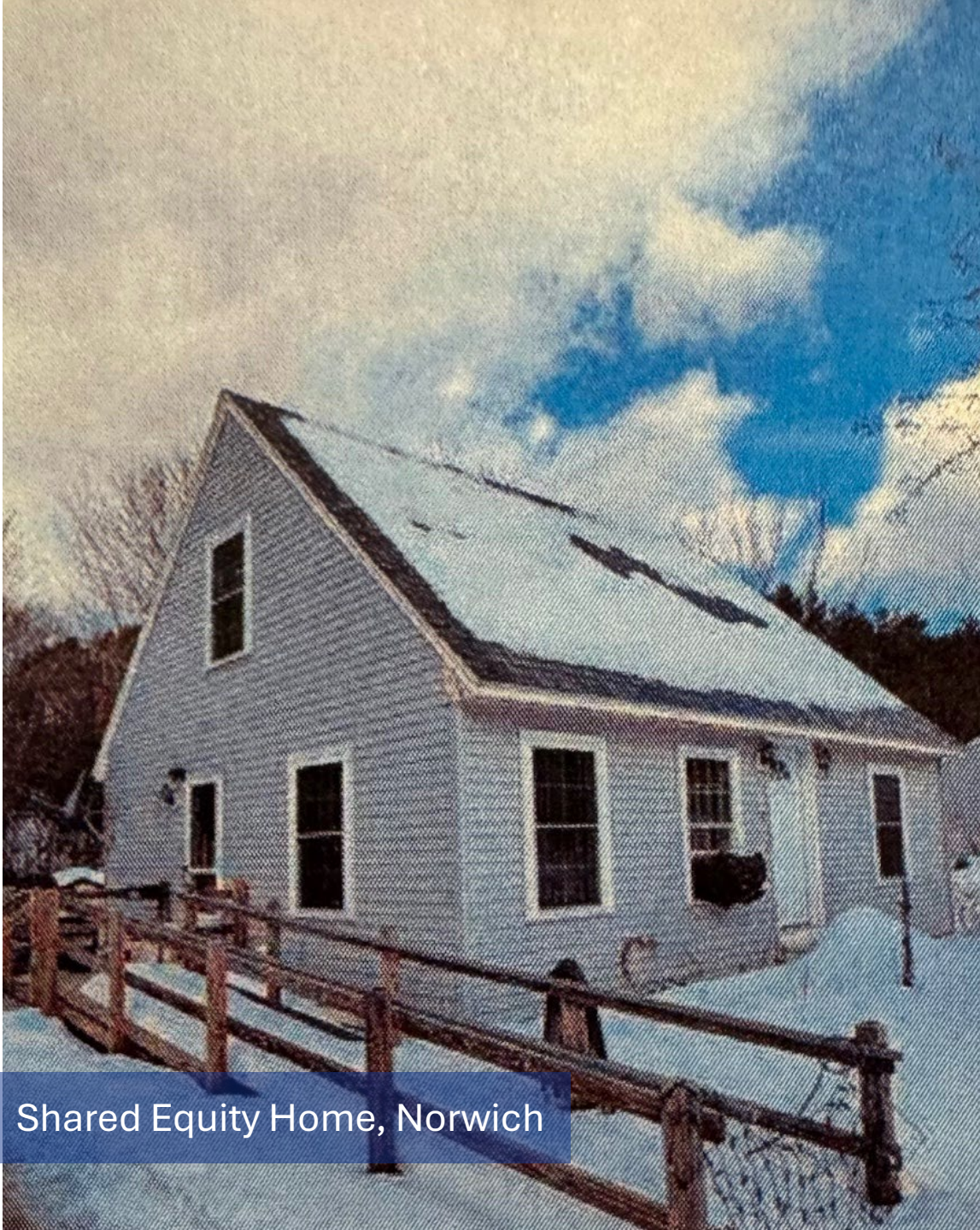
- 1) A capital subsidy through VHCB of \$6.2M leverages an additional \$8.6M in private and federal investment.
- 2) Construction requires less debt
 - Rent covers property maintenance
 - Rent does not need to cover ongoing profit or large debt service.

Impact

Riverwalk affordable rents: \$1,098 to \$1,308
Affordable to households making under \$66,000

Market rate unit rent: \$2,400
Affordable to households making over \$82,000





Shared Equity Home, Norwich

Permanent Affordability through Homeownership Since 1987

1,400+ single family homes
funded by VHCB

680+ resales
of single-family homes
in VHCB's portfolio

2,000+ homebuyers
benefitted from VHCB's
homeownership program



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Cost Drivers



Alice Holway Drive, Putney

Common cost drivers

- Labor
- Materials
- Energy code
- Historic requirements
- Site Cleanup
- Construction delays due to appeals/
permitting timelines
- Future pressures, such as tariffs & BABA



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VHCB Cost Containment Strategies



Career Technical Education Program



Zephyr Place, Williston

Strategies

- Invest in a range of housing types:
 - Hotel Conversions
 - NOAH/ Preservation
 - Manufactured homes
- Collaboration with funders minimize reg. requirements
- Seek additional sources of leverage such as federal funds



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How developers contain costs



Kelley's Field under construction
Hinesburg

- All projects are competitively bid/ procurement process
- All projects use private contractors
- Value engineer building design
- Non-profit and for-profit costs roughly aligned, and align with the market



Taylor Street Apartments, Montpelier



Policies for Cost Containment



Density & regulatory reform



Appeals



Shorten the Corrective Action Plan process



Energy strategies



Sales tax exemption on building materials



Infrastructure



Flooding & Resilience



73 new homes for residents of Melrose Terrace impacted by Tropical Storm Irene





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VHCB All-time Results*

State Investment: \$552M | Leverage: \$2.4B



16,335 permanently affordable homes
(rental & homeownership)



822 farms conserved
across 175,755 acres



278,741 acres conserved
natural areas, forestland & recreational lands



87 historic preservation projects



1,300 working lands businesses served

Island Pond Island, Brighton

*Since inception through June 30, 2024

Outdoor Recreation



Mount Ascutney



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Farm Conservation Supports Rural Economy



Corse Dairy, Whitingham



Chaput Farm, Troy



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Historic Preservation



Brandon Free Public Library, Brandon



Norwich Grange Hall, Norwich



Ethan Allen Homestead, Burlington

Farm & Forest Viability Program



- In-depth, individualized business assistance
- Succession planning, financial management, access to capital, land search and access, bookkeeping, improving profitability
- 108 clients in 2024 represented \$42 million in economic activity and over 300 jobs
- 36% average increase in profitability



Honeyfield Farm, Norwich

2024 Business Vitality Metrics



Farmland access & transfer

100% of 2024 farm transfer clients report their farm will continue because of Farm Viability



Rural Economic Development Initiative



\$1,086,681 → **\$22,751,701**
REDI FUNDS SINCE 2017 GRANTS TO COMMUNITIES

REDI assists small towns and working lands businesses access capital for critically needed economic development projects

Focus areas: community-based economic development and downtown revitalization, working lands, outdoor recreation

Pittsford: \$395,834 in NBRC and VCDP funds secured for a community hub and childcare center on historic farm property

Rural Economic Development Initiative



Bethel Volunteers

Photo credit: Town of Bethel

Supporting Small Towns to Access Big Funding:

- \$1 million in federal funds for water infrastructure in **North Hero**
- \$1.5 million in federal funds for **Highgate/Swanton** water extension
- Historic general store business development – \$120,000 in federal funds secured by **Sheldon General Store**
- \$330,000 for trail development in **Bethel**

We wouldn't have known who to reach out to for help without REDI and wouldn't have submitted such a competitive application without this support. This grant will provide the security businesses need to grow sustainably and benefit the community."

– Corinn Julow, Town of North Hero



Sheldon General Store, Rupert



“The support that REDI provided with our feasibility study was completely invaluable. We wouldn’t have been able to successfully apply to the USDA MPPEP grant without this key component and it was a really smooth process to get the help we needed.” ~ Sarah Wilson, Bio-Logical Capital

Vermont Livestock & Slaughter, Ferrisburgh



*“In dairy, there’s never a budget for equipment improvements that are forward thinking vs putting out fires. We’ve never applied for a grant, and this would’ve been too daunting without a strong team to help us. This grant will get us to a stage in one year that would’ve taken 5+...the impact is hard to put into words.”
– Alex Englert, Maplebrook Farm*

Maplebrook Mozzarella, North Bennington



Adam's Berry Farm, Burlington



Charlotte Berry Farm (Sweet Roots), Charlotte



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Thank you!

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