

Appendix 26-23

Commission on Financing & Delivery of Affordable Housing & Conservation

- I. Thank you**

- II. Introduction**
 - a. Purpose, Mission & Statute**
 - b. VHCB results**
 - c. ICF Report Key Findings**
 - d. Tiger Report & Process**
 - e. Commission Charge – Sec. E810.4**

- III. Goals of VHCB Statute**
 - 1. Conserve for future generations/Economic Vitality & Quality of Life**
 - 2. Preserve at-risk housing**
 - 3. Permanent protection of resources**
 - Permanent Affordability**
 - Permanent Easements**
 - 4. Capacity building**
 - 5. Low per capita income/high unemployment/geography**
 - 6. Balance**
 - 7. Board structure – farmer, low income, legislative representation**
 - 8. Timely response to unique opportunities and unpredictable circumstances**

- IV. VHCB Results**
 - a. 9,800 homes & apartments**
 - b. 503 farms; 130,000 acres**
 - c. Over 250,000 acres – recreation/natural areas**
 - d. Leverage \$230 million – almost \$900 million**
 - e. Annual Report – Details of federal programs**
 - f. Special Recognition:**
 - HOME – Doorknocker Award, 2004**
 - Innovations in Government, 2005**
 - EPA Smart Growth – Best Policy & Regulation, 2007**
 - AmeriCorps – Innovation Award, 2010**
 - MacArthur Grant 2009**
 - g. '87/'88 Costle Commission on the Future of Vermont**
 - 2009 VT Council on Rural Development**

V. ICF report was commissioned in 2004, completed in 2005

- Vermont is rare among rural states in having statewide non-profit coverage that reaches to its smallest towns
- Non-profits have been effective in addressing the many goals of the State's Consolidated Plan
- Rents should not be raised and subsidies should not be lowered
- Vermont is serving the very poor at the highest rate of any state in New England and is targeting more deeply than the national average. Among rural states nationwide, only Idaho provides comparable targeting
- Project quality is high
- Project timeframes are reasonable
- Escalation in cost from project conception to conclusion is reasonable
- Non-profits exhibit a high level of professionalism with respect to project development practices. The report called the organizations models for other non-profits to emulate.
- Project costs were within or below expectations
- Developer fees were 7.1% at the time compared to a national range of 10 to 15%
- Salaries are low at the organizations and therefore the report recommends maximizing developer fees to insure organizational stability and reduce turnover
- Recommends that the state focus on expanding the nonprofits' asset-management role and increasing CNA standards and project reserves
- Praised Housing Vermont. Said they received 19% above the market average for tax-credit investments for the six years prior to the report. Credits Housing Vermont's success to its expertise in asset management and low rate of project failure.
- Recommends that VHCB maintain its effective operating style and delivery system
- Findings:
Multi-Layered, Effective System: The multi-layered housing delivery system provides the state with a range of highly specialized expertise. Although this expertise is housed in a number of different organizations, the system is well coordinated. While the segmented delivery system might not prove effective in every state, it appears to be working well in Vermont. This is largely due to the sophistication of the funding entities and the level of coordination that takes place among them.

VI. Tiger Team Report

- 1) Very limited timeframe
- 2) No involvement
- 3) Minimal expertise

4) Wrong markers for evaluation

Board Chairs Letter

- 1) Desktop Analysis: Savings achieved**
- 2) Staff cuts and program cuts in place**
- 3) Common housing element in name – missions & structure are different**
- 4) Size of agency staff is misleading**
 - a. VSHA half property management and service contracts**
 - b. VHCB almost half conservation**
- 5) Potential savings to State Budget is very limited**
 - a. Very few employees paid with state funds**
- 6) Housing Non Profits have cut staff 10 -12%**
- 7) Growth in net Assets is a good thing**

C. Weidner, Inc.

- 1) Scope is wrong for VHCB**
- 2) Process has not been inclusive, would not meet with HUD standards for public involvement**
- 3) Expertise in the industry is limited**

D. Loans

- 1) Legal opinions support our process**
 - 2) State Auditor**
 - 3) Attorney General**
- Why loans not grants:**
- 4) Raises substantial private equity**
 - 5) Provides opportunity for repayment**
 - 6) Provides opportunity to intervene if there is a project or sponsor failure**
- Repayment Capacity:**
- 7) LLI/VLI served – 80% of residents below 25K; 48% below \$15k**
 - 8) Rent burden – 48% without rental assistance**

VII. Commission Charge

- a) Leveraging of funds**
 - Competitiveness for HUD 202, RD 515**
 - Multiple goals**
- b) Merger Impact**
 - 1. Community driven**
 - 2. Conservation/historic preservation**

- 3. Capacity building/statewide access**
- 4. Permanent Affordability**

- c) VHCB mission and structure is unique and different – the scope of your evaluation includes conservation and working landscape**
- d) We need your help and your ideas**