

May 22, 2025

Dear Representative,

We write to urge your support for the Community Housing and Infrastructure Program (CHIP) in S.127 as passed by the House Committee on Ways and Means and House Committee on Commerce and Economic Development (the Amendment by Rep. Kimbell, et al - Draft No. 1.3). Our state must maximize housing production and ensure that this production occurs in an equitable way. The amendments to the CHIP provisions in Draft No. 1.3 will help accomplish both of these needs.

Vermont has a severe need for additional year-round homes. 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.”¹ This includes 3,295 homes to address homelessness² and approximately 13,000 homes to meet the needs of the projected growth in low-income households (below 80% AMI).³ In other words, roughly one out of every two homes we must add this decade needs to be affordable. 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,⁴ both of which further fuel Vermont’s rising homelessness crisis.

We also greatly appreciate that the CHIP language prioritizes homes produced through this program to be sold as primary residences. As the 2024 Vermont Housing Needs Assessment made clear, Vermont has a severe need for additional *year-round* homes.⁵

CHIP can be a positive vehicle for addressing Vermont’s housing crisis. And, Draft No. 1.3 will better ensure that the bill’s stated purpose – encouraging the development of primary residences for low- or moderate-income households throughout Vermont – is ensured in practice. 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),⁶ 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 incomes⁷ and a widening gap between incomes and housing costs.⁸ By incentivizing the production of affordable housing, CHIP would not only address a core driver of Vermont’s housing and

¹ 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.

² *Id.* at p. 5.

³ *Id.* at p. 13.

⁴ *Id.* at p. 7.

⁵ *Id.* at p. 6 (emphasis added).

⁶ 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>.

⁷ 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>.

⁸ 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/oor>.

homelessness 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,

A handwritten signature in black ink, appearing to read 'Frank Knaack', written in a cursive style.

Frank Knaack
Executive Director