STATE OF VERMONT
OFFICE OF THE STATE TREASURER

RECOMMENDATION FOR FINANCING OF AFFORDABLE HOUSING INITIATIVES PURSUANT TO ACT 48 OF 2019

January 15, 2020

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Executive Summary

In 2019, the Vermont General Assembly directed the State Treasurer's Office to evaluate and report on options for funding and financing affordable housing in Vermont. Specifically, Act 48 of 2019 asked the Treasurer's Office to build on the success of the 2017 Housing for All Revenue Bond (Housing Bond) by working with the State's housing authorities to develop a plan for the creation or preservation of an additional 1,000 housing units over five years for Vermonters with incomes up to 120 percent of the area median income. Act 48 also directed the Treasurer to include alternatives for financing the plan. (The complete scope of work set forth in Act 48 is set forth in Appendix A).

At the outset, I would like to thank members of the General Assembly, in particular the members of the Senate Committee on Economic Development, Housing and General Affairs, for the time and attention that they have dedicated to this important subject. I wholeheartedly share in the belief that affordable and secure housing is a critical issue for the State's economy and the wellbeing of its citizens. I look forward to working with the General Assembly, Administration, housing authorities, and advocates on ways to fund investment in affordable housing at a level needed to meet our challenges in a thoughtful, sustainable, and cost-effective manner.

In 2017, the General Assembly authorized the issuance of a Housing Bond that raised $37 million for investment in affordable housing. The Housing Bond has been successful in jump-starting construction of much-needed affordable housing in Vermont. The $34.1 million awarded as of the end of 2019 has gone to fund 34 developments and programs, comprising 716 units in 21 communities across 11 counties, and providing accessibility improvements for 60 homes. Notwithstanding the success of the Housing Bond, and I do believe it was a success, more work is needed.

Over the past few months, my Office has engaged with the housing community to better understand the housing needs of the State. Through direct engagement with entities like housing advocates, a public meeting, and dialogue with interested parties, we have listened and learned about the housing needs of the State. Through this effort, we developed a model for an additional 1,000 units of affordable housing over the next five years in the form of distributions of housing types and associated development costs. These distributions have a total development cost ranging between $50.2 – 58.1 million.

With the range of costs established, we worked to identify ways to fund or finance the additional 1,000 units. This effort included a review of housing efforts in other jurisdictions. It also included a review of Vermont's funding of affordable housing initiatives as well as its capacity to take on additional debt.

Two things have become clear: (1) it is critical to dedicate ongoing revenue sources for the funding of affordable housing initiatives; and (2) while borrowing can be an appropriate way to fund affordable housing, any such borrowing must be considered in the context of the State's overall capital needs and debt affordability guidelines. Borrowing can drive a significant increase in near-term investment, but it comes at a cost. By way of example, the 20-year interest cost of the $37 million Housing Bond is more than $14 million, equivalent to over 38% of the principal.

Accordingly, the Treasurer's Office makes the following recommendations for the funding or financing of 1,000 new units over the next 5 years:

1. Fully fund VHCB at its statutory level, which will fund approximately 50% of the directed 1,000 units, depending on distribution and type. VHCB's appropriation has been short-changed for years. It needs to be funded, year in and year out, at a level at least consistent with its statutory levels.
2. Use of borrowing is an option, but only within the ceiling established by the State's debt affordability guidelines for all net tax-supported debt. The State has many capital needs, including clean water improvements, building improvements, and other infrastructure. Any proposals to consider bonding should be fully vetted with the House and Senate Institutions Committees.
3. Establish a trust fund dedicated to affordable housing. The fund could be seeded through a onetime appropriation or a statutory provision to transfer a portion of year-end surpluses, after fully funding statutory reserves and other long-term liabilities (such as pension and OPEB). Such a fund would allow the State to capture the value of compounding interest and grow the amounts available for affordable housing.
4. Review rehabilitation programs for rental housing. It has been well-documented that Vermont has an old housing stock. Programs to rehabilitate substandard units could help to make additional units available at a relatively inexpensive cost.

Going forward, affordable housing will remain an important issue in Vermont and across the country. And it is one that, if done right, has dramatic potential to improve the lives of Vermonters and provide for vibrant and sustainable communities.

For this reason, the Treasurer's Office intends to stay engaged in the subject matter and we are actively planning to deliver a supplement to this report in March 2020. In the supplement, we intend to explore topics such as vouchers, homeownership, affordable housing credits, further utilization of private activity bonds, public/private partnerships, supportive services for vulnerable Vermonters, and other ways to address infrastructure costs.

I look forward to continuing this work and stand ready to assist the General Assembly in identifying ways to increase affordable housing opportunities in Vermont.

Review of the "Housing for All Revenue Bond" and Subsequent Steps

The "Housing for All Revenue Bond" (referred to in this report as the Housing Bond) was created by Act 85 of 2017 (Appropriations Bill), Sections I.1 to I.12. The authorizing language from this bill is included in Appendix A. The Housing Bond was issued by the Vermont Housing Finance Agency (VHFA) and administered by the Vermont Housing and Conservation Board (VHCB).

The sale of the bond exceeded original projections and raised $37 million. While the bond is referred to as a revenue bond, it is, in fact, more like an appropriation bond. The bond is to be repaid by the State of Vermont through the annual dedication of $2.5 million from the Property Transfer Tax (PTT). This is to be offset by the reduction of $1.5 million in the annual appropriation to VHCB and $1 million from a surcharge established by statute.

The Housing Bond was successful at jump-starting the building of much needed affordable housing in Vermont. As of December 31, 2019, VHCB has awarded $34.1 million to 34 developments and programs, comprising 716 units in 21 communities across 11 counties. Additionally, programming has included accessibility improvements for 60 homes and funding for five Habitat for Humanity homes statewide. VHCB staff is currently reviewing requests that exceed the remaining $2.9 million in bond proceeds and anticipates that the Board will fully commit the funds to housing projects at its meeting on January 24, 2020. The projects financed as part of the Housing Bond are detailed in Figure 1. As demonstrated, VHCB and its partners were able to deploy these dollars quickly.

Figure 1: Housing For All Revenue Bond Summary

Project Name	When approved	Sponsor	County	Community	# Units	Revenue Bond	Total Bond/unit	TDC	Construction Cost	Leverage	Project Status
10 Maiden Lane	March-19	CHT	Franklin	St. Albans	33	975,000	29,545	5,150,000	4,259,700	4.28	Funds awarded; not closed
20 Congress Street	January-19	CHT/HVT	Franklin	St. Albans	30	2,150,000	71,667	8,522,100	6,125,098	2.96	Funds awarded; not closed
Allard Square	January-17	CSC	Chittenden	So. Burlington	39	625,000	16,026	10,629,546	8,093,775	16.01	Complete & occupied
Arlington Homes	June-19	NWWVT	Bennington	Arlington	3	300,000	100,000	501,400	420,000	0.67	Funds awarded; not closed
Bennington Family Housing	September-19	Shires	Bennington	Bennington	9	140,000	15,556	2,735,000	1,657,000	18.54	Funds awarded; not closed
Brook Street Tiny Homes	September-18	Downstreet	Washington	Barre	4	387,000	96,750	563,126	356,800	0.46	Funds awarded; not closed
Cambrian Rise Homeownership	September-17	CHT	Chittenden	Burlington	18	1,300,146	72,230	4,060,146	3,045,110	2.12	Funds awarded; not closed
Clara Martin	May-17	DS/CMC	Orange	Randolph	4	257,234	64,309	1,120,455	1,560,209	3.36	Complete & occupied
East Branch Farms	December-17	Shires	Bennington	Manchester	8	450,000	56,250	2,526,000	2,150,996	4.61	Under construction
Ethan Allen Condos	December-17	CHT	Chittenden	Essex	7	189,000	27,000	1,394,842	232,989	6.38	Under construction
Garden Apartments	January-18	CHT, HVT	Chittenden	So. Burlington	60	3,900,000	65,000	16,111,000	12,086,916	3.13	Under construction
Great River Terrace	January-17	WWHT	Windham	Brattleboro	22	450,200	20,464	4,621,643	2,853,083	9.27	Complete & occupied
Groundworks	May-19	GW	Windham	Brattleboro	3	125,000	41,667	3,167,000	2,163,794	24.34	Funds awarded; not closed
Habitat for Humanity	June-18	Habitat	Statewide	Statewide	5	199,500	39,900	800,000	600,000	3.01	Under construction
Hickory St Homeownership	June-19	HVT/NWWVT	Rutland	Rutland City	2	160,000	80,000	916,500	484,500	4.73	Funds awarded; not closed
Home Access	December-17	VCIL	Statewide	Statewide	60	600,000	10,000	600,000	600,000	-	Complete & occupied
Juniper House	January-19	CSC	Chittenden	Burlington	70	2,349,278	33,561	19,548,378	15,434,254	7.32	Under construction
Lake Paran	September-18	Shires	Bennington	Shaftsbury	22	1,450,157	65,916	7,139,177	5,287,136	3.92	Under construction
Laurentide	May-17	CHT/HVT	Chittenden	Burlington	76	900,000	11,842	20,361,100	15,477,397	21.62	Complete & occupied
Monument View	September-17	Shires	Bennington	Bennington	24	750,000	31,250	7,493,950	5,277,089	8.99	Complete & occupied
New Avenue	May-19	RE/HVT	Caledonia	St. Johnsbury	40	2,237,000	55,925	12,918,432	9,670,439	4.77	Funds awarded; not closed
Olivia Place	May-18	Rural Edge	Caledonia	Lyndonville	6	420,000	70,000	5,854,063	3,937,649	12.94	Under construction
Putnam Block	March-18	Shires	Bennington	Bennington	9	935,000	103,889	7,468,189	5,551,604	6.99	Under construction
Putney Landing	January-17	WWHT/HVT	Windham	Putney	25	415,000	16,600	7,147,667	4,796,295	16.22	Complete & occupied
Rutland PSH	September-19	HTRC	Rutland	Rutland City	22	823,300	37,423	10,696,300	6,062,800	11.99	Funds awarded; not closed
Safford Homeownership	September-19	TPH/HVT	Windsor	Woodstock	4	320,000	80,000	349,873	287,140	0.09	Funds awarded; not closed
Snow Block	January-18	WWHT	Windham	Brattleboro	23	1,538,000	66,870	6,864,500	5,010,000	3.46	Under construction
Taylor Street	December-17	DS, HVT	Washington	Montpelier	30	1,952,282	65,076	7,615,000	5,958,768	2.90	Complete & occupied
Vergennes Community	September-18	ACCT/HVT	Addison	Vergennes	24	1,680,000	70,000	7,196,500	5,341,614	3.28	Under construction
Village Center Apartments	December-19	TPH, HVT	Lamoille	Morrisville	24	1,400,000	58,333	7,576,000	5,583,000	4.41	Funds awarded; not closed
Wentworth Phase 1	May-17	TPHT/HVT	Windsor	Hartford	30	1,996,012	66,534	9,437,350	7,096,885	3.73	Complete & occupied
Wentworth Phase 2	September-19	TPH/HVT	Windsor	Hartford	21	1,470,000	70,000	6,525,000	4,575,000	3.44	Funds awarded; not closed
Willows MHP	September-19	Shires	Bennington	Bennington	4	285,206	71,302	979,127	867,143	2.43	Funds awarded; not closed
Woolson Block	May-17	SHA/HVT	Windsor	Springfield	20	1,001,524	50,076	6,576,080	4,761,063	5.57	Under construction
TOTAL					781	34,130,839	43,701	215,165,444	157,665,246	5.30	
					Total HRB	36,995,756					
					Balance Remaining	2,864,917					
						Median per unit	61,321				

Figure 1: Housing for All Revenue Bond Summary

In addition to the creation of affordable housing units, the Housing Bond has generated peripheral impacts in Vermont, such as:[1]

- Grand list value of the first three completed Housing Bond-funded projects increased by an estimated $2.89 million – more than 500 percent.
- The 30 projects funded by the Housing Bond thus far will result in an estimated $145 million in construction activity.
- The National Association of Homebuilders indicates each new apartment built creates 1.13 jobs and generates $14,000 in state and local tax revenue. Single-family homes each create 2.97 jobs.
- Hundreds of new homes for Vermonters earning 80-120% of median income.
- Majority of developments include apartments dedicated to those experiencing homelessness.

These results are consistent with studies completed in Vermont and nationally on the benefits of housing, which report that "[c]onstruction as an industry has one of the highest economic multipliers, both in overall terms and for employment multipliers."[2]

Increased housing security is also proven to result in reduced pressure on state general assistance programs, corrections, and Medicaid.[3] A 2009 study by the Corporation for Supportive Housing and the Maine Department of Health and Human Services found that the provision of housing and supportive services to people experiencing homelessness as well as a disability were as follows:[4]

- 32% reduction in service costs
- 57% reduction in expenditures for mental health services
- Shelter usage reduced by 99%
- Emergency room usage reduced by 14%
- Incarceration reduced by 95%
- Ambulance transportation usage reduced by 32%.

[1] Vermont Housing & Conservation Board, *Housing Revenue Bond* (Sept. 2019). This handout summarizing Housing Bond activity was provided by VHCB in November 2019 and is on file in the State Treasurer's Office. An earlier version of this handout from June 2019 is available on line at the following link: https://vhcb.org/sites/default/files/programs/housing/HRB/HRB-Impact-Innovation-Need-6-19-update.pdf.
[2] State Auditor Douglas R. Hoffer, *Making Economic Development Policy: Anecdotes or Peer-reviewed Literature* (July 9, 2018) at 49, *available at* https://auditor.vermont.gov/sites/auditor/files/documents/Economic%20Development%20Report%20-%20Final.pdf.
[3] Corporation for Supportive Housing, *Vermont Roadmap to End Homelessness* (Dec. 20, 2016) at 27-28, *submitted by* Dep. Secretary Paul Dragon, Vermont Agency of Human Services, to the Vermont Legislature on Jan. 15, 2017, *available at* http://legislature.vermont.gov/assets/Legislative-Reports/Homelessness-Study.pdf (describing cost studies from New York City, Maine, Illinois, and Massachusetts).
[4] *Id.* at 27

An Illinois study found a 39% cost reduction in tax-funded services such as emergency rooms, nursing homes, and correctional facilities, as well as a shift to more cost-effective preventive services.[5] A Massachusetts study also found a reduction in Medicaid costs.[6]

Despite the Housing Bond's widely acknowledged successes, there is still a considerable need for more affordable housing in Vermont. As demonstrated by numerous testimonials in the 2019 Legislative Session, a series of hearings conducted this Fall by the Senate Committee on Economic Development, Housing and General Affairs, and the tireless work of housing advocates across the state, there is no doubt that there is a compelling need for additional housing and/or opportunity for individuals and families to access safe and affordable housing and other supportive services.

Housing is a variable that "affects every aspect of life – proximity to employment, access to good schools, fresh food and recreation…."[7] It not only helps to facilitate vibrant downtowns and villages, but also impacts "an employer's ability to attract and retain workers."[8] Recent studies have concluded that there is a gap in available housing, both in terms of new units and in the quality of existing units. There is a considerable volume of Vermont-specific data supporting the need for housing and its importance to our state economy. A few compelling facts are noted here.

- The Vermont Futures Project noted that Vermont's housing supply "is critical to attracting and retaining the people that Vermont needs for economic growth." It further stated that "[t]he Vermont Housing Needs Assessment found 3,000 units annually are needed, using current population growth projections…. Building 5,000 new housing units per year would reduce housing as a constraint to economic success and produce the homes and communities Vermont needs to attract talent."[9]
- In 2015, the Vermont Housing Needs Assessment by Bowen National Research identified a gap of 2,818 homes for families and 3,136 homes for seniors for the period between 2015 and 2020.[10]

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[5] *Id.* at 28.
[6] *Id.*
[7] Vermont Agency of Commerce and Community Development, *Act 157 Report to the General Assembly on Ways to Improve the Quality and Quantity of Housing and Tools to Finance Infrastructure* (Jan. 15, 2017) at 4, *available at* https://accd.vermont.gov/sites/accdnew/files/documents/CD/CPR/ACCD-Act157-HousingReport.pdf.
[8] *Id.*
[9] The Vermont Futures Project, *A Vision for Vermont's Economy*, at 9, *available at* https://docs.vtfuturesproject.org/futurevisions-report/.
[10] Patrick M. Bowen, Bowen National Research, *Vermont Housing Needs Assessment* (last revised Feb. 24, 2015) at Statewide-111, *prepared for* Vermont Dept. of Housing & Community Development, *available at* https://accd.vermont.gov/sites/accdnew/files/documents/Housing/H-Research-VTHousingNeedsAssessment.pdf.pdf.

- The *Vermont Roadmap to End Homelessness* called for 368 units of supportive housing and 1,251 new units of affordable housing targeted for the lowest income Vermonters.[11]
- VHCB reported a need for an additional 300 beds for recovery residences for those with substance use disorders, particularly for women with children.[12]

Moreover, there is a shortage of housing supportive services that are critical to the success of many individuals experiencing homelessness, substance use disorders, disabilities, mental illness, and reintegration. Elderly populations, new Americans, migrant farm workers, and others also may need certain types of service-supported housing of which there is a shortage. The *Vermont Roadmap to End Homelessness* articulates that "[a] well-aligned network of state agencies will need to double down on their efforts to work collaboratively in order to deliver some 360+ new units of supportive housing, an additional 1,250+ units of affordable housing for the lowest income levels, and other forms of support over the next five years in order to solve the problem."[13] Vermont has been successful in implementing innovative models for supportive housing. We need to build on these successes and dedicate resources to these efforts.

There are significant barriers to increasing housing accessibility, through new units and/or rehabilitation, and for providing support services. Some of these barriers and gaps were articulated in the Senate Committee's hearings across the State and in the public meeting held in December by the State Treasurer's Office. These are just a few of the points from these meetings:

- Wages are not keeping up with rising costs of living, including housing.
- Employers across the state report that a lack of housing creates challenges for the recruitment and retention of employees.
- The lack of housing in more urban areas such as Chittenden County is pushing up the cost of housing, including for rentals.
- Development costs are higher in rural areas, which creates a funding gap that discourages development.
- Vermont has the second oldest housing stock in the country with many units in need of repair, often forcing low income Vermonters to live in substandard housing.
- There is a need for rehabilitation funds to address aging and substandard housing stock across the state.
- Land use and zoning requirements are often an impediment to building new housing.
- Lack of local infrastructure (including water and wastewater) and the need to include these improvements in the development cost can be prohibitive for the private sector and increases costs for the public sector.
- Access to transportation is a barrier.

[11] *See* Roadmap, *supra* note 3, at 14, 17.
[12] *See* Housing Revenue Bond, *supra* note 1.
[13] *See* Roadmap, *supra* note 3, at 14, 17.

- Funding has not kept up to date with need.
- There are insufficient amounts of rental subsidies and supportive services available.
- Individuals with Section 8 vouchers find it difficult to secure a unit.
- Innovative types of housing are needed to accommodate special service needs.

In preparing this report, the Treasurer's Office recognizes that the issues extend far beyond the limited analysis of the cost and funding/financing options for 1,000 units of housing. Housing intersects with economic development, human service needs and support systems, early childhood initiatives, and the State's health care system and Medicaid reimbursements. As a result, we are pleased to have the opportunity to work with the Senate Committee on Economic Development, Housing and General Affairs, as well as numerous other state officials and interested citizens to build on previous efforts and develop funding/financing recommendations for these issues.

This effort will be completed through collaboration and partnership. The Treasurer's Office will concentrate on the financial side of the equation, i.e. methods of funding and financing, and to a limited degree, the delivery systems for these dollars. We will work with our housing partners and experts to identify the existing and proposed policy solutions within which the financial recommendations will be made.

Impacts on State Debt: Cost and Debt Capacity:

When making recommendations with respect to bonding, the Treasurer's Office looks at both the success of the Housing Bond and the cost and affordability for the taxpayer. While the State's bond rating is a factor in this analysis, any consideration of future bonding should center primarily on two issues: 1) is it the most cost-effective way to deliver the intended services; and 2) what is the impact on the state's bonding levels and affordability measures?

The Housing Bond is not self-sustaining debt, i.e. debt that will not generally be repaid through revenue generations such as fees, mortgage repayments, etc. This differs from a typical mortgage revenue bond where the bond is satisfied through loan repayments. The Housing Bond is paid for by direct PTT revenues. For the existing Housing Bond, the payments are as follows:

Total Payments in 5 Year Periods	FY	Principal	Interest	Total
Years 1-5	2018-2023	9,050,000	5,945,336.43	14,995,336.43
Years 6-10	2024-2028	7,955,000	4,544,831.25	12,499,831.25
Years 11-15	2029-2033	9,430,000	3,069,223.75	12,499,223.75
Years 16-20	2034-2038	11,390,000	1,112,832.50	12,502,832.50
20 Year Total		37,825,000	14,672,223.93	52,497,223.93

Figure 2: Housing Bond Payment Schedule

Note: Appendix B provides detail on the required bond payments.

Interest will account for roughly 28%, or of the payments made to fulfill the bond obligation and almost 38.7% as compared to the principal.

Funding vs. Financing

When reviewing the use of borrowing as an option for any capital need, there are several considerations. One is to distinguish between funding and borrowing. Borrowing, which is a form of financing, involves the use of strategies that capture or leverage the value of a stream of revenue, and then paying over time for the current use of those future revenues. In cases where there are significant inflationary costs, this can also result in increased net resources. But as a general rule, borrowing adds little or no new resources to the funding gap. Funding refers to the generation of revenue through various means such as taxes, fees, licenses, appropriations, tax expenditure, or philanthropic dollars.

There are times when borrowing is appropriate. When considering whether to borrow funds necessary for a capital need, the Treasurer's Office suggests the following evaluation criteria:

1) The costs saved through accelerated construction (inflation and preventative maintenance) exceed the interest paid on the funds;
2) Quantifiable economic benefits exceed the cost of borrowing;
3) It provides for intergenerational equity (the capital expenditure will be used by multiple generations who should all participate in the financing/funding); and
4) A future identifiable and available revenue sources exists to pay for the bonds.

A new housing bond would likely meet criteria 1, 2, and 3. However, with respect to the fourth criterion (revenue source), the Treasurer's Office would need to examine any identified revenue sources as they relate to sufficiency to pay for the bonds, reliability, and the timing of when such revenues may be available.

Any additional bonding would also need to meet the affordability requirements for the state's overall bonding program. This would include legislative action by the appropriate subject matter committees (House Committee on Corrections and Institutions and Senate Committee on Institutions) and the

General Assembly, based on a debt authorization recommended by the Capital Debt Affordability Advisory Committee (CDAAC). This is discussed in the next section.

Ultimately, bonds need to be replaced by a revenue source. As noted by the Housing Trust Fund Project, Center for Community Change:

> It is critical to keep the focus on dedicated sources of public funding that will provide an ongoing stream of revenue for the housing trust fund. Other alternatives will be proposed, such as a one-time appropriation, bond revenues, or private sources, but advocates must keep their sights on establishing an ordinance or legislation that will dedicate public funds over time.[14]

As presented later in the report, the Treasurer's Office is advocating for additional funding of current appropriations on an ongoing basis.

Impacts on CDAAC Recommendations for Bond Issuance

The Treasurer's Office provides staff support to the CDAAC, and the Treasurer serves as Chair of that Committee. The CDAAC was created by state statute in 1989. Its functions include, but are not limited to:

- Annually reviews affordability of Vermont's net tax-supported debt;
- Recommends annual debt issuance to Governor and General Assembly; and
- Reviews amount and condition of bonds, notes and other obligations where the State has a contingent liability or moral obligation.

CDAAC's recommendation is advisory. However, in practice, the Governor and General Assembly have always adopted it. CDAAC uses various debt criteria to develop its recommendation. While the state's bond rating is a significant concern, <u>the primary issue is the affordability of debt for the taxpayer.</u>

In 2018, CDAAC recommended $132.610 million in bond issuance for the FY2020, 2021 biennium, or $61.590 million annually through 2030. At the time this recommendation was made, the State had authorized, and VHFA had issued, the Housing Bond, but it was presumed not to be part of the rating agencies' calculation of the state's net tax-supported debt. Since then, Moody's Investor Services, the only rating agency requested to rate the Housing Bond, included it, along with General Obligation debt and Capital Leases, as part of the State's net tax-supported debt. CDAAC makes its recommendations on a biennial basis, but meets each year to make any interim revisions. While CDAAC recognized the Housing Bond in its calculations, it chose not to make any adjustments to its recommendation during the interim period. CDAAC has, however, determined that the existing and any future housing bonds must

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14 Michael Anderson, Director, Housing Trust Fund Project, Center for Community Change, *State and Local Housing Trust Funds*, at 5-36, *excerpted from* National Low Income Housing Coalition, *2019 Advocates' Guide: A Primer on Federal Affordable Housing & Community Development Programs, available at* https://nlihc.org/sites/default/files/AG-2019/Advocates-Guide_2019.pdf.

be included in the CDAAC calculations for the purposes of making future recommendations on the level of aggregate debt issuance, including its recommendation for the biennium beginning in FY2022. Simply put, the existing Housing Bond will reduce the level of available debt capacity in future years. Additional bonds, if any, would also result in reducing the level of recommended debt issuance available for the Capital Bill.

Appendix C provides detail on these impacts by including the existing Housing Bond in the CDAAC calculations. The Housing Bond puts additional pressure on two metrics used by CDAAC – debt per capita (DPC) and debt as a percentage of personal income (DPI). The first metric has been a challenge for the state with its small population, even under the current authorization levels prior to the inclusion of the Housing Bond. The State's goal is to achieve compliance with the DPC metric within the 10-year period. Adding the existing Housing Bond exacerbates the issue, placing the State further out of compliance with CDAAC guidelines (although we expect some changes for this metric in the next year). There is also upward pressure on the DPI metric, although it remains within the current guideline. CDAAC and the rating agencies view this metric as a measure of taxpayer affordability. Any additional bonds (see scenario #6 in Appendix C) could cause this metric to be out of compliance with state guidelines.

We expect, even without the Housing Bond, additional downward pressures on the CDAAC recommendation and corresponding pressures on the Institutions Committees in deliberating needs will likely result in a reduction in available bonding capacity. For instance, to come into compliance with the DPC metric (excluding the existing Housing Bond), the annual recommendation of debt issuance could be reduced from $61.590 million to $50.145 million annually through 2030. Adding in the impact of the existing Housing Bond, the level is further reduced to $47.750 million annually through 2030.

The Treasurer's Office cautions that the above examples are not recommendations of the CDAAC. Any recommendations made will be based on a review of the debt metrics and proposed guidelines in the fall of 2020. The bottom line is that the inclusion of the existing Housing Bond will likely reduce dollars available for other capital projects.

Our financial advisor, Public Resources Advisory Group (PRAG), was asked to include a hypothetical future $50 million bond in the analysis to determine impacts. The purpose is to provide an illustration of impacts on the debt metrics, CDAAC's recommendation, and the likely impact on the availability of capital dollars for other projects. The result was further reducing the hypothetical debt issuance to $43.560 annually through 2030.

The dollars available for the Capital Bill have declined significantly over the past six years, approximating a 23% reduction. Any additional housing bond additions would further lower the availability of capital dollars. This is not to say bonding is not an alternative. Housing does meet the criteria for bonding as noted in the previous section. However, it must be considered within the state's overall capacity for net tax-supported debt and as part of the available dollars within the Capital Bill.

Review of Other State Initiatives

This section will discuss efforts in other states to support housing initiatives through the issuance of general obligation bonds. It will then discuss state initiatives utilizing private activity bonds and provide an in-depth look at the use of private activity bonds to support housing in Vermont.

General Obligation Bonds

Bonding for affordable housing is an important element of a capital plan and has been increased in many states. Legislative Council prepared the following listing of such examples, included as Figure 3.

STATE INITIATIVES		
State	Bills/Ballot Measures	Summary
California	Legislative Referendum: Proposition 1 (2018)	Authorizes $4 billion in general obligation bonds to finance existing affordable housing programs, infill infrastructure financing and affordable housing matching grant programs; provides for additional funding for farm purchase, home purchase, and mobile home purchase assistance for veterans; and allocates $3 billion to existing affordable housing programs, and $1 billion to the veterans' program.
	Legislative Referendum: Proposition 2 (2018)	Authorizes $2 billion in revenue bonds (paid for with revenue from a one percent tax on incomes over $1 million) used to fund housing for homelessness prevention for those in need of mental health services.
Massachusetts	2018 Mass. Acts 99	Among other things, the law authorizes the investment of $1.8 billion through the capital budget in affordable hosuing over five years to produce, preserve, and modernize public and affordable housing across the state; expands and extends certain housing tax credits; reauthorizes funding to support early education programs for low-income children; and creates a special commission to study housing for persons with disabilities in Massachusetts.
Minnesota	MN HF 12 2019 (Special Session)	Authorizes $60 milion in housing infrastructure for affordable projects across the state, including the construction, acquisition, and rehabilitation of housing for those who are homeless, affordable rental housing, and manufactured home parks.
Oregon	Measure 102 (2018)	Amends the state constitution to allow local governments to issue general obligation bonds to finance the cost of constructing affordable housing, including when the funds go to a nongovernmental entity, with certain limitations. Previously, the state constitution did not allow bond revenue to be used in projects with private owners or stakeholders.
Rhode Island	Legislative Referendum: Question 7 (2016)	Authorizes the state to issue $50 million in general obligation bonds to help fund the construction of affordable housing, support urban revitalization and blight remediation.
LOCAL INITIATIVES		
Municipality	Initiative	Summary
Nashville	"Under One Roof 2029"	Invests $750 million over the next 10 years in affordable housing in Nashville with the goal of creating at least 10,000 new units; allocates $500 million of city funds to the initative, with $350 million coming from municipal bonds and $150 million over 10 years from the city's operating budget; and challenges the private sector to make $250 million in voluntary investments.

Figure 3: Examples of Recent State and Local Housing Bond Legislation and Initiatives (Adapted from September 18, 2019 Rebecca Wasserman testimony provided to the Senate Committee on Economic Development, Housing and General Affairs.)

The authorization levels are significant and reflect a national need for affordable housing. The Treasurer's Office reviewed these authorizations, as well as their uses, the amount issued vs. unissued and any debt affordability processes or limitations placed on the issuing states, as well as the varying methods to determine capital affordability metrics.

California

In the case of California, $4 billion in general obligation bonds have been authorized through Proposition 1 in the 2018 election. The intended uses of those funds are as follows:[15]

[15] Sara Kimberlin, California Budget and Policy Center, *California Budget Bites: Proposition 1: Should California Sell Bonds to Develop Affordable Housing and Help Veterans and Lower-Income Residents Buy Homes* (Oct. 16, 2018), *available at* https://calbudgetcenter.org/blog/proposition-1-should-california-sell-bonds-to-develop-affordable-housing-and-help-veterans-and-lower-income-residents-buy-homes/.

- $1.5 billion to the Multifamily Housing Program for development of affordable multifamily housing.
- $300 million to the Local Housing Trust Fund Matching Grant Program, for matching funds for affordable housing projects funded by local housing trust funds.
- $300 million to the Infill Infrastructure Grant Program, for new construction and rehabilitation of infrastructure that supports high-density affordable and mixed-income housing in infill locations.
- $150 million to the Transit-Oriented Development Implementation Program, for developing or facilitating development of higher-density housing near transit.
- $300 million to the CalHome Program of the Self-Help Housing Fund, for forgivable loans for projects that create multiple affordable homeownership units, self-help mortgage assistance, and mobile homes.
- $150 million to the California Housing Finance Agency (CalHFA) home purchase assistance program, to help low- and moderate-income Californians purchase homes.
- $300 million to the Joe Serna Farmworker Housing Grant Fund, for construction, rehabilitation, and acquisition of housing for agricultural employees and their families.
- $1 billion for the Cal-Vet Home Loan Program to provide homebuyer loans to veterans, without regard to income (which would be paid back to the state by the loan recipients).

The cost of these bonds vary depending on interest rates and the timing of issuance. Of the $4 billion amount authorized, the California Secretary of State's Office explained that $1 billion amount dedicated to veteran home loan assistance was estimated to have no cost to the state, as monthly payments from participating veterans would cover the cost of the bond payments.[16] With respect to the remaining $3 billion, the estimated taxpayer cost was projected to be an average of $170 million annually for 35 years, including interest payments of $2.9 billion.[17] The total $5.9 billion to be repaid (principal plus interest) is about one-tenth of 1 percent of the state's current General Fund budget.[18]

Funds are for diverse uses, beyond new construction and including rehabilitation and preservation, infrastructure, and home ownership. Detail on the legislation is included in Appendix D. As of June 30, 2019, no bonds had been issued against this authorization, although $105.7 million had been issued for commercial paper. In discussions with California Treasury and Finance Department staff, some issuance occurred in the fall 2019, with additional issuance planned first quarter 2020. Issuance is expected to continue over the next five years. California does issue an annual debt affordability report, which included these obligations, and there is a process by which the Finance Department authorizes further issuance based on a review of need and affordability.

California's Proposition 2 in the 2018 election ratified existing law establishing the No Place Like Home Program, which finances permanent housing for individuals with mental illness who are homeless or at

[16] Secretary of State Alex Padilla, *Official Voter Information Guide: California General Election, Tuesday, November 6, 2018* (Aug. 13, 2018) at 15, *available at* https://vig.cdn.sos.ca.gov/2018/general/pdf/complete-vig.pdf.
[17] *Id.*
[18] *Id.*

risk for chronic homelessness, as being consistent with the Mental Health Services Act. It ratifies issuance of up to $2 billion in previously authorized bonds to finance the No Place Like Home Program and amends the Mental Health Services Act to authorize transfers of up to $140 million annually from the existing Mental Health Services Fund to the No Place Like Home Program. It allows the state to use up to $140 million per year of county mental health funds to repay up to $2 billion in bonds.[19]

In 2004, California voters approved Proposition 63, also known as the Mental Health Services Act. The act provides funding for various county mental health services (counties are the primary entity responsible for providing mental health care for those lacking coverage) by increasing the income tax paid by those with income above $1 million. This income tax increase raises $1.5 billion to $2.5 billion per year. The $2 billion in bonds would be paid for with some of these funds and bond payments were expected to be about $120 million per year.[20]

Massachusetts

Massachusetts passed a $1.8 billion, five-year authorization to the Administration and Finance Office for its housing plan and is designated for a variety of uses, as specified in statute – to preserve the affordability and the income mix of state-assisted multifamily developments; to support home ownership and rental housing opportunities for low and moderate income citizens; to stem urban blight through the implementation of housing stabilization programs; to support housing production for the elderly, disabled and homeless; to preserve housing for the elderly, the homeless and low and moderate income citizens and persons with disabilities; to develop facilities for licensed early care and education and out of school time programs; to provide grants for the Early Education and Out of School Time Capital Fund for the development of eligible facilities for licensed early care and education and out of school time programs.[21] The full act is included as Appendix D.2. It is included in the State's capital debt affordability reports and allocations for housing and all net tax-supported debt are subject to limitations set by that process.

Minnesota

Minnesota and Rhode Island have structured debt affordability processes as well, and housing bonds are considered within their limits. Minnesota finances its affordable housing through state appropriation bonds issued directly by the Minnesota Housing Finance Agency as directed by the legislature. Currently, the Agency has a large balance of unissued bonds.

Minnesota Management and Budget (MMB) issues a Debt Forecast to the Legislature in February of each year. MMB adopted capital investment guidelines, beginning in December 2009, to measure and track debt. Per its latest report, MBB explained that "[d]ebt or capital investment guidelines are used to

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[19] *Id.* at 18.
[20] *Id.* at 18-19.
[21] An Act Financing the Production and Preservation of Housing for Low and Moderate Income Residents, Massachusetts Session Laws, Acts (2018), Chapter 99, at sec. 1, *available at* https://malegislature.gov/Laws/SessionLaws/Acts/2018/Chapter99.

assist in decision making, communicate policy goals, provide recommendations for the structure of debt issues, and demonstrate a commitment to long-term capital and financial planning."[22] MMB describes the purpose of its capital investment guidelines as follows:

- Be consistent with measures used by the credit rating agencies and foster direct comparisons with the debt burdens of other states;
- Be comprehensive to ensure all kinds of tax-supported debt obligations are recognized; and
- Continue Minnesota's conservative financial management practices.[23]

Consistent with these established purposes, Minnesota has set forth the following three capital investment guidelines:

1. Total tax-supported principal outstanding shall be 3.25% or less of total state personal income.
2. Total amount of principal (both issued, and authorized but unissued) for state general obligations, state moral obligations, equipment capital leases, and real estate capital leases are not to exceed 6% of state personal income.
3. 40% of general obligation debt shall be due within five years and 70% within ten years, if consistent with the useful life of the financed assets and/or market conditions.[24]

In Minnesota, state debt includes, among other things, "state issued appropriation bonds, or other issuer bonds supported by state appropriation."[25] The MHFA Housing Infrastructure Bonds are listed as tax-supported debt subject to guideline #1 and are included in totals used to track compliance with guideline #2. The report also states that MHFA has its own statutory debt limit of $5 billion.[26]

Rhode Island

As noted above, Rhode Island is authorized to issue $50 million in general obligation bonds to support affordable housing. $40 million is provided for the state Housing Resources Commission to develop affordable housing opportunity programs through the redevelopment of existing structures and/or new construction. $10 million is provided for the state to provide funding for the improvement of blighted properties, including residential and commercial.[27] As of the December 2019 Official Statement, $20

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[22] Comm. Myron Frans, Minnesota Management and Budget, *Report to the Legislature – Debt Capacity Forecast* (Feb. 28, 2018) at 4.
[23] *Id.*
[24] *Id.*
[25] *Id.*
[26] *Id.* at 7.
[27] Rhode Island General Assembly, State appropriations for support for fiscal year ending June 30, 2017 and various amendments to the general laws for implementation of budget provisions, Art. 5, sec. (1)(5), *available at* http://webserver.rilin.state.ri.us/PublicLaws/law16/law16142-05.htm.

million was authorized but unissued. The Treasurer's Office is currently contacting Rhode Island officials to determine the future timing of issuance.

Rhode Island also has a well-defined capital debt affordability process.[28] It has several categories of net-tax supported debt, including general obligation debt, appropriation debt, and moral obligation where the state has assumed payment. Like other states, Rhode Island uses debt affordability ratios and criteria, similar to Vermont in type, including debt service as a percentage of revenues (DSR), debt as a percentage of personal income (DPI), and rapidity of debt repayment.

Nashville

Legislative Council also included the City of Nashville in the chart set forth above. Nashville's initiative was done by Executive Order of then Mayor David Briley. Of the $750 million included in the order, $350 million was to be funded through a bond over the next ten years; $150 million of metropolitan government general funds; and a goal of $250 million in private, non-profit and philanthropic contributions.[29] Mayor Briley was succeeded by Mayor John Cooper who signed an order putting this and an unrelated order under a 90-day review, no action was taken, and the order has since expired.

Other State Resources

While the Treasurer's Office was time-limited in a review of multiple states, staff did note a table in the Rhode Island study that reviewed criteria used for general obligation debt affordability studies for a number of Northeast states, including Maryland, Delaware, Connecticut, Maine, Massachusetts, and New Hampshire.[30] Various combinations of debt metrics were included, the most common being DSR. According to Pew,[31] 27 states conduct debt affordability studies while 23 states including Illinois, Michigan and New Jersey do not.

Private Activity Bonds (PABs)

Another resource used by states, primarily through their housing finance agencies, is the use of private activity bonds (PABs). PABs are not appropriated dollars to the state, but rather an allocation of bonds available for private use but at tax-exempt rates for IRS purposes. Each state is given a volume cap that may be used for certain specified uses that include housing, wastewater treatment, issuing, refinancing post-secondary debt and other uses.

[28] State of Rhode Island and Providence Plantations, Public Finance Management Board, *Debt Affordability Study* (July 25, 2019), *available at* https://d10k7k7mywg42z.cloudfront.net/assets/5d499bc521c79b17047b89e9/2019_DAS.pdf.
[29] Mayor David Briley, Executive Order No. 007, *"Under One Roof 2029" Affordable Housing Initiative* (Mar. 26, 2019), *available at* https://www.nashville.gov/Metro-Clerk/Legal-Resources/Executive-Orders/Mayor-David-Briley/db007.aspx.
[30] Rhode Island, *Debt Affordability Study*, *supra* note 28 at 17.
[31] The Pew Charitable Trusts, *Strategies for Managing State Debt: Affordability studies can help states decide how much to borrow* (June 2017), *available at* https://www.pewtrusts.org/-/media/assets/2018/04/pew_strategies_managing_state_debt_april_2018.pdf.

The volume cap for each state is based on a formula involving its population, which for 2020 will be the greater of $105 multiplied by the state population or $321,775,000. Because of Vermont's population, we get the floor amount, which means a higher percentage per capita than most states. In the past, the primary users of PAB allocation were VSAC and VHFA. VSAC continues to use some dollars but levels are lower than historical amounts due to Federal takeover of some loan programs.

While PAB usage for housing decreased during the Great Recession and for a period thereafter, usage across the country has expanded significantly since that time. For a long time, states did not use all of their bond cap and much of it expired after the three-year carry-forward period. That has changed significantly over the last several years with a considerable increase in use for affordable housing and demand for PAB allocation.

Appendix D includes a listing by state of housing PAB Cap volume usage. Twenty-nine states did not have volume carryforward expire in 2018, indicating higher usage of PAB. A recent article noted that "[t]he vast majority of PAB use nationally is for housing: According to the most recent annual report on bond use by the Council of Development Finance Agencies (CDFA), 30.4 percent of PABs in 2018 went to homebuyers and 61.1 percent went to multifamily rental housing, meaning 91.5 percent of PABs went to housing."[32] Rental housing is the largest user of these bonds, as noted in Figure 4.[33]

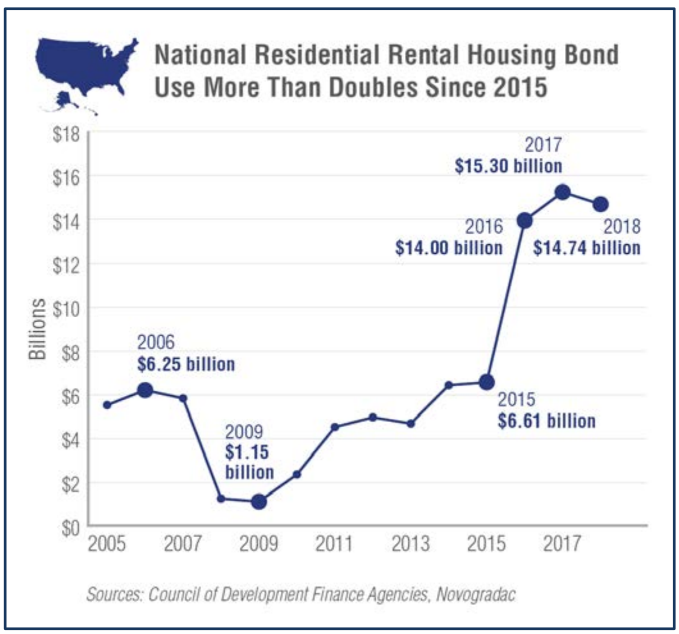

Figure 4: National Residential Housing Bond Use More Than Doubles Since 2015 (Adapted from Council of Development Finance Agencies, Novogradac.)

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32 Michael Novogradac, *More States Facing Shortage in Private Activity Bonds for Rental Housing* (Dec. 2, 2019), *available at* https://www.novoco.com/periodicals/articles/more-states-facing-shortage-private-activity-bonds-rental-housing.

33 *Id.*

PABs are a great resource for housing needs. VHFA has had a history of using this vehicle as noted in Figure 5, which outlines allocations and intended uses by year.[34]

Figure 5				
Year	SFCap Converted to MCC	SF Cap Used	MF Cap Used	Total Volume Cap Used
1999		$82,000,000	$8,920,000	$90,920,000
2000		$56,000,000	$10,001,000	$66,001,000
2001		$42,562,865	$14,850,000	$57,412,865
2002		$15,515,000	$17,150,000	$32,665,000
2003		$53,370,058	$18,675,500	$72,045,558
2004		$93,536,235	$6,400,000	$99,936,235
2005		$54,092,120	$6,400,000	$74,782,120
2006		$131,481,332	$6,400,000	$138,171,332
2007		$113,000,000	$6,400,000	$123,520,000
2008		$50,000,000	$6,400,000	$57,340,000
2009		$-	$6,400,000	$-
2010		$10,000,000	$6,400,000	$10,000,000
2011		$30,399,700	$6,400,000	$60,730,282
2012		$71,159,680	$6,400,000	$80,195,252
2013	$40,000,000	$11,490,985	$6,400,000	$54,190,985
2014	$80,000,000	$24,959,650	$6,400,000	$113,224,650
2015	$60,000,000	$35,908,118	$6,400,000	$123,654,819
2016	$60,000,000	$41,165,413	$6,400,000	$116,090,413
2017	$60,000,000	$54,524,813	$6,400,000	$129,319,813
2018	$60,000,000	$61,964,614	$6,400,000	$126,009,614
2019	$60,000,000	$25,082,702	$6,400,000	$43,392,701
Totals	$420,000,000	$1,058,213,285	$251,389,354	$1,669,602,639

Figure 5: Private Activity Bonds Used for Housing

Per VHFA, the agency was allotted Special Volume Cap due to the housing crisis. This cap was used in 2009 and 2010 instead of the historic volume cap, which explains why there is no usage in 2009 and little in 2010.[35]

Not all of the State's PAB allocation is used each year. As noted earlier, the State receives a higher per capita amount of volume cap, and because of changes to the historical uses of the cap in Vermont, substantial portions of this allocation expired in recent years after a three-year carryforward period. Up to 2010, the Vermont Student Assistance Program (VSAC) was the largest user of Vermont volume cap, followed by VHFA. Due to changes in federal law governing the underwriting and servicing of student loans, VSAC experienced a substantial decrease in its use of PAB allocation. In addition, housing usage was down nationally post the Great Recession. Vermont has therefore used less of its volume cap and has seen significant sums expire.

VHFA has long been creative in its use of PAB cap. Since a housing development where more than 50% of the development costs are financed by PABs qualifies it to receive federal tax credits, VHFA was one of the first housing finance agencies to use PABs for short-term construction loans (as opposed to long-term permanent loans), which means this 50% threshold could be met easier. This brought more federal

[34] Memorandum from Maura Collins, VHFA, to Treasurer Beth Pearce regarding VHFA's Private Activity Bond Cap (Jan. 2, 2020).
[35] *Id.*

tax credits to Vermont. In recent years VHFA turned in a portion of its PAB allocation to obtain Mortgage Credit Certificates (MCC). An MCC is a tax credit given by the IRS to low- and moderate-income homebuyers and is equal to up to 50 percent of the mortgage interest paid for life of the loan.

As stated above, in the case of housing, PABs also have an advantage in that they automatically generate 4% tax credits.[36] As the state continues to invest in housing it should prioritize leveraging the state's investment with 4% credits so that this spending goes farther. A higher utilization of PAB and 4% credits would also ease the burden on other funding sources, like the 9% low income housing tax credit program which is oversubscribed substantially each year. These 4% tax credits are far less competitive than other resources, but they are also less valuable. The 4% federal credits leave a larger funding gap than similar 9% credits, as demonstrated below.[37]

	9% LIHTC	4%* Bond Credit LIHTC
Eligible housing development costs	$10,000,000	$10,000,000
Tax Credit Percentage	9%	3.20%*
Tax Credits Issued	$900,000	$320,000
10 Year Value (Equity Produced)	$7,920,000	$2,816,000
Difference between cost of development and equity produced	$2,080,000	$7,184,000

Figure 6: Low Income Housing Tax Credits

**While the credits are typically called "4% tax credits" the actual percentage applied to calculate them adjusts monthly.*

To use more 4% credits, VHFA suggests that developments need more sources of gap funds to be paired with the bond cap. A large infusion of housing dollars could be the resource that fills the gap while leveraging both PAB and 4% credits.

As noted above, VHFA has been the predominant user of PABs. While VHFA has experienced expired carryover, the lack of deployment for other qualified economic development uses outside of housing has been a significant contributor to underutilization. The State needs to explore other qualified uses of PABs, as they can be used for certain forms of infrastructure that may be supportive of housing. These include water furnishing facilities, such as artesian wells, and pipelines that are available to the public, including electric utility, industrial, agricultural and commercial users; mass commuting facilities; sewage facilities, and solid waste disposal facilities.[38] PAB rules are cumbersome, sometimes discouraging their use, but they may be useful in lowering ancillary development cost related to housing construction. This will be further reviewed in the March 2020 report.

[36] *Id.*
[37] *Id.* at Attachment.
[38] Memorandum from Tony Martini, Edwards Wildman, to Jo Bradley, VEDA, and Treasurer Beth Pearce, regarding A Brief Overview of Tax-Exempt Financing for "Exempt Facilities" and Manufacturing Facilities (Feb. 3, 2012).

Key Takeaways from Other States

- Substantial funds have been designated for housing across the country, including issuance of general obligation debt, although ramp up of housing programs takes time.
- Uses vary from state to state, including new construction, rehabilitation of units, service-supported housing, homelessness, veterans housing, home ownership programs, infrastructure, day care and early childhood, and many others.
- In almost all cases the allocation to housing is included in overall debt caps or capital affordability reports and not as "additional debt" outside of such considerations.
- Issuance takes time after authorization, which are usually seen as multi-year allocations within a five-year period with some as long as ten.
- Increased use of PABs offers an alternative. It can also be used for infrastructure needs rather than housing.

Hypothetical Models to Reach 1,000 Units per Request from the General Assembly

The Treasurer's Office has modeled the cost of various mixes of 1,000 units of housing, including the costs of borrowing if funded through bond issuance. In completing this exercise, it should be noted that the cost will vary considerably by type of unit and geographical location. To that end the Treasurer's Office asked VHCB, based on its recent experience, to prepare an "average cost" by type, recognizing that there will be variations. VHCB was then asked to present a hypothetical distribution of types of housing to be developed as part of a 1,000 unit affordable housing initiative.

Figure 7: Unit Mix of 1000 Additional Units Projected Over Five Year Period

Type of Housing	VHCB Award/unit	Per Unit TDC*	Number of Units	VHCB Funding	Annual Funding (5 yr)	TDC
Multi-family rental - new	$70,000	$295,000	425	$29,750,000	$5,950,000	125,375,000
Multi-family very low-income - new	$70,000	$295,000	125	$8,750,000	$1,750,000	36,875,000
Single-family homes/condos - new	$90,000	$295,000	50	$4,500,000	$900,000	14,750,000
Service supported housing	$35,000	$200,000	75	$2,625,000	$525,000	15,000,000
Multi-family Rehabilitation	$35,000	$200,000	225	$7,875,000	$1,575,000	45,000,000
Single-family Rehabilitation	$80,000	$240,000	50	$4,000,000	$800,000	12,000,000
Community Rehab Investment Fund	$12,000	$50,000	50	$600,000	$120,000	2,500,000
Subtotal			1,000	$58,100,000	$11,620,000	$251,500,000
			per unit	$58,100		

Data from December 2019 presentation
*** Total Development Cost**

Figure 7: Unit Mix of 1000 Additional Units Projected Over Five Year Period

Figure 7 represents the distribution presented at the Treasurer's Office's Public Meeting held December 16, 2019, although the per unit total development cost (TDC) was adjusted upward based on further analysis. Based on this distribution, the cost (not adjusted for housing inflation) of the VHCB share would be roughly $58,100, which if completed over a five-year period would result in a need of $11,620,000 per year.

At the meeting, public comment generated a new distribution – an increase in supportive housing, inclusion of mobile home parks, and other adjustments as seen in the chart below. Tiny houses, a request from that public meeting, were embedded in the types of housing categories. The resulting mix and costs are contained in Figure 8.

Figure 8: Unit Mix of 1000 Additional Units Projected Over Five Year Period

Type of Housing	VHCB Award/unit	Per Unit TDC	Number of Units	VHCB Funding	Annual Funding (5 yr)	TDC
Multi-family rental - new	$70,000	$295,000	300	$21,000,000	$4,200,000	88,500,000
Multi-family very low-income - new	$70,000	$295,000	50	$3,500,000	$700,000	14,750,000
Single-family homes/condos - new	$90,000	$295,000	75	$6,750,000	$1,350,000	22,125,000
Service supported housing	$35,000	$200,000	100	$3,500,000	$700,000	20,000,000
Multi-family Rehabilitation	$35,000	$200,000	200	$7,000,000	$1,400,000	40,000,000
Single-family Rehabilitation	$80,000	$240,000	50	$4,000,000	$800,000	12,000,000
MH Parks - homes & infrastructure	$22,000	$40,000	175	$3,850,000	$770,000	7,000,000
Community Rehab Investment Fund	$12,000	$50,000	50	$600,000	$120,000	2,500,000
Subtotal			1,000	$50,200,000	$10,040,000	$206,875,000
			per unit	$50,200		
revised January 9, 2020						

Figure 8: Unit Mix of 1000 Additional Units Projected Over Five Year Period

The per unit VHCB cost was reduced to $50,200, resulting in an annual cost of $10,040,000. TDC also dropped. The model assumes that other resources would be available to fund the TDC. While the Treasurer's Office has not measured the capacity to cover the TDC of $206,875,000 through other resources (aggregate 9% credits, 4% credits, VHFA debt, other VHCB resources, energy incentives, developer equity, other) this has been discussed with the relevant agencies and the belief is that such capacity exists, not only in terms of TDC dollars, but also in terms of agency ability to deploy those dollars.

An increased annual appropriation would provide VHCB the funding to accomplish a significant portion of the 1,000 units. As noted later in the report, just increasing the VHCB appropriation to its statutory levels would likely cover 50% of the 1,000-unit target over a five-year period. Per discussions with VHCB, providing additional funding through VHCB at the amount directed by statute for five years would create or improve an estimated 506 homes (range of 480 to 520) and meet approximately 50% of the 1,000-unit directive. Changes to the mix of housing types comprising the 1,000 units will change average cost per unit and, therefore, the estimated number of homes.[39]

A bonding option was modeled for the revised mix in order to determine the amount of debt that would be required to accommodate the full need, excluding any additional units by VHCB over its current level. To meet the estimated need of 1,000 units solely through bonding, it is estimated that the size of the bond would be $54,185,000 (to cover underwriters discount, cost of issuance, and a debt service reserve fund), with an annual debt service of $3,420,000, and an interest cost to the taxpayer of $14,211,149, or 26% compared to the principal.

If, on the other hand, VHCB provided funding for 506 units through an increase in annual appropriation, the size of the bond would significantly decrease. Assuming a distribution that corresponds to the estimated VHCB cost of $50,200 and 506 units, the total "additional" VHCB investment would be approximately $25,400,000. This would, in turn, lower the need for other financing to $24,800,000. If financed through a bond, the bond would need to be $26,940,000 with an annual debt service payment of $1,700,000. The interest cost to the taxpayer would be reduced to $7,063,505, or 26% compared to the principal.

The detail for these scenarios is outlined in Appendix E.

This is not the only possible distribution of housing types to achieve 1,000 units over a five-year period. As stated already, but which bears repeating, these are estimated costs per unit and will vary by type, timing, and location. Also, VHCB will see differences in the actual pipeline. This does, however, provide a reasonable range of costs.

[39] Please note that this report is due on January 15, 2020. The Consensus Revenue Estimates are scheduled to be announced on January 16th. As such, we expect some change to the number of units that could be absorbed by VHCB, assuming any change to the PTT on which statutory appropriations are (or should be) developed.

Other Funding/Financing Considerations/Recommendations

1) **Fully fund VHCB at its statutory level, which will fund approximately 50% of the directed 1,000 units, depending on distribution and type.**

As the Treasurer noted in testimony in March 2019, VHCB needs to be funded, year in and year out, at a level at least consistent with its statutory levels. The chart below lists the statutory formula for appropriation to VHCB based on the prescribed calculation from the property transfer tax and actual levels of funding, including a portion not paid by the PTT, but included in the Capital Bill (not to be confused with any additional amounts that might be considered for a Capital Bill).

Figure 9: VHCB FUNDING HISTORY FY2011-FY2020

Fiscal Year	Property Transfer Tax Revenues	VHCB Statutory Share of PTT	Actual PTT Appropriated	Amt of PTT to Gen. Fund	Capital Bill	VHCB Actual State Funds Appropriated	Revenues Lost from Housing & Conservation
2011	23,900,000	11,830,500	$ 6,101,662		$ 5,000,000	$ 11,101,662	$ 728,838
2012	25,500,000	12,622,500	$ 8,047,500		$ 4,000,000	$ 12,047,500	$ 575,000
2013	28,500,000	13,965,000	$ 13,688,640	$ 276,360		$ 13,688,640	$ 276,360
2014	30,900,000	15,141,000	$ 14,014,000	$ 1,127,000		$ 14,014,000	$ 1,127,000
2015	33,622,293	16,474,924	$ 14,954,840	$ 1,520,084		$ 14,954,840	$ 1,520,084
2016	35,700,000	17,493,000	$ 9,554,840	$ 7,938,160	$ 4,550,000	$ 14,104,840	$ 3,388,160
2017	38,700,000	18,963,000	$ 11,304,840	$ 7,658,160	$ 4,000,000	$ 15,304,840	$ 3,658,160
2018*	40,900,000	18,816,000	$ 9,804,840	$ 9,011,160	$ 5,000,000	$ 14,804,840	$ 4,011,160
2019*	41,100,000	18,914,000	$ 9,804,840	$ 9,109,160	$ 5,650,000	$ 15,454,840	$ 3,459,160
2020*	45,580,000	21,109,200	$ 10,804,840	$ 10,304,360	$ 4,600,000	$ 15,404,840	$ 5,704,360
Total	**$344,402,293**	**$165,329,124**	**$108,080,842**	**$46,944,444**	**$32,800,000**	**$ 140,880,842**	**$ 24,448,282**

* The dedication of $2,500,000 in revenue from the property transfer tax pursuant to 32 V.S.A. § 9610(d) for the debt payments on the 2017 Housing Revenue Bond is offset by the reduction of $1,500,000 in the annual appropriation to VHCB and $1.0 million from the PTT surcharge established by 32 V.S.A. § 9602a. Beginning in fiscal year 2018 the annual appropriation of PTT to VHCB reflects the $1,500,000 reduction.

Figure 9: VHCB Funding History FY2011-FY2020

Statutory Allocation of PTT	
32 VSA Sec. 9610 d	$2.5MM to VHFA for Housing Bond
32 VSA Sec. 9610 c	2% to Tax Dept.
Then Remainder:	
10 VSA Sec. 312	50% to VHCB
32 VSA Sec 435 b 10	33% to General Fund
24 VSA Sec 4306 a	17% to Municipal & Regional Planning Fund

Fiscal Year	Property Transfer Tax Revenues
2019	41,100,000
2020	45,580,000
2021	49,160,000
2022	51,900,000
2023	53,930,000
2024	55,850,000

**From 7/29/19 Consensus Revenue Forecast*

A graphic display shows that the gap is growing:

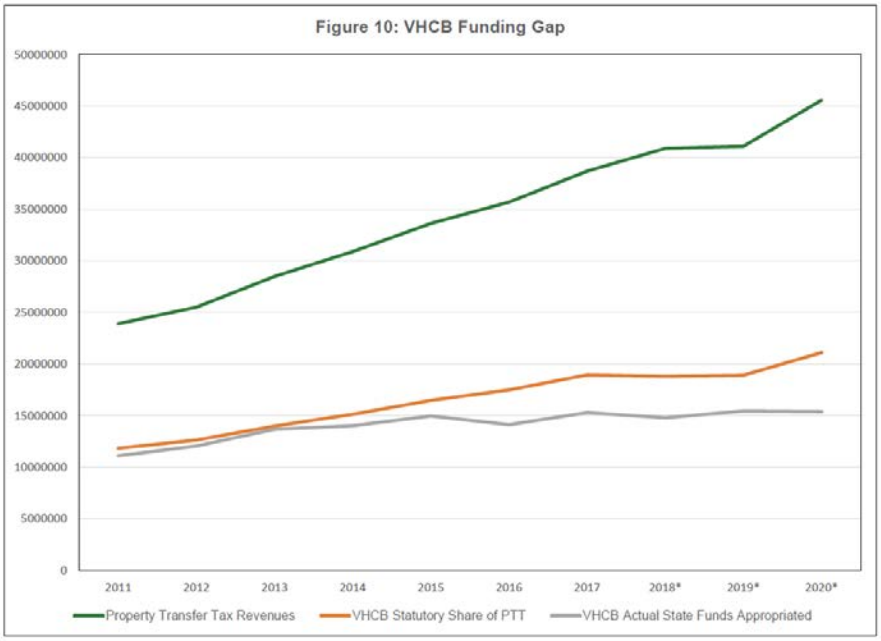

Figure 10: VHCB Funding Gap

Note these numbers are subject to change after publication of the January 16, 2020 consensus revenue forecast. The Treasurer's Office will update this section as well as the bonding required based on VHCB projected increases (see above).

The VHCB appropriation has been short-changed over the years. While some of this has been made up in the Capital Bill, which adds additional interest expense to the taxpayer, overall amounts through appropriation and the capital bill have fallen well short of the formula for distribution of PTT included in statute. In fact, the existing housing bond, and the added $14 million in interest cost to the taxpayer, may not have been needed if the appropriations from 2011 to 2019 had been made according to statute.

Based on a calculation by VHCB and completed in a different way by the Treasurer's Office, a significant portion of the proposed 1,000 units could be built/rehabbed, along with increased conservation activity, if VHCB were to receive appropriations and capital bill dollars at a level consistent with its statutory levels.[40]

Providing additional funding through VHCB at the amount directed by statute for five years would create or improve 506 homes (a range of 480 to 520 units) and meet just over 50% % of the 1,000-unit directive.

[40] The Treasurer's Office is not making any recommendations as to the use of existing revenues (or growth in these) or the consideration of new revenues. For the purpose of further discussion, a listing of all state housing trusts, and their sources of funding is listed in Appendix D.

Additional Funding Per Statute FY2020 - 2024	$ to Housing	VHCB Award Per Unit	# of homes created or improved
$42.4 M	$25.4 M	$50,200	506

Figure 11: Projected Impact of Providing Additional Funding to VHCB

Changes to the mix of housing types comprising the 1,000 units will change average cost per unit and, therefore, the estimated number of homes. This analysis includes the following assumptions:

- Current values, costs and funding levels of other resources.
- All additional funding directed to housing and conservation awards along 60/40 split with none for administration.
- VHCB annual appropriation continues to be reduced by $1.5 million to offset debt service on the Housing for All Revenue Bond.

It is the opinion of the Treasurer that fully funding VHCB is the single most important step to reaching the State's housing goal of 1,000 additional units.

2) Use of borrowing is an option, but only within the ceiling established by CDAAC for all net tax-supported debt.

Housing is a candidate for bonding. In fact, a portion of VHCB's current housing initiatives are included in the State's bond issuances, although direct appropriation would be more cost effective and less costly to the taxpayer. However, the same bonding authority provided in the Capital Bill also funds other needs for the State, including clean water improvements, building improvements, and other infrastructure. Any proposals to consider bonding should be fully vetted with the House and Senate Institutions Committees.

As noted earlier, housing bonds similar to the previous Housing Bond (as opposed to mortgage revenue bonds issued by VHFA) are net tax-supported debt of the state. This means that they must be 1) considered as part of the state's debt affordability calculations and funded within the CDAAC recommendation, and 2) within the total capital funds available in the Capital Bill, considering all state needs.

3) Establish a trust fund.

The Housing Trust Fund Project states "[h]ousing trust funds are distinct funds established by city, county or state governments that receive ongoing dedicated sources of public funding to support the preservation and production of affordable housing and increase opportunities for families and individuals to access decent affordable homes."[41] For the State of Vermont, this is the Housing and

[41] *See* https://housingtrustfundproject.org/ (last visited on Jan. 13, 2020).

Conservation Trust, which was established by the Legislature in 1987 with VHCB as the administrator. It receives appropriations and expends dollars for the stated services.

While these entities are called trust funds, and VHCB has a fiduciary responsibility for the care and use of those funds, they are not self-sustaining without year to year funding. The intent is not to invest, but rather to distribute those proceeds for stated purposes.

The value of compounding interest would provide a needed resource for housing. It could be invested in the state's Trust Investment Account that is comprised of 60% bonds and 40% equities and earns a higher rate of return than operating funds. Such a fund would require a statutory provision that all monies, including interest, would be dedicated to housing.

The fund could be seeded through a onetime appropriation or a statutory provision to transfer a portion of year end surpluses, after fully funding statutory reserves and other long-term liabilities (such as pension and OPEB). The Treasurer's Office recommends investigation of a fund that can accumulate dollars to "fill the gaps" and provide a growing resource to fund housing-related projects.

4) Review rehabilitation programs for rental housing.

It has been well-documented that Vermont has an old housing stock. Of Vermont's rental housing stock, 80% is more than 40 years old; nearly half of these units are more than 80 years old.[42] The Governor's datasheet on a proposed rental incentive program noted that:

> "83% of Vermont's rental housing stock is held by private landlords, many of whom are small-scale and low to moderate income earners themselves. Much of this privately owned rental housing stock is poor in quality and in need of basic updating, including electrical, plumbing, and structural upgrades as well as energy improvements. Small grants coupled with attractive loan terms has proven to be one of the most cost-effective, expeditious, and impactful ways to incentivize small-scale rental property owners to invest in underutilized and poor-quality housing stock, adding quality middle-income ("workforce") housing to the market."[43]

During the first year of the current biennium a handful of bills including H.450 and S.163, included a Rental Housing Incentive Program to provide incentive grants to private landlords for several rehabilitation activities, including weatherization. Grants would be matched by landlords at least two to one. These bills remain in Committee.

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[42] Governor Phil Scott, *2019 Legislative Priorities, Economic Development: Vermont Housing Incentive Program (VHIP)* (January 24, 2019) at 1, *available at* https://legislature.vermont.gov/Documents/2020/WorkGroups/House%20General/Housing/W~Josh%20Hanford~2019%20Housing%20Package~1-31-2019.pdf.

[43] *Id.*

This or some other such program should be considered as it would likely rehabilitate substandard units, bringing on additional units needed in Vermont, particularly in rural areas. This is provided for in the offered models under "Community Rehab Investment Fund". The Treasurer's Office cannot evaluate the likely pickup of such a program but believes that it may serve as a relatively inexpensive way to facilitate improvements to housing stock, although the current proposal does not include permanent affordability provisions.\ In addition to savings in the housing arena, it may also have impacts on state health budgets. In a report prepared by Vermont Legal Aid, several studies were cited to this effect, including:[44]

- Using averages from eight studies, decreasing mold, and/or decreasing crowding in either home or office buildings could save $6 billion and $14 billion nationally in healthcare and work absences. Extrapolating to Vermont's population, the report stated this could work out to $11.4 million and $26.6 million in health care and work absence costs, respectively
- A North Carolina study, also cited in the Legal Aid report, attributes $108 million in cost during 2007 to medical conditions to children in substandard housing.

Next Steps

The above analysis was limited in scope to evaluating the costs of new units of housing and/or rehabilitation of existing stock. As Treasury staff attended public meetings of the Senate Committee on Economic Development, Housing and General Affairs, and conducted one of its own, specific to the requirements of Act 48, it was clear that more work is needed. It is also clear that the Committee is working hard to identify barriers, legal, financial, programmatic, and logistical to achieving adequate housing for every Vermonter, regardless of needs or income.

The Treasurer's Office applauds this effort and offers to work on a supplemental report, in concert with the Committee and stakeholders. Vouchers, homeownership, affordable housing credits, utilization of private activity bonds, and other ways to address infrastructure costs, public/private partnerships, supportive services for vulnerable Vermonters, and so many other issues are on the agenda. The Treasurer's Office stands ready to work with you on the cost analysis, funding, and financing questions on these important matters.

[44] Vermont Legal Aid, *Renters at Risk: The Cost of Substandard Housing* (Jan. 2018) at 3, *available at* https://www.vtlegalaid.org/sites/default/files/Renters%20at%20Risk%20-%20The%20Cost%20of%20Substandard%20Housing.pdf.

Appendix A: Statutory Requirements

Development, Housing and General Affairs and the House Committee on General, Housing, and Military Affairs.

(c) On or before August 1, 2019, each municipality in this State shall provide to the Department of Health summary information on its inspection activity from July 1, 2018 through June 30, 2019 in order to assist the Department in completing the needs assessment pursuant to subdivision (a)(2) of this section.

Sec. 9. STATE TREASURER RECOMMENDATION FOR FINANCING OF AFFORDABLE HOUSING INITIATIVE

(a) Evaluation. On or before January 15, 2020, the State Treasurer shall evaluate and report on options for funding and financing affordable housing in the State. The evaluation shall include:

(1) a plan to build upon the success of the affordable housing bond, created in 10 V.S.A. § 315, formed in coordination with the Vermont Housing and Conservation Board, the Vermont Housing Finance Agency, the Vermont Department of Housing and Community Development, and the Vermont Affordable Housing Coalition, for the creation or preservation of 1,000 housing units over five years for Vermonters with incomes up to 120 percent of the area median income as determined by the U.S. Department of Housing and Urban Development. In creating the plan, the State Treasurer and the other entities listed in this subdivision (a)(1) shall also consult with the business community, public and private housing developers, and experts in

housing finance and affordable housing initiatives both in Vermont and nationwide;

(2) alternatives for financing the plan that take into consideration the use of appropriations, general obligation bonds, revenue bonds, investments, new revenues, and other financing mechanisms, including initiatives undertaken by other states;

(3) the plan shall assume that the 1,000 units shall be in addition to what would otherwise have been created or preserved by State funding through the Vermont Housing and Conservation Board equal to its FY 2019 base general fund and capital appropriations, and the other resources it typically leverages; and

(4) provisions for meeting housing needs consistent with publicly developed plans such as Vermont's Consolidated Plan, the 2017 Vermont Roadmap to End Homelessness, and Vermont Housing Finance Agency's Qualified Action Plan in the following areas:

(A) creating new multifamily and single-family homes;

(B) addressing blighted properties and other existing housing stock requiring reinvestment, including in mobile home parks;

(C) providing service-supported housing in coordination with the Agency of Human Services, including for those who are elderly, homeless, in recovery, experiencing severe mental illness or other disability, or leaving incarceration; and

(D) providing for the housing needs of households with extremely low income.

(b) Cooperation. In conducting the evaluation described in subsection (a) of this section, the State Treasurer shall have the cooperation of the Agency of Commerce and Community Development and the Department of Taxes.

(c) Report. The State Treasurer shall submit the report with recommendations based on the evaluation described in subsection (a) of this section to the Senate Committees on Economic Development, Housing and General Affairs, on Appropriations, and on Finance and the House Committees on General, Housing, and Military Affairs, on Appropriations, and on Ways and Means. The report shall also include a legislative proposal to implement the recommendations proposed in the report.

* * * Effective Date * * *

Sec. 10. EFFECTIVE DATE

This act shall take effect on July 1, 2019.

Date Governor signed bill: June 10, 2019

(d) Secs. H.3 and H.4 (sales tax allocation) shall take effect on July 1, 2018 and apply to fiscal year 2019 and after.

* * * Vermont Housing and Conservation Board;

Housing Bond Proceeds for Affordable Housing * * *

Sec. I.1 FINDINGS AND PURPOSE; AFFORDABLE HOUSING BOND

(a) Findings.

(1) The General Assembly finds that investments are needed to help house the most vulnerable Vermonters as well as creating more homes for workers.

(2) The shortage of affordable and available homes has been highlighted recently by:

(A) the Vermont Futures Project of the Vermont Chamber of Commerce, which set a growth target of 5,000 new and improved housing units annually;

(B) a national consultant's recommendations for a Roadmap to End Homelessness, which calls for, over the next five years, 368 new units for permanent supportive housing and 1,251 new homes affordable to families with income that is not more than 30 percent of the median; and

(C) the 2015 statewide housing needs assessment by Bowen National Research, which found the largest gaps in housing affordable to households with income below 30 percent of median and households with income between

85 percent and 120 percent of median, and found a lack of housing availability across the income spectrum.

(b) Purpose and intent.

(1) The purpose of Secs. I.1–I.12 of this act is to promote the development and improvement of housing for Vermonters.

(2) It is the intent of the General Assembly:

(A) to extend the clean water surcharge to provide an interim source of revenue for addressing water quality issues throughout the State;

(B) to continue its work on identifying a long-term funding source or sources that are sufficient in scope and targeted in design to address these water quality issues; and

(C) once one or more long-term funding sources are identified and enacted, but not later than July 1, 2027, to reduce the amount of the clean water surcharge to 0.04 percent.

Sec. I.2 10 V.S.A. § 314 is added to read:

§ 314. AFFORDABLE HOUSING BOND; INVESTMENT

The Vermont Housing and Conservation Board shall use the proceeds of bonds, notes, and other obligations issued by the Vermont Housing Finance Agency pursuant to subdivision 621(22) of this title and transferred to the Vermont Housing and Conservation Trust Fund to fund the creation and improvement of owner-occupied and rental housing for Vermonters with very low to middle income, in areas targeted for growth and reinvestment, as follows:

(1) not less than 25 percent of the housing shall be targeted to Vermonters with very low income, meaning households with income below 50 percent of area median income;

(2) not less than 25 percent of the housing shall be targeted to Vermonters with moderate income, meaning households with income between 80 and 120 percent of area median income; and

(3) the remaining housing shall be targeted to Vermonters with income that is less than or equal to 120 percent of area median income, consistent with the provisions of this chapter.

Sec. I.3 10 V.S.A. § 323 is amended to read:

§ 323. ANNUAL REPORT

Prior to January 31 of each year, the ~~board~~ Board shall submit a report concerning its activities to the ~~governor~~ Governor and ~~legislative committees on agriculture, natural resources and energy, appropriations, ways and means, finance, and institutions~~ to the House Committees on Agriculture and Forestry, on Appropriations, on Corrections and Institutions, on Natural Resources, Fish and Wildlife, and on Ways and Means and the Senate Committees on Agriculture, on Appropriations, on Finance, on Institutions, and on Natural Resources and Energy. The report shall include~~, but not be limited to,~~ the following:

(1) a list and description of activities funded by the ~~board~~ Board during the preceding year, including commitments made to fund projects through housing bond proceeds pursuant to section 314 of this title, and project descriptions, levels of affordability, and geographic location;

* * *

* * * Allocation of Property Transfer Tax Revenues * * *

Sec. I.4 32 V.S.A. § 9610 is amended to read:

§ 9610. REMITTANCE OF RETURN AND TAX; INSPECTION OF RETURNS

(a) Not later than 30 days after the receipt of any property transfer return, a town clerk shall file the return in the office of the town clerk and electronically forward a copy of the acknowledged return to the Commissioner; provided, however, that with respect to a return filed in paper format with the town, the Commissioner shall have the discretion to allow the town to forward a paper copy of that return to the ~~department~~ Department.

(b) The copies of property transfer returns in the custody of the town clerk may be inspected by any member of the public.

(c) Prior to distributions of property transfer tax revenues under 10 V.S.A. § 312, 24 V.S.A. § 4306(a), and ~~32 V.S.A. §~~ subdivision 435(b)(10) of this title, ~~one~~ two percent of the revenues received from the property transfer tax shall be deposited in a special fund in the Department of Taxes for Property Valuation and Review administration costs.

(d)(1) Prior to any distribution of property transfer tax revenue under 10 V.S.A. § 312, 24 V.S.A. § 4306(a), subdivision 435(b)(10) of this title, and subsection (c) of this section, $2,500,000.00 of the revenue received from the property transfer tax shall be transferred to the Vermont Housing Finance Agency to pay the principal of and interest due on the bonds, notes, and other obligations authorized to be issued by the Agency pursuant to 10 V.S.A. § 621(22), the proceeds of which the Vermont Housing and Conservation Board shall use to create affordable housing pursuant to 10 V.S.A. § 314.

(2) As long as the bonds, notes, and other obligations incurred pursuant to subdivision (1) of this subsection remain outstanding, the rate of tax imposed pursuant to section 9602 of this title shall not be reduced below a rate estimated, at the time of any reduction, to generate annual revenues of at least $12,000,000.00.

* * * Vermont Housing Finance Agency; Authority to Issue Bonds for Affordable Housing * * *

Sec. I.5 10 V.S.A. § 621 is amended to read:

§ 621. GENERAL POWERS AND DUTIES

The Agency shall have all of the powers necessary and convenient to carry out and effectuate the purposes and provisions of this chapter, including without limitation those general powers provided a business corporation by 11A V.S.A. § 3.02 and those general powers provided a nonprofit corporation by 11B V.S.A. § 3.02 and including, without limiting the generality of the foregoing, the power to:

* * *

(21) use funds received from real estate trust and escrow accounts established under 26 V.S.A. § 2214(c), IORTA funds, for down payment and closing cost assistance with priority given to persons and families at or below 90 percent of median income and to persons and families purchasing perpetually affordable housing;

(22) issue bonds, notes, and other obligations secured by the property transfer tax revenues transferred to the Agency pursuant to 32 V.S.A. § 9610(d).

Sec. I.6 10 V.S.A. § 631(l) is added to read:

(l)(1) The bonds, notes, and other obligations authorized to be issued pursuant to subdivision 621(22) of this title shall be secured by a pledge of the property transfer tax revenues to be transferred to the Agency pursuant to 32 V.S.A. § 9610(d) and shall mature on or before June 30, 2039.

(2) The Agency may issue the bonds, notes, and other obligations in one or more series at one time or from time to time, provided that the aggregate annual debt service on the bonds, notes, and other obligations shall not exceed $2,500,000.00 at any time.

(3) The Agency shall transfer the proceeds of the bonds, notes, and other obligations, less issuance fees and costs and required reserves, to the Vermont

Housing and Conservation Trust Fund established pursuant to section 312 of this title for use by the Vermont Housing and Conservation Board as provided in section 314 of this title.

(4) The Agency, the Vermont Housing and Conservation Board, and the State Treasurer may execute one or more agreements governing the terms and conditions under which the property transfer tax revenues that secure the bonds, notes, and obligations shall be transferred to the Agency, and any other issues they determine appropriate.

* * * Funding for Affordable Housing Bond Program; Allocation of Revenues; Intent * * *

Sec. I.7 INTENT; FUNDING FOR AFFORDABLE HOUSING BOND PROGRAM; ALLOCATION OF PROPERTY TRANSFER TAX REVENUES

(a) Revenues from the property transfer tax, before the passage of this act, were allocated pursuant to statute as follows:

(1) The first two percent was deposited in a special fund in the Department of Taxes for Property Valuation and Review administration costs pursuant to 32 V.S.A. § 9610(c).

(2) Of the remaining 98 percent of the revenues:

(A) 17 percent was deposited in the Municipal and Regional Planning Fund created in 24 V.S.A. § 4306.

(B) 50 percent was deposited in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312.

(C) 33 percent was deposited in the General Fund created in 32 V.S.A. § 435.

(b) Pursuant to Sec. I.4 of this act, in 32 V.S.A. § 9610(d), the first $2,500,000.00 of revenue generated from the property transfer tax is transferred to the Vermont Housing Finance Agency to service the bonds, notes, and other obligations incurred by the Agency pursuant to 10 V.S.A. § 621(22), the proceeds of which the Vermont Housing and Conservation Board shall use to create affordable housing pursuant to 10 V.S.A. § 314.

(c) Transferring the first $2,500,000.00 of property transfer tax revenues to the Vermont Housing Finance Agency for debt service reduces the amount of revenues available for allocation to the respective statutory recipients identified in subsection (a) of this section.

(d) To compensate for this reduction of available property transfer tax revenue, it is the intent of the General Assembly through this act to provide for the transfer of $2,500,000.00 to the Vermont Housing and Conservation Trust Fund, as follows:

(1) Sec. D.100 of this act appropriates $11,304,840.00 in fiscal year 2018 from the Vermont Housing and Conservation Trust Fund to the Vermont Housing and Conservation Board. Upon the effective date of this act, $1,500,000.00 shall revert to the Fund, resulting in a fiscal year 2018 total

appropriation to the Board of $9,804,840.00. In fiscal year 2018 only, the amount of $1,500,000.00 from the Vermont Housing and Conservation Trust Fund shall be transferred to the General Fund.

(2) As provided in Sec. I.9 of this act, from July 1, 2017 until July 1, 2027, pursuant to 32 V.S.A. § 9602a, the first $1,000,000.00 in revenue generated by the clean water surcharge of 0.2 percent shall be transferred to the Vermont Housing and Conservation Trust Fund. In fiscal year 2018 only, the Commissioner shall transfer the amount of $1,000,000.00 from the Vermont Housing and Conservation Trust Fund to the General Fund.

(3) After July 1, 2027, pursuant to 32 V.S.A. § 9602a as amended in Sec. I.10 of this act, $1,000,000.00 in total revenue generated by the clean water surcharge of 0.04 percent shall be transferred to the Vermont Housing and Conservation Trust Fund.

(4) As provided in Sec. I.11 of this act, the clean water surcharge will be repealed in its entirety on July 1, 2039.

* * * Clean Water Surcharge; Repeal of 2018 Sunset * * *

Sec. I.8 REPEAL; SUNSET OF CLEAN WATER SURCHARGE

(a) 2015 Acts and Resolves No. 64, Sec. 39 (sunset of clean water surcharge in 2018) is repealed.

* * * Clean Water Surcharge; Allocation of First $1 Million in Revenue until 2027 * * *

Sec. I.9 32 V.S.A. § 9602a is amended to read:

§ 9602a. CLEAN WATER SURCHARGE

There shall be a surcharge of 0.2 percent on the value of property subject to the property transfer tax under section 9602 of this title, except that there shall be no surcharge on the first $100,000.00 in value of property to be used for the principal residence of the transferee or the first $200,000.00 in value of property transferred if the purchaser obtains a purchase money mortgage funded in part with a homeland grant through the Vermont Housing and Conservation Trust Fund or which the Vermont Housing and Finance Agency or U.S. Department of Agriculture and Rural Development has committed to make or purchase. The surcharge shall be in addition to any tax assessed under section 9602 of this title. The surcharge assessed under this section shall be paid, collected, and enforced under this chapter in the same manner as the tax assessed under section 9602 of this title. The Commissioner shall deposit the surcharge collected under this section in the Clean Water Fund under 10 V.S.A. § 1388<u>, except for the first $1,000,000.00 of revenue generated by the surcharge, which shall be deposited in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312</u>.

* * * Clean Water Surcharge; Allocation of

Revenue to Vermont Housing and Conservation Trust Fund in 2027 * * *

Sec. I.10 32 V.S.A. § 9602a is amended to read:

§ 9602a. CLEAN WATER SURCHARGE

There shall be a surcharge of ~~0.2~~ 0.04 percent on the value of property subject to the property transfer tax under section 9602 of this title, except that there shall be no surcharge on the first $100,000.00 in value of property to be used for the principal residence of the transferee or the first $200,000.00 in value of property transferred if the purchaser obtains a purchase money mortgage funded in part with a homeland grant through the Vermont Housing and Conservation Trust Fund or which the Vermont Housing and Finance Agency or U.S. Department of Agriculture and Rural Development has committed to make or purchase. The surcharge shall be in addition to any tax assessed under section 9602 of this title. The surcharge assessed under this section shall be paid, collected, and enforced under this chapter in the same manner as the tax assessed under section 9602 of this title. The Commissioner shall deposit the surcharge collected under this section ~~in the Clean Water Fund under 10 V.S.A. § 1388, except for the first $1,000,000.00 of revenue generated by the surcharge, which shall be deposited~~ in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312.

* * * Repeal of Affordable Housing Bond Provisions After Life of Bond * * *

Sec. I.11 REPEAL

(a) The following shall be repealed on July 1, 2039:

(1) 10 V.S.A. § 314 (Vermont Housing and Conservation Board; affordable housing bond and investments).

(2) 10 V.S.A. § 621(22) (Vermont Housing Finance Agency (VHFA) authority to issue debt obligations secured by property transfer tax).

(3) 10 V.S.A. § 631(l) (debt obligations issued by VHFA).

(4) 32 V.S.A. § 9610(d) (property transfer tax priority for affordable housing debt repayment).

(5) 32 V.S.A. § 9602a (clean water surcharge).

* * * Effective Dates for Secs. I.1–I.12 * * *

Sec. I.12 EFFECTIVE DATES

(a) Secs. I.1–I.12 shall take effect on July 1, 2017, except that Sec. I.10 (allocating clean water surcharge revenue to Vermont Housing and Conservation Trust Fund) shall take effect on July 1, 2027.

Date Governor signed bill: June 28, 2017

Appendix B: Payment Schedule Housing for All Revenue Bond

VHFA - Property Transfer Tax Revenue Bond
2018 Series - Taxable Bond

	Serials and 2037 Term Bonds			2038 NRO Term Bonds			TOTAL		
	Principal	Rate	Interest	Principal	Rate	Interest	**Principal**	**Interest**	**Total P&I**
1/9/2018									
5/1/2018	2,165,000	1.84%	282,618.93	-		50,000.00	**2,165,000**	**332,618.93**	**2,497,618.93**
11/1/2018	1,140,000	2.20%	509,992.50	170,000	3.75%	93,750.00	**1,310,000**	**603,742.50**	**1,913,742.50**
5/1/2019	-		497,452.50	-		90,562.50	**-**	**588,015.00**	**588,015.00**
11/1/2019	1,165,000	2.30%	497,452.50	175,000	3.75%	90,562.50	**1,340,000**	**588,015.00**	**1,928,015.00**
5/1/2020	-		484,055.00	-		87,281.25	**-**	**571,336.25**	**571,336.25**
11/1/2020	1,190,000	2.40%	484,055.00	185,000	3.75%	87,281.25	**1,375,000**	**571,336.25**	**1,946,336.25**
5/1/2021	-		469,775.00	-		83,812.50	**-**	**553,587.50**	**553,587.50**
11/1/2021	1,220,000	2.55%	469,775.00	190,000	3.75%	83,812.50	**1,410,000**	**553,587.50**	**1,963,587.50**
5/1/2022	-		454,220.00	-		80,250.00	**-**	**534,470.00**	**534,470.00**
11/1/2022	1,250,000	2.65%	454,220.00	200,000	3.75%	80,250.00	**1,450,000**	**534,470.00**	**1,984,470.00**
5/1/2023	-		437,657.50	-		76,500.00	**-**	**514,157.50**	**514,157.50**
11/1/2023	1,290,000	2.80%	437,657.50	205,000	3.75%	76,500.00	**1,495,000**	**514,157.50**	**2,009,157.50**
5/1/2024	-		419,597.50	-		72,656.25	**-**	**492,253.75**	**492,253.75**
11/1/2024	1,320,000	3.00%	419,597.50	215,000	3.75%	72,656.25	**1,535,000**	**492,253.75**	**2,027,253.75**
5/1/2025	-		399,797.50	-		68,625.00	**-**	**468,422.50**	**468,422.50**
11/1/2025	1,370,000	3.05%	399,797.50	220,000	3.75%	68,625.00	**1,590,000**	**468,422.50**	**2,058,422.50**
5/1/2026	-		378,905.00	-		64,500.00	**-**	**443,405.00**	**443,405.00**
11/1/2026	1,410,000	3.15%	378,905.00	230,000	3.75%	64,500.00	**1,640,000**	**443,405.00**	**2,083,405.00**
5/1/2027	-		356,697.50	-		60,187.50	**-**	**416,885.00**	**416,885.00**
11/1/2027	1,455,000	3.25%	356,697.50	240,000	3.75%	60,187.50	**1,695,000**	**416,885.00**	**2,111,885.00**
5/1/2028	-		333,053.75	-		55,687.50	**-**	**388,741.25**	**388,741.25**
11/1/2028	1,500,000	3.35%	333,053.75	250,000	3.75%	55,687.50	**1,750,000**	**388,741.25**	**2,138,741.25**
5/1/2029	-		307,928.75	-		51,000.00	**-**	**358,928.75**	**358,928.75**
11/1/2029	1,555,000	3.45%	307,928.75	260,000	3.750%	51,000.00	**1,815,000**	**358,928.75**	**2,173,928.75**
5/1/2030	-		281,105.00	-		46,125.00	**-**	**327,230.00**	**327,230.00**
11/1/2030	1,610,000	3.80%	281,105.00	270,000	3.750%	46,125.00	**1,880,000**	**327,230.00**	**2,207,230.00**
5/1/2031	-		250,515.00	-		41,062.50	**-**	**291,577.50**	**291,577.50**
11/1/2031	1,675,000	3.80%	250,515.00	280,000	3.750%	41,062.50	**1,955,000**	**291,577.50**	**2,246,577.50**
5/1/2032	-		218,690.00	-		35,812.50	**-**	**254,502.50**	**254,502.50**
11/1/2032	1,740,000	3.80%	218,690.00	290,000	3.75%	35,812.50	**2,030,000**	**254,502.50**	**2,284,502.50**
5/1/2033	-		185,630.00	-		30,375.00	**-**	**216,005.00**	**216,005.00**
11/1/2033	1,810,000	3.80%	185,630.00	300,000	3.75%	30,375.00	**2,110,000**	**216,005.00**	**2,326,005.00**
5/1/2034	-		151,240.00	-		24,750.00	**-**	**175,990.00**	**175,990.00**
11/1/2034	1,880,000	3.80%	151,240.00	310,000	3.75%	24,750.00	**2,190,000**	**175,990.00**	**2,365,990.00**
5/1/2035	-		115,520.00	-		18,937.50	**-**	**134,457.50**	**134,457.50**
11/1/2035	1,945,000	3.80%	115,520.00	325,000	3.75%	18,937.50	**2,270,000**	**134,457.50**	**2,404,457.50**
5/1/2036	-		78,565.00	-		12,843.75	**-**	**91,408.75**	**91,408.75**
11/1/2036	2,030,000	3.80%	78,565.00	335,000	3.75%	12,843.75	**2,365,000**	**91,408.75**	**2,456,408.75**
5/1/2037	-		39,995.00	-		6,562.50	**-**	**46,557.50**	**46,557.50**
11/1/2037	2,105,000	3.80%	39,995.00	350,000	3.75%	6,562.50	**2,455,000**	**46,557.50**	**2,501,557.50**
TOTAL	32,825,000			5,000,000			**37,825,000**	**14,672,223.93**	**52,497,223.93**

Appendix C: Detailed Modeling of CDAAC Authorization Levels Including Current and Potential Housing Bond – Scenarios 1-8

Public Resources Advisory Group
Historical and Projected Debt Ratios including Capital Leases
Scenario 1: Base Case (excluding Housing Bonds)
$132.610 in 2021; $61.590 Annually through 2030

	Net Tax-Supported Debt Per Capita (in $)			Net Tax-Supported Debt as Percent of Personal Income			Net Tax-Supported Debt Service as Percent of Revenues (5)		
Fiscal Year (ending 6/30)	State of Vermont	Moody's Median	State's Rank (4)	State of Vermont	Moody's Median	State's Rank (4)	State of Vermont (5)	Moody's Median	State's Rank (4)
Actual (1)									
2007	706	787	28	2.1	2.4	30	5.1	n.a.	n.a.
2008	707	889	32	2.0	2.6	33	5.0	n.a.	n.a.
2009	692	865	34	1.8	2.5	35	5.5	n.a.	n.a.
2010	709	936	36	1.8	2.5	36	5.7	n.a.	n.a.
2011	747	1,066	37	1.9	2.8	36	5.1	n.a.	n.a.
2012	792	1,117	34	2.0	2.8	36	4.9	n.a.	n.a.
2013	811	1,074	33	1.9	2.8	35	4.6	n.a.	n.a.
2014	878	1,054	30	2.0	2.6	34	4.7	n.a.	n.a.
2015	954	1,012	28	2.1	2.5	31	4.2	n.a.	n.a.
2016	1,002	1,027	27	2.1	2.5	30	4.2	n.a.	n.a.
2017	1,068	1,006	24	2.2	2.5	27	4.3	n.a.	n.a.
2018	987	987	25	2.0	2.3	28	3.8	n.a.	n.a.
2019	1,140	1,068	25	2.2	2.2	26	3.9	n.a.	n.a.
Current (2)	1,079	n.a.	n.a.	2.0	n.a.	n.a.	3.9	n.a.	n.a.
Projected (FYE 6/30) (3)		State Guideline (6)			State Guideline (7)			State Guideline	
2020	990	720		1.8	2.0		4.0	6.0	
2021	1,113	739		1.9	2.0		4.0	6.0	
2022	1,116	759		1.9	2.0		4.4	6.0	
2023	1,117	780		1.8	2.0		4.4	6.0	
2024	1,118	801		1.8	2.0		4.4	6.0	
2025	1,113	823		1.7	2.0		4.4	6.0	
2026	1,107	845		1.7	2.0		4.4	6.0	
2027	1,100	868		1.6	2.0		4.4	6.0	
2028	1,091	891		1.6	2.0		4.3	6.0	
2029	1,080	915		1.5	2.0		4.2	6.0	
2030	1,069	940		1.4	2.0		4.1	6.0	
5-Year Average of Moody's Mean for Triple-A States		934			2.0			n.a.	
5-Year Average of Moody's Median for Triple-A States		701			1.7			n.a.	

Note: Shaded figures in fiscal years 2020-2030 represent the period when Vermont's debt per capita is projected to exceed the projected State Guideline consistent with the current debt per capita guideline calculation methodology and the assumption that the State will issue bonds consistent with the existing two-year authorization (footnote (3)). See Section 6, "State Guidelines and Recent Events, Debt Per Capita State Guideline – Future Debt Capacity Risk."

(1) Actual data compiled by Moody's Investors Service, reflective of all 50 states. Moody's uses states' prior year figures to calculate the "Actual" year numbers in the table.
(2) Calculated by Public Resources Advisory Group, using outstanding G.O. debt of $676.873 million (exluding Housing Bonds) as of 9/30/19 divided by Vermont's 2019 population of 627,113 as projected by EPR.
(3) Projections assume issuance of $132.610 million of G.O. debt in FY 2021 and $61.590 million in FY 2022 through FY 2030.
(4) Rankings are in numerically descending order (i.e., from high to low debt).
(5) Revenues are adjusted reflecting "current law" revenue forecasts, including changes related to Act 11 as calculated by EPR, based on a consensus between the State's administration and legislature. Current debt service is net of the federal interest subsidies on the Build America Bond issues, and projected debt service is based on estimated interest rates ranging from 5% to 6.5% over the project period.
(6) State Guideline equals the 5-year average of Moody's median for the Peer Group of $701 increasing annually at 2.7%.
(7) The 5-year average of Moody's median for the Peer Group is 1.7%. Since the annual number is quite volatile, ranging from 1.7% to 2.4% over the last five years, the State Guideline is 2.0% for FY 2020 - FY 2030.

State of Vermont

EXISTING AND PROJECTED NET TAX-SUPPORTED G.O. DEBT SERVICE ($000)													
FY	Current D/S[1]	2020 Issue $0.000M	2021 Issue[2] 132.610M	2022 Issue 61.590M	2023 Issue 61.590M	2024 Issue 61.590M	2025 Issue 61.590M	2026 Issue 61.590M	2027 Issue 61.590M	2028 Issue 61.590M	2029 Issue 61.590M	2030 Issue 61.590M	Total Est. D/S
		5.00%	5.50%	6.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	
2020	77,900	0	0	0	0	0	0	0	0	0	0	0	77,900
2021	77,189	0	0	0	0	0	0	0	0	0	0	0	77,189
2022	72,482	0	13,924	0	0	0	0	0	0	0	0	0	86,405
2023	68,518	0	13,559	6,775	0	0	0	0	0	0	0	0	88,852
2024	64,113	0	13,194	6,591	7,083	0	0	0	0	0	0	0	90,981
2025	62,208	0	12,830	6,406	6,883	7,083	0	0	0	0	0	0	95,410
2026	58,378	0	12,465	6,221	6,683	6,883	7,083	0	0	0	0	0	97,714
2027	54,736	0	12,100	6,036	6,483	6,683	6,883	7,083	0	0	0	0	100,005
2028	50,853	0	11,736	5,851	6,283	6,483	6,683	6,883	7,083	0	0	0	101,854
2029	47,264	0	11,371	5,667	6,082	6,283	6,483	6,683	6,883	7,083	0	0	103,799
2030	43,506	0	11,006	5,482	5,882	6,082	6,283	6,483	6,683	6,883	7,083	0	105,374

EXISTING AND PROJECTED NET TAX-SUPPORTED G.O. BOND PRINCIPAL PAYMENTS ($000)													
FY	Current Principal[1]	2020 Issue $0.000M	2021 Issue[2] 132.610M	2022 Issue 61.590M	2023 Issue 61.590M	2024 Issue 61.590M	2025 Issue 61.590M	2026 Issue 61.590M	2027 Issue 61.590M	2028 Issue 61.590M	2029 Issue 61.590M	2030 Issue 61.590M	Total Est. Principal
2020	54,721	0	0	0	0	0	0	0	0	0	0	0	54,721
2021	54,390	0	0	0	0	0	0	0	0	0	0	0	54,390
2022	51,558	0	6,630	0	0	0	0	0	0	0	0	0	58,188
2023	49,743	0	6,630	3,080	0	0	0	0	0	0	0	0	59,453
2024	47,275	0	6,630	3,080	3,080	0	0	0	0	0	0	0	60,065
2025	47,276	0	6,630	3,080	3,080	3,080	0	0	0	0	0	0	63,146
2026	45,320	0	6,630	3,080	3,080	3,080	3,080	0	0	0	0	0	64,270
2027	43,443	0	6,630	3,080	3,080	3,080	3,080	3,080	0	0	0	0	65,473
2028	41,199	0	6,630	3,080	3,080	3,080	3,080	3,080	3,080	0	0	0	66,309
2029	39,129	0	6,630	3,080	3,080	3,080	3,080	3,080	3,080	3,080	0	0	67,319
2030	36,789	0	6,630	3,080	3,080	3,080	3,080	3,080	3,080	3,080	3,080	0	68,059

EXISTING AND PROJECTED NET TAX-SUPPORTED G.O. BONDS OUTSTANDING ($000)													
FY	Current Debt[1]	2020 Issue $0.000M	2021 Issue[2] 132.610M	2022 Issue 61.590M	2023 Issue 61.590M	2024 Issue 61.590M	2025 Issue 61.590M	2026 Issue 61.590M	2027 Issue 61.590M	2028 Issue 61.590M	2029 Issue 61.590M	2030 Issue 61.590M	Total Est. Debt
2019[(3)]	676,873	0	0	0	0	0	0	0	0	0	0	0	676,873
2020	622,152	0	0	0	0	0	0	0	0	0	0	0	622,152
2021	567,762	0	132,610	0	0	0	0	0	0	0	0	0	700,372
2022	516,204	0	125,980	61,590	0	0	0	0	0	0	0	0	703,774
2023	466,462	0	119,350	58,510	61,590	0	0	0	0	0	0	0	705,912
2024	419,186	0	112,720	55,430	58,510	61,590	0	0	0	0	0	0	707,436
2025	371,910	0	106,090	52,350	55,430	58,510	61,590	0	0	0	0	0	705,880
2026	326,590	0	99,460	49,270	52,350	55,430	58,510	61,590	0	0	0	0	703,200
2027	283,147	0	92,830	46,190	49,270	52,350	55,430	58,510	61,590	0	0	0	699,317
2028	241,948	0	86,200	43,110	46,190	49,270	52,350	55,430	58,510	61,590	0	0	694,598
2029	202,818	0	79,570	40,030	43,110	46,190	49,270	52,350	55,430	58,510	61,590	0	688,868
2030	166,029	0	72,940	36,950	40,030	43,110	46,190	49,270	52,350	55,430	58,510	61,590	682,399

Public Resources Advisory Group
Historical and Projected Debt Ratios including Capital Leases
Scenario 2: Base Case (including Housing Bonds)
$132.610 in 2021; $61.590 Annually through 2030

	Net Tax-Supported Debt Per Capita (in $)			Net Tax-Supported Debt as Percent of Personal Income			Net Tax-Supported Debt Service as Percent of Revenues (5)		
Fiscal Year (ending 6/30)	State of Vermont	Moody's Median	State's Rank (4)	State of Vermont	Moody's Median	State's Rank (4)	State of Vermont (5)	Moody's Median	State's Rank (4)
Actual (1)									
2007	706	787	28	2.1	2.4	30	5.1	n.a.	n.a.
2008	707	889	32	2.0	2.6	33	5.0	n.a.	n.a.
2009	692	865	34	1.8	2.5	35	5.5	n.a.	n.a.
2010	709	936	36	1.8	2.5	36	5.7	n.a.	n.a.
2011	747	1,066	37	1.9	2.8	36	5.1	n.a.	n.a.
2012	792	1,117	34	2.0	2.8	36	4.9	n.a.	n.a.
2013	811	1,074	33	1.9	2.8	35	4.6	n.a.	n.a.
2014	878	1,054	30	2.0	2.6	34	4.7	n.a.	n.a.
2015	954	1,012	28	2.1	2.5	31	4.2	n.a.	n.a.
2016	1,002	1,027	27	2.1	2.5	30	4.2	n.a.	n.a.
2017	1,068	1,006	24	2.2	2.5	27	4.3	n.a.	n.a.
2018	987	987	25	2.0	2.3	28	4.0	n.a.	n.a.
2019	1,140	1,068	25	2.2	2.2	26	4.0	n.a.	n.a.
Current (2)	1,134	n.a.	n.a.	2.1	n.a.	n.a.	4.0	n.a.	n.a.
Projected (FYE 6/30) (3)		State Guideline (6)			State Guideline (7)			State Guideline	
2020	1,043	720		1.8	2.0		4.2	6.0	
2021	1,163	739		2.0	2.0		4.1	6.0	
2022	1,164	759		2.0	2.0		4.5	6.0	
2023	1,163	780		1.9	2.0		4.5	6.0	
2024	1,161	801		1.9	2.0		4.5	6.0	
2025	1,154	823		1.8	2.0		4.6	6.0	
2026	1,145	845		1.7	2.0		4.5	6.0	
2027	1,135	868		1.7	2.0		4.5	6.0	
2028	1,123	891		1.6	2.0		4.4	6.0	
2029	1,110	915		1.5	2.0		4.3	6.0	
2030	1,096	940		1.5	2.0		4.2	6.0	
5-Year Average of Moody's Mean for Triple-A States		934			2.0			n.a.	
5-Year Average of Moody's Median for Triple-A States		701			1.7			n.a.	

Note: Shaded figures in fiscal years 2020-2030 represent the period when Vermont's debt per capita is projected to exceed the projected State Guideline consistent with the current debt per capita guideline calculation methodology and the assumption that the State will issue bonds consistent with the existing two-year authorization (footnote (3)). See Section 6, "State Guidelines and Recent Events, Debt Per Capita State Guideline – Future Debt Capacity Risk."

(1) Actual data compiled by Moody's Investors Service, reflective of all 50 states. Moody's uses states' prior year figures to calculate the "Actual" year numbers in the table.
(2) Calculated by Public Resources Advisory Group, using outstanding G.O. debt of $711.223 million (including Housing Bonds) as of 9/30/19 divided by Vermont's 2019 population of 627.113 as projected by EPR.
(3) Projections assume issuance of $132.610 million of G.O. debt in FY 2021 and $61.590 million in FY 2022 through FY 2030.
(4) Rankings are in numerically descending order (i.e., from high to low debt).
(5) Revenues are adjusted reflecting "current law" revenue forecasts, including changes related to Act 11 as calculated by EPR, based on a consensus between the State's administration and legislature. Current debt service is net of the federal interest subsidies on the Build America Bond issues, and projected debt service is based on estimated interest rates ranging from 5% to 6.5% over the project period.
(6) State Guideline equals the 5-year average of Moody's median for the Peer Group of $701 increasing annually at 2.7%.
(7) The 5-year average of Moody's median for the Peer Group is 1.7%. Since the annual number is quite volatile, ranging from 1.7% to 2.4% over the last five years, the State Guideline is 2.0% for FY 2020 - FY 2030.

State of Vermont

EXISTING AND PROJECTED NET TAX-SUPPORTED G.O. DEBT SERVICE ($000)													
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
	Current	Issue	Issue[2]	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Est.
FY	D/S[1]	$0.000M	132.610M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	D/S
		5.00%	5.50%	6.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	
2020	80,399	0	0	0	0	0	0	0	0	0	0	0	80,399
2021	79,689	0	0	0	0	0	0	0	0	0	0	0	79,689
2022	74,980	0	13,924	0	0	0	0	0	0	0	0	0	88,903
2023	71,016	0	13,559	6,775	0	0	0	0	0	0	0	0	91,351
2024	66,614	0	13,194	6,591	7,083	0	0	0	0	0	0	0	93,483
2025	64,704	0	12,830	6,406	6,883	7,083	0	0	0	0	0	0	97,906
2026	60,880	0	12,465	6,221	6,683	6,883	7,083	0	0	0	0	0	100,215
2027	57,236	0	12,100	6,036	6,483	6,683	6,883	7,083	0	0	0	0	102,505
2028	53,353	0	11,736	5,851	6,283	6,483	6,683	6,883	7,083	0	0	0	104,355
2029	49,761	0	11,371	5,667	6,082	6,283	6,483	6,683	6,883	7,083	0	0	106,296
2030	46,007	0	11,006	5,482	5,882	6,082	6,283	6,483	6,683	6,883	7,083	0	107,875

EXISTING AND PROJECTED NET TAX-SUPPORTED G.O. BOND PRINCIPAL PAYMENTS ($000)													
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
	Current	Issue	Issue[2]	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Est.
FY	Principal[1]	$0.000M	132.610M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	Principal
2020	56,061	0	0	0	0	0	0	0	0	0	0	0	56,061
2021	55,765	0	0	0	0	0	0	0	0	0	0	0	55,765
2022	52,968	0	6,630	0	0	0	0	0	0	0	0	0	59,598
2023	51,193	0	6,630	3,080	0	0	0	0	0	0	0	0	60,903
2024	48,770	0	6,630	3,080	3,080	0	0	0	0	0	0	0	61,560
2025	48,811	0	6,630	3,080	3,080	3,080	0	0	0	0	0	0	64,681
2026	46,910	0	6,630	3,080	3,080	3,080	3,080	0	0	0	0	0	65,860
2027	45,083	0	6,630	3,080	3,080	3,080	3,080	3,080	0	0	0	0	67,113
2028	42,894	0	6,630	3,080	3,080	3,080	3,080	3,080	3,080	0	0	0	68,004
2029	40,879	0	6,630	3,080	3,080	3,080	3,080	3,080	3,080	3,080	0	0	69,069
2030	38,604	0	6,630	3,080	3,080	3,080	3,080	3,080	3,080	3,080	3,080	0	69,874

EXISTING AND PROJECTED NET TAX-SUPPORTED G.O. BONDS OUTSTANDING ($000)													
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
	Current	Issue	Issue[2]	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Est.
FY	Debt[1]	$0.000M	132.610M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	Debt
2019[(3)]	711,223	0	0	0	0	0	0	0	0	0	0	0	711,223
2020	655,162	0	0	0	0	0	0	0	0	0	0	0	655,162
2021	599,397	0	132,610	0	0	0	0	0	0	0	0	0	732,007
2022	546,429	0	125,980	61,590	0	0	0	0	0	0	0	0	733,999
2023	495,237	0	119,350	58,510	61,590	0	0	0	0	0	0	0	734,687
2024	446,466	0	112,720	55,430	58,510	61,590	0	0	0	0	0	0	734,716
2025	397,655	0	106,090	52,350	55,430	58,510	61,590	0	0	0	0	0	731,625
2026	350,745	0	99,460	49,270	52,350	55,430	58,510	61,590	0	0	0	0	727,355
2027	305,662	0	92,830	46,190	49,270	52,350	55,430	58,510	61,590	0	0	0	721,832
2028	262,768	0	86,200	43,110	46,190	49,270	52,350	55,430	58,510	61,590	0	0	715,418
2029	221,888	0	79,570	40,030	43,110	46,190	49,270	52,350	55,430	58,510	61,590	0	707,938
2030	183,284	0	72,940	36,950	40,030	43,110	46,190	49,270	52,350	55,430	58,510	61,590	699,654

Public Resources Advisory Group
Historical and Projected Debt Ratios including Capital Leases
Scenario 3: DPC Compliant Case (excluding Housing Bonds)
$132.610 in 2021; $50.145 Annually through 2030

	Net Tax-Supported Debt Per Capita (in $)			**Net Tax-Supported Debt as Percent of Personal Income**			**Net Tax-Supported Debt Service as Percent of Revenues (5)**		
Fiscal Year (ending 6/30)	State of Vermont	Moody's Median	State's Rank (4)	State of Vermont	Moody's Median	State's Rank (4)	State of Vermont (5)	Moody's Median	State's Rank (4)
Actual (1)									
2007	706	787	28	2.1	2.4	30	5.1	n.a.	n.a.
2008	707	889	32	2.0	2.6	33	5.0	n.a.	n.a.
2009	692	865	34	1.8	2.5	35	5.5	n.a.	n.a.
2010	709	936	36	1.8	2.5	36	5.7	n.a.	n.a.
2011	747	1,066	37	1.9	2.8	36	5.1	n.a.	n.a.
2012	792	1,117	34	2.0	2.8	36	4.9	n.a.	n.a.
2013	811	1,074	33	1.9	2.8	35	4.6	n.a.	n.a.
2014	878	1,054	30	2.0	2.6	34	4.7	n.a.	n.a.
2015	954	1,012	28	2.1	2.5	31	4.2	n.a.	n.a.
2016	1,002	1,027	27	2.1	2.5	30	4.2	n.a.	n.a.
2017	1,068	1,006	24	2.2	2.5	27	4.3	n.a.	n.a.
2018	987	987	25	2.0	2.3	28	3.8	n.a.	n.a.
2019	1,140	1,068	25	2.2	2.2	26	3.9	n.a.	n.a.
Current (2)	1,079	n.a.	n.a.	2.0	n.a.	n.a.	3.9	n.a.	n.a.
Projected (FYE 6/30) (3)		State Guideline (6)			State Guideline (7)			State Guideline	
2020	990	720		1.8	2.0		4.0	6.0	
2021	1,113	739		1.9	2.0		4.0	6.0	
2022	1,098	759		1.9	2.0		4.4	6.0	
2023	1,082	780		1.8	2.0		4.3	6.0	
2024	1,066	801		1.7	2.0		4.2	6.0	
2025	1,047	823		1.6	2.0		4.3	6.0	
2026	1,026	845		1.6	2.0		4.2	6.0	
2027	1,005	868		1.5	2.0		4.1	6.0	
2028	984	891		1.4	2.0		4.0	6.0	
2029	962	915		1.3	2.0		3.9	6.0	
2030	940	940		1.3	2.0		3.8	6.0	
5-Year Average of Moody's Mean for Triple-A States		934			2.0			n.a.	
5-Year Average of Moody's Median for Triple-A States		701			1.7			n.a.	

Note: Shaded figures in fiscal years 2020-2030 represent the period when Vermont's debt per capita is projected to exceed the projected State Guideline consistent with the current debt per capita guideline calculation methodology and the assumption that the State will issue bonds consistent with the existing two-year authorization (footnote (3)). See Section 6, "State Guidelines and Recent Events, Debt Per Capita State Guideline – Future Debt Capacity Risk."

(1) Actual data compiled by Moody's Investors Service, reflective of all 50 states. Moody's uses states' prior year figures to calculate the "Actual" year numbers in the table.
(2) Calculated by Public Resources Advisory Group, using outstanding G.O. debt of $676.873 million (excluding Housing Bonds) as of 9/30/19 divided by Vermont's 2019 population of 627,113 as projected by EPR.
(3) Projections assume issuance of $132.610 million of G.O. debt in FY 2021 and $50.145 million in FY 2022 through FY 2030.
(4) Rankings are in numerically descending order (i.e., from high to low debt).
(5) Revenues are adjusted reflecting "current law" revenue forecasts, including changes related to Act 11 as calculated by EPR, based on a consensus between the State's administration and legislature. Current debt service is net of the federal interest subsidies on the Build America Bond issues, and projected debt service is based on estimated interest rates ranging from 5% to 6.5% over the project period.
(6) State Guideline equals the 5-year average of Moody's median for the Peer Group of $701 increasing annually at 2.7%.
(7) The 5-year average of Moody's median for the Peer Group is 1.7%. Since the annual number is quite volatile, ranging from 1.7% to 2.4% over the last five years, the State Guideline is 2.0% for FY 2020 - FY 2030.

State of Vermont

EXISTING AND PROJECTED NET TAX-SUPPORTED G.O. DEBT SERVICE ($000)													
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
	Current	Issue	Issue[2]	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Est.
FY	D/S[1]	$0.000M	132.610M	50.145M	50.145M	50.145M	50.145M	50.145M	50.145M	50.145M	50.145M	50.145M	D/S
		5.00%	5.50%	6.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	
2020	77,900	0	0	0	0	0	0	0	0	0	0	0	77,900
2021	77,189	0	0	0	0	0	0	0	0	0	0	0	77,189
2022	72,482	0	13,924	0	0	0	0	0	0	0	0	0	86,405
2023	68,518	0	13,559	5,519	0	0	0	0	0	0	0	0	87,595
2024	64,113	0	13,194	5,368	5,769	0	0	0	0	0	0	0	88,445
2025	62,208	0	12,830	5,218	5,606	5,769	0	0	0	0	0	0	91,631
2026	58,378	0	12,465	5,067	5,443	5,606	5,769	0	0	0	0	0	92,729
2027	54,736	0	12,100	4,916	5,280	5,443	5,606	5,769	0	0	0	0	93,852
2028	50,853	0	11,736	4,766	5,117	5,280	5,443	5,606	5,769	0	0	0	94,570
2029	47,264	0	11,371	4,615	4,954	5,117	5,280	5,443	5,606	5,769	0	0	95,419
2030	43,506	0	11,006	4,465	4,791	4,954	5,117	5,280	5,443	5,606	5,769	0	95,937

EXISTING AND PROJECTED NET TAX-SUPPORTED G.O. BOND PRINCIPAL PAYMENTS ($000)													
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
	Current	Issue	Issue[2]	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Est.
FY	Principal[1]	$0.000M	132.610M	50.145M	50.145M	50.145M	50.145M	50.145M	50.145M	50.145M	50.145M	50.145M	Principal
2020	54,721	0	0	0	0	0	0	0	0	0	0	0	54,721
2021	54,390	0	0	0	0	0	0	0	0	0	0	0	54,390
2022	51,558	0	6,630	0	0	0	0	0	0	0	0	0	58,188
2023	49,743	0	6,630	2,510	0	0	0	0	0	0	0	0	58,883
2024	47,275	0	6,630	2,510	2,510	0	0	0	0	0	0	0	58,925
2025	47,276	0	6,630	2,510	2,510	2,510	0	0	0	0	0	0	61,436
2026	45,320	0	6,630	2,510	2,510	2,510	2,510	0	0	0	0	0	61,990
2027	43,443	0	6,630	2,510	2,510	2,510	2,510	2,510	0	0	0	0	62,623
2028	41,199	0	6,630	2,510	2,510	2,510	2,510	2,510	2,510	0	0	0	62,889
2029	39,129	0	6,630	2,510	2,510	2,510	2,510	2,510	2,510	2,510	0	0	63,329
2030	36,789	0	6,630	2,510	2,510	2,510	2,510	2,510	2,510	2,510	2,510	0	63,499

EXISTING AND PROJECTED NET TAX-SUPPORTED G.O. BONDS OUTSTANDING ($000)													
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
	Current	Issue	Issue[2]	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Est.
FY	Debt[1]	$0.000M	132.610M	50.145M	50.145M	50.145M	50.145M	50.145M	50.145M	50.145M	50.145M	50.145M	Debt
2019[(3)]	676,873	0	0	0	0	0	0	0	0	0	0	0	676,873
2020	622,152	0	0	0	0	0	0	0	0	0	0	0	622,152
2021	567,762	0	132,610	0	0	0	0	0	0	0	0	0	700,372
2022	516,204	0	125,980	50,145	0	0	0	0	0	0	0	0	692,329
2023	466,462	0	119,350	47,635	50,145	0	0	0	0	0	0	0	683,592
2024	419,186	0	112,720	45,125	47,635	50,145	0	0	0	0	0	0	674,811
2025	371,910	0	106,090	42,615	45,125	47,635	50,145	0	0	0	0	0	663,520
2026	326,590	0	99,460	40,105	42,615	45,125	47,635	50,145	0	0	0	0	651,675
2027	283,147	0	92,830	37,595	40,105	42,615	45,125	47,635	50,145	0	0	0	639,197
2028	241,948	0	86,200	35,085	37,595	40,105	42,615	45,125	47,635	50,145	0	0	626,453
2029	202,818	0	79,570	32,575	35,085	37,595	40,105	42,615	45,125	47,635	50,145	0	613,268
2030	166,029	0	72,940	30,065	32,575	35,085	37,595	40,105	42,615	45,125	47,635	50,145	599,914

Public Resources Advisory Group
Historical and Projected Debt Ratios including Capital Leases
Scenario 4: DPC Compliant Case (including Housing Bonds)
$132.610 in 2021; $47.750 Annually through 2030

	Net Tax-Supported Debt Per Capita (in $)			Net Tax-Supported Debt as Percent of Personal Income			Net Tax-Supported Debt Service as Percent of Revenues (5)		
Fiscal Year (ending 6/30)	State of Vermont	Moody's Median	State's Rank (4)	State of Vermont	Moody's Median	State's Rank (4)	State of Vermont (5)	Moody's Median	State's Rank (4)
Actual (1)									
2007	706	787	28	2.1	2.4	30	5.1	n.a.	n.a.
2008	707	889	32	2.0	2.6	33	5.0	n.a.	n.a.
2009	692	865	34	1.8	2.5	35	5.5	n.a.	n.a.
2010	709	936	36	1.8	2.5	36	5.7	n.a.	n.a.
2011	747	1,066	37	1.9	2.8	36	5.1	n.a.	n.a.
2012	792	1,117	34	2.0	2.8	36	4.9	n.a.	n.a.
2013	811	1,074	33	1.9	2.8	35	4.6	n.a.	n.a.
2014	878	1,054	30	2.0	2.6	34	4.7	n.a.	n.a.
2015	954	1,012	28	2.1	2.5	31	4.2	n.a.	n.a.
2016	1,002	1,027	27	2.1	2.5	30	4.2	n.a.	n.a.
2017	1,068	1,006	24	2.2	2.5	27	4.3	n.a.	n.a.
2018	987	987	25	2.0	2.3	28	4.0	n.a.	n.a.
2019	1,140	1,068	25	2.2	2.2	26	4.0	n.a.	n.a.
Current (2)	1,134	n.a.	n.a.	2.1	n.a.	n.a.	4.0	n.a.	n.a.
Projected (FYE 6/30) (3)		State Guideline (6)			State Guideline (7)			State Guideline	
2020	1,043	720		1.8	2.0		4.2	6.0	
2021	1,163	739		2.0	2.0		4.1	6.0	
2022	1,142	759		1.9	2.0		4.5	6.0	
2023	1,120	780		1.8	2.0		4.4	6.0	
2024	1,099	801		1.8	2.0		4.3	6.0	
2025	1,073	823		1.7	2.0		4.3	6.0	
2026	1,047	845		1.6	2.0		4.2	6.0	
2027	1,021	868		1.5	2.0		4.1	6.0	
2028	994	891		1.4	2.0		4.0	6.0	
2029	967	915		1.3	2.0		3.9	6.0	
2030	940	940		1.3	2.0		3.8	6.0	
5-Year Average of Moody's Mean for Triple-A States		934			2.0			n.a.	
5-Year Average of Moody's Median for Triple-A States		701			1.7			n.a.	

Note: Shaded figures in fiscal years 2020-2030 represent the period when Vermont's debt per capita is projected to exceed the projected State Guideline consistent with the current debt per capita guideline calculation methodology and the assumption that the State will issue bonds consistent with the existing two-year authorization (footnote (3)). See Section 6, "State Guidelines and Recent Events, Debt Per Capita State Guideline – Future Debt Capacity Risk."

(1) Actual data compiled by Moody's Investors Service, reflective of all 50 states. Moody's uses states' prior year figures to calculate the "Actual" year numbers in the table.
(2) Calculated by Public Resources Advisory Group, using outstanding G.O. debt of $711.223 million (including Housing Bonds) as of 9/30/19 divided by Vermont's 2019 population of 627.113 as projected by EPR.
(3) Projections assume issuance of $132.610 million of G.O. debt in FY 2021 and $47.750 million in FY 2022 through FY 2030.
(4) Rankings are in numerically descending order (i.e., from high to low debt).
(5) Revenues are adjusted reflecting "current law" revenue forecasts, including changes related to Act 11 as calculated by EPR, based on a consensus between the State's administration and legislature. Current debt service is net of the federal interest subsidies on the Build America Bond issues, and projected debt service is based on estimated interest rates ranging from 5% to 6.5% over the project period.
(6) State Guideline equals the 5-year average of Moody's median for the Peer Group of $701 increasing annually at 2.7%.
(7) The 5-year average of Moody's median for the Peer Group is 1.7%. Since the annual number is quite volatile, ranging from 1.7% to 2.4% over the last five years, the State Guideline is 2.0% for FY 2020 - FY 2030.

State of Vermont

EXISTING AND PROJECTED NET TAX-SUPPORTED G.O. DEBT SERVICE ($000)

FY	Current D/S[1]	2020 Issue $0.000M	2021 Issue[2] 132.610M	2022 Issue 47.750M	2023 Issue 47.750M	2024 Issue 47.750M	2025 Issue 47.750M	2026 Issue 47.750M	2027 Issue 47.750M	2028 Issue 47.750M	2029 Issue 47.750M	2030 Issue 47.750M	Total Est. D/S
		5.00%	5.50%	6.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	
2020	80,399	0	0	0	0	0	0	0	0	0	0	0	80,399
2021	79,689	0	0	0	0	0	0	0	0	0	0	0	79,689
2022	74,980	0	13,924	0	0	0	0	0	0	0	0	0	88,903
2023	71,016	0	13,559	5,255	0	0	0	0	0	0	0	0	89,830
2024	66,614	0	13,194	5,112	5,494	0	0	0	0	0	0	0	90,414
2025	64,704	0	12,830	4,968	5,338	5,494	0	0	0	0	0	0	93,334
2026	60,880	0	12,465	4,825	5,183	5,338	5,494	0	0	0	0	0	94,185
2027	57,236	0	12,100	4,681	5,028	5,183	5,338	5,494	0	0	0	0	95,061
2028	53,353	0	11,736	4,538	4,872	5,028	5,183	5,338	5,494	0	0	0	95,542
2029	49,761	0	11,371	4,395	4,717	4,872	5,028	5,183	5,338	5,494	0	0	96,159
2030	46,007	0	11,006	4,251	4,562	4,717	4,872	5,028	5,183	5,338	5,494	0	96,459

EXISTING AND PROJECTED NET TAX-SUPPORTED G.O. BOND PRINCIPAL PAYMENTS ($000)

FY	Current Principal[1]	2020 Issue $0.000M	2021 Issue[2] 132.610M	2022 Issue 47.750M	2023 Issue 47.750M	2024 Issue 47.750M	2025 Issue 47.750M	2026 Issue 47.750M	2027 Issue 47.750M	2028 Issue 47.750M	2029 Issue 47.750M	2030 Issue 47.750M	Total Est. Principal
2020	56,061	0	0	0	0	0	0	0	0	0	0	0	56,061
2021	55,765	0	0	0	0	0	0	0	0	0	0	0	55,765
2022	52,968	0	6,630	0	0	0	0	0	0	0	0	0	59,598
2023	51,193	0	6,630	2,390	0	0	0	0	0	0	0	0	60,213
2024	48,770	0	6,630	2,390	2,390	0	0	0	0	0	0	0	60,180
2025	48,811	0	6,630	2,390	2,390	2,390	0	0	0	0	0	0	62,611
2026	46,910	0	6,630	2,390	2,390	2,390	2,390	0	0	0	0	0	63,100
2027	45,083	0	6,630	2,390	2,390	2,390	2,390	2,390	0	0	0	0	63,663
2028	42,894	0	6,630	2,390	2,390	2,390	2,390	2,390	2,390	0	0	0	63,864
2029	40,879	0	6,630	2,390	2,390	2,390	2,390	2,390	2,390	2,390	0	0	64,239
2030	38,604	0	6,630	2,390	2,390	2,390	2,390	2,390	2,390	2,390	2,390	0	64,354

EXISTING AND PROJECTED NET TAX-SUPPORTED G.O. BONDS OUTSTANDING ($000)

FY	Current Debt[1]	2020 Issue $0.000M	2021 Issue[2] 132.610M	2022 Issue 47.750M	2023 Issue 47.750M	2024 Issue 47.750M	2025 Issue 47.750M	2026 Issue 47.750M	2027 Issue 47.750M	2028 Issue 47.750M	2029 Issue 47.750M	2030 Issue 47.750M	Total Est. Debt
2019[(3)]	711,223	0	0	0	0	0	0	0	0	0	0	0	711,223
2020	655,162	0	0	0	0	0	0	0	0	0	0	0	655,162
2021	599,397	0	132,610	0	0	0	0	0	0	0	0	0	732,007
2022	546,429	0	125,980	47,750	0	0	0	0	0	0	0	0	720,159
2023	495,237	0	119,350	45,360	47,750	0	0	0	0	0	0	0	707,697
2024	446,466	0	112,720	42,970	45,360	47,750	0	0	0	0	0	0	695,266
2025	397,655	0	106,090	40,580	42,970	45,360	47,750	0	0	0	0	0	680,405
2026	350,745	0	99,460	38,190	40,580	42,970	45,360	47,750	0	0	0	0	665,055
2027	305,662	0	92,830	35,800	38,190	40,580	42,970	45,360	47,750	0	0	0	649,142
2028	262,768	0	86,200	33,410	35,800	38,190	40,580	42,970	45,360	47,750	0	0	633,028
2029	221,888	0	79,570	31,020	33,410	35,800	38,190	40,580	42,970	45,360	47,750	0	616,538
2030	183,284	0	72,940	28,630	31,020	33,410	35,800	38,190	40,580	42,970	45,360	47,750	599,934

Public Resources Advisory Group
Historical and Projected Debt Ratios including Capital Leases
Scenario 5: Base Case (including 2018 actual Housing Bonds and 2019 hypothetical Housing Bonds)
$132.610 in 2021; $61.590 Annually through 2030

	Net Tax-Supported Debt Per Capita (in $)			Net Tax-Supported Debt as Percent of Personal Income			Net Tax-Supported Debt Service as Percent of Revenues (5)		
Fiscal Year (ending 6/30)	State of Vermont	Moody's Median	State's Rank (4)	State of Vermont	Moody's Median	State's Rank (4)	State of Vermont (5)	Moody's Median	State's Rank (4)
Actual (1)									
2007	706	787	28	2.1	2.4	30	5.1	n.a.	n.a.
2008	707	889	32	2.0	2.6	33	5.0	n.a.	n.a.
2009	692	865	34	1.8	2.5	35	5.5	n.a.	n.a.
2010	709	936	36	1.8	2.5	36	5.7	n.a.	n.a.
2011	747	1,066	37	1.9	2.8	36	5.1	n.a.	n.a.
2012	792	1,117	34	2.0	2.8	36	4.9	n.a.	n.a.
2013	811	1,074	33	1.9	2.8	35	4.6	n.a.	n.a.
2014	878	1,054	30	2.0	2.6	34	4.7	n.a.	n.a.
2015	954	1,012	28	2.1	2.5	31	4.2	n.a.	n.a.
2016	1,002	1,027	27	2.1	2.5	30	4.2	n.a.	n.a.
2017	1,068	1,006	24	2.2	2.5	27	4.3	n.a.	n.a.
2018	987	987	25	2.0	2.3	28	4.0	n.a.	n.a.
2019	1,140	1,068	25	2.2	2.2	26	4.0	n.a.	n.a.
Current (2)	1,214	n.a.	n.a.	2.2	n.a.	n.a.	4.0	n.a.	n.a.
Projected (FYE 6/30) (3)		State Guideline (6)			State Guideline (7)			State Guideline	
2020	1,119	720		2.0	2.0		4.3	6.0	
2021	1,236	739		2.1	2.0		4.3	6.0	
2022	1,234	759		2.1	2.0		4.7	6.0	
2023	1,230	780		2.0	2.0		4.7	6.0	
2024	1,224	801		2.0	2.0		4.7	6.0	
2025	1,214	823		1.9	2.0		4.7	6.0	
2026	1,202	845		1.8	2.0		4.7	6.0	
2027	1,188	868		1.8	2.0		4.6	6.0	
2028	1,172	891		1.7	2.0		4.5	6.0	
2029	1,155	915		1.6	2.0		4.5	6.0	
2030	1,137	940		1.5	2.0		4.4	6.0	
5-Year Average of Moody's Mean for Triple-A States		934			2.0			n.a.	
5-Year Average of Moody's Median for Triple-A States		701			1.7			n.a.	

Note: Shaded figures in fiscal years 2020-2030 represent the period when Vermont's debt per capita is projected to exceed the projected State Guideline consistent with the current debt per capita guideline calculation methodology and the assumption that the State will issue bonds consistent with the existing two-year authorization (footnote (3)). See Section 6, "State Guidelines and Recent Events, Debt Per Capita State Guideline – Future Debt Capacity Risk."

(1) Actual data compiled by Moody's Investors Service, reflective of all 50 states. Moody's uses states' prior year figures to calculate the "Actual" year numbers in the table.
(2) Calculated by Public Resources Advisory Group, using outstanding G.O. debt of $761.223 million (including 2018 Housing Bonds and 2019 hypothetical Housing Bonds that generate $50 million in proceeds with $3.5 million in level annual debt service) as of 9/30/19 divided by Vermont's 2019 population of 627.113 as projected by EPR.
(3) Projections assume issuance of $132.610 million of G.O. debt in FY 2021 and $61.590 million in FY 2022 through FY 2030.
(4) Rankings are in numerically descending order (i.e., from high to low debt).
(5) Revenues are adjusted reflecting "current law" revenue forecasts, including changes related to Act 11 as calculated by EPR, based on a consensus between the State's administration and legislature. Current debt service is net of the federal interest subsidies on the Build America Bond issues, and projected debt service is based on estimated interest rates ranging from 5% to 6.5% over the project period.
(6) State Guideline equals the 5-year average of Moody's median for the Peer Group of $701 increasing annually at 2.7%.
(7) The 5-year average of Moody's median for the Peer Group is 1.7%. Since the annual number is quite volatile, ranging from 1.7% to 2.4% over the last five years, the State Guideline is 2.0% for FY 2020 - FY 2030.

State of Vermont

EXISTING AND PROJECTED NET TAX-SUPPORTED G.O. DEBT SERVICE ($000)													
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
	Current	Issue	Issue[2]	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Est.
FY	D/S[1]	$0.000M	132.610M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	D/S
		5.00%	5.50%	6.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	
2020	83,905	0	0	0	0	0	0	0	0	0	0	0	83,905
2021	83,190	0	0	0	0	0	0	0	0	0	0	0	83,190
2022	78,484	0	13,924	0	0	0	0	0	0	0	0	0	92,408
2023	74,522	0	13,559	6,775	0	0	0	0	0	0	0	0	94,856
2024	70,117	0	13,194	6,591	7,083	0	0	0	0	0	0	0	96,985
2025	68,209	0	12,830	6,406	6,883	7,083	0	0	0	0	0	0	101,411
2026	64,382	0	12,465	6,221	6,683	6,883	7,083	0	0	0	0	0	103,717
2027	60,738	0	12,100	6,036	6,483	6,683	6,883	7,083	0	0	0	0	106,006
2028	56,859	0	11,736	5,851	6,283	6,483	6,683	6,883	7,083	0	0	0	107,861
2029	53,262	0	11,371	5,667	6,082	6,283	6,483	6,683	6,883	7,083	0	0	109,797
2030	49,513	0	11,006	5,482	5,882	6,082	6,283	6,483	6,683	6,883	7,083	0	111,380

EXISTING AND PROJECTED NET TAX-SUPPORTED G.O. BOND PRINCIPAL PAYMENTS ($000)													
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
	Current	Issue	Issue[2]	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Est.
FY	Principal[1]	$0.000M	132.610M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	Principal
2020	57,921	0	0	0	0	0	0	0	0	0	0	0	57,921
2021	57,675	0	0	0	0	0	0	0	0	0	0	0	57,675
2022	54,933	0	6,630	0	0	0	0	0	0	0	0	0	61,563
2023	53,213	0	6,630	3,080	0	0	0	0	0	0	0	0	62,923
2024	50,840	0	6,630	3,080	3,080	0	0	0	0	0	0	0	63,630
2025	50,941	0	6,630	3,080	3,080	3,080	0	0	0	0	0	0	66,811
2026	49,100	0	6,630	3,080	3,080	3,080	3,080	0	0	0	0	0	68,050
2027	47,338	0	6,630	3,080	3,080	3,080	3,080	3,080	0	0	0	0	69,368
2028	45,224	0	6,630	3,080	3,080	3,080	3,080	3,080	3,080	0	0	0	70,334
2029	43,279	0	6,630	3,080	3,080	3,080	3,080	3,080	3,080	3,080	0	0	71,469
2030	41,069	0	6,630	3,080	3,080	3,080	3,080	3,080	3,080	3,080	3,080	0	72,339

EXISTING AND PROJECTED NET TAX-SUPPORTED G.O. BONDS OUTSTANDING ($000)													
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
	Current	Issue	Issue[2]	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Est.
FY	Debt[1]	$0.000M	132.610M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	Debt
2019[(3)]	761,223	0	0	0	0	0	0	0	0	0	0	0	761,223
2020	703,302	0	0	0	0	0	0	0	0	0	0	0	703,302
2021	645,627	0	132,610	0	0	0	0	0	0	0	0	0	778,237
2022	590,694	0	125,980	61,590	0	0	0	0	0	0	0	0	778,264
2023	537,482	0	119,350	58,510	61,590	0	0	0	0	0	0	0	776,932
2024	486,641	0	112,720	55,430	58,510	61,590	0	0	0	0	0	0	774,891
2025	435,700	0	106,090	52,350	55,430	58,510	61,590	0	0	0	0	0	769,670
2026	386,600	0	99,460	49,270	52,350	55,430	58,510	61,590	0	0	0	0	763,210
2027	339,262	0	92,830	46,190	49,270	52,350	55,430	58,510	61,590	0	0	0	755,432
2028	294,038	0	86,200	43,110	46,190	49,270	52,350	55,430	58,510	61,590	0	0	746,688
2029	250,758	0	79,570	40,030	43,110	46,190	49,270	52,350	55,430	58,510	61,590	0	736,808
2030	209,689	0	72,940	36,950	40,030	43,110	46,190	49,270	52,350	55,430	58,510	61,590	726,059

Public Resources Advisory Group
Historical and Projected Debt Ratios including Capital Leases
Scenario 6: Base Case (including 2018 actual Housing Bonds and 2019 hypothetical Housing Bonds)
$132.610 in 2021; $61.590 Annually through 2030

	Net Tax-Supported Debt Per Capita (in $)			**Net Tax-Supported Debt as Percent of Personal Income**			**Net Tax-Supported Debt Service as Percent of Revenues [(5)]**		
Fiscal Year (ending 6/30)	State of Vermont	Moody's Median	State's Rank [(4)]	State of Vermont	Moody's Median	State's Rank [(4)]	State of Vermont [(5)]	Moody's Median	State's Rank [(4)]
Actual [(1)]									
2007	706	787	28	2.1	2.4	30	5.1	n.a.	n.a.
2008	707	889	32	2.0	2.6	33	5.0	n.a.	n.a.
2009	692	865	34	1.8	2.5	35	5.5	n.a.	n.a.
2010	709	936	36	1.8	2.5	36	5.7	n.a.	n.a.
2011	747	1,066	37	1.9	2.8	36	5.1	n.a.	n.a.
2012	792	1,117	34	2.0	2.8	36	4.9	n.a.	n.a.
2013	811	1,074	33	1.9	2.8	35	4.6	n.a.	n.a.
2014	878	1,054	30	2.0	2.6	34	4.7	n.a.	n.a.
2015	954	1,012	28	2.1	2.5	31	4.2	n.a.	n.a.
2016	1,002	1,027	27	2.1	2.5	30	4.2	n.a.	n.a.
2017	1,068	1,006	24	2.2	2.5	27	4.3	n.a.	n.a.
2018	987	987	25	2.0	2.3	28	4.0	n.a.	n.a.
2019	1,140	1,068	25	2.2	2.2	26	4.0	n.a.	n.a.
Current [(2)]	1,225	n.a.	n.a.	2.2	n.a.	n.a.	4.0	n.a.	n.a.
Projected (FYE 6/30) [(3)]		State Guideline [(6)]			State Guideline [(7)]			State Guideline	
2020	1,130	720		2.0	2.0		4.4	6.0	
2021	1,247	739		2.2	2.0		4.3	6.0	
2022	1,244	759		2.1	2.0		4.7	6.0	
2023	1,239	780		2.0	2.0		4.7	6.0	
2024	1,233	801		2.0	2.0		4.7	6.0	
2025	1,222	823		1.9	2.0		4.7	6.0	
2026	1,210	845		1.8	2.0		4.7	6.0	
2027	1,195	868		1.8	2.0		4.6	6.0	
2028	1,179	891		1.7	2.0		4.6	6.0	
2029	1,162	915		1.6	2.0		4.5	6.0	
2030	1,143	940		1.5	2.0		4.4	6.0	
5-Year Average of Moody's Mean for Triple-A States		934			2.0			n.a.	
5-Year Average of Moody's Median for Triple-A States		701			1.7			n.a.	

Note: Shaded figures in fiscal years 2020-2030 represent the period when Vermont's debt per capita is projected to exceed the projected State Guideline consistent with the current debt per capita guideline calculation methodology and the assumption that the State will issue bonds consistent with the existing two-year authorization (footnote (3)). See Section 6, "State Guidelines and Recent Events, Debt Per Capita State Guideline – Future Debt Capacity Risk."

(1) Actual data compiled by Moody's Investors Service, reflective of all 50 states. Moody's uses states' prior year figures to calculate the "Actual" year numbers in the table.
(2) Calculated by Public Resources Advisory Group, using outstanding G.O. debt of $768.273 million (including 2018 Housing Bonds and 2019 hypothetical Housing Bonds that generate $57 million in proceeds with $4 million in level annual debt service) as of 9/30/19 divided by Vermont's 2019 population of 627.113 as projected by EPR.
(3) Projections assume issuance of $132.610 million of G.O. debt in FY 2021 and $61.590 million in FY 2022 through FY 2030.
(4) Rankings are in numerically descending order (i.e., from high to low debt).
(5) Revenues are adjusted reflecting "current law" revenue forecasts, including changes related to Act 11 as calculated by EPR, based on a consensus between the State's administration and legislature. Current debt service is net of the federal interest subsidies on the Build America Bond issues, and projected debt service is based on estimated interest rates ranging from 5% to 6.5% over the project period.
(6) State Guideline equals the 5-year average of Moody's median for the Peer Group of $701 increasing annually at 2.7%.
(7) The 5-year average of Moody's median for the Peer Group is 1.7%. Since the annual number is quite volatile, ranging from 1.7% to 2.4% over the last five years, the State Guideline is 2.0% for FY 2020 - FY 2030.

State of Vermont

EXISTING AND PROJECTED NET TAX-SUPPORTED G.O. DEBT SERVICE ($000)													
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
	Current	Issue	Issue[2]	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Est.
FY	D/S[1]	$0.000M	132.610M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	D/S
		5.00%	5.50%	6.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	
2020	84,397	0	0	0	0	0	0	0	0	0	0	0	84,397
2021	83,684	0	0	0	0	0	0	0	0	0	0	0	83,684
2022	78,976	0	13,924	0	0	0	0	0	0	0	0	0	92,900
2023	75,011	0	13,559	6,775	0	0	0	0	0	0	0	0	95,346
2024	70,614	0	13,194	6,591	7,083	0	0	0	0	0	0	0	97,482
2025	68,703	0	12,830	6,406	6,883	7,083	0	0	0	0	0	0	101,905
2026	64,877	0	12,465	6,221	6,683	6,883	7,083	0	0	0	0	0	104,213
2027	61,234	0	12,100	6,036	6,483	6,683	6,883	7,083	0	0	0	0	106,502
2028	57,350	0	11,736	5,851	6,283	6,483	6,683	6,883	7,083	0	0	0	108,352
2029	53,758	0	11,371	5,667	6,082	6,283	6,483	6,683	6,883	7,083	0	0	110,292
2030	50,005	0	11,006	5,482	5,882	6,082	6,283	6,483	6,683	6,883	7,083	0	111,872

EXISTING AND PROJECTED NET TAX-SUPPORTED G.O. BOND PRINCIPAL PAYMENTS ($000)													
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
	Current	Issue	Issue[2]	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Est.
FY	Principal[1]	$0.000M	132.610M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	Principal
2020	58,181	0	0	0	0	0	0	0	0	0	0	0	58,181
2021	57,945	0	0	0	0	0	0	0	0	0	0	0	57,945
2022	55,208	0	6,630	0	0	0	0	0	0	0	0	0	61,838
2023	53,493	0	6,630	3,080	0	0	0	0	0	0	0	0	63,203
2024	51,135	0	6,630	3,080	3,080	0	0	0	0	0	0	0	63,925
2025	51,241	0	6,630	3,080	3,080	3,080	0	0	0	0	0	0	67,111
2026	49,410	0	6,630	3,080	3,080	3,080	3,080	0	0	0	0	0	68,360
2027	47,658	0	6,630	3,080	3,080	3,080	3,080	3,080	0	0	0	0	69,688
2028	45,549	0	6,630	3,080	3,080	3,080	3,080	3,080	3,080	0	0	0	70,659
2029	43,619	0	6,630	3,080	3,080	3,080	3,080	3,080	3,080	3,080	0	0	71,809
2030	41,414	0	6,630	3,080	3,080	3,080	3,080	3,080	3,080	3,080	3,080	0	72,684

EXISTING AND PROJECTED NET TAX-SUPPORTED G.O. BONDS OUTSTANDING ($000)													
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
	Current	Issue	Issue[2]	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Est.
FY	Debt[1]	$0.000M	132.610M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	61.590M	Debt
2019[(3)]	768,273	0	0	0	0	0	0	0	0	0	0	0	768,273
2020	710,092	0	0	0	0	0	0	0	0	0	0	0	710,092
2021	652,147	0	132,610	0	0	0	0	0	0	0	0	0	784,757
2022	596,939	0	125,980	61,590	0	0	0	0	0	0	0	0	784,509
2023	543,447	0	119,350	58,510	61,590	0	0	0	0	0	0	0	782,897
2024	492,311	0	112,720	55,430	58,510	61,590	0	0	0	0	0	0	780,561
2025	441,070	0	106,090	52,350	55,430	58,510	61,590	0	0	0	0	0	775,040
2026	391,660	0	99,460	49,270	52,350	55,430	58,510	61,590	0	0	0	0	768,270
2027	344,002	0	92,830	46,190	49,270	52,350	55,430	58,510	61,590	0	0	0	760,172
2028	298,453	0	86,200	43,110	46,190	49,270	52,350	55,430	58,510	61,590	0	0	751,103
2029	254,833	0	79,570	40,030	43,110	46,190	49,270	52,350	55,430	58,510	61,590	0	740,883
2030	213,419	0	72,940	36,950	40,030	43,110	46,190	49,270	52,350	55,430	58,510	61,590	729,789

Public Resources Advisory Group
Historical and Projected Debt Ratios including Capital Leases
Scenario 7: Base Case (including 2018 actual Housing Bonds and 2019 hypothetical Housing Bonds)
$132.610 in 2021; $44.055 Annually through 2030

	Net Tax-Supported Debt Per Capita (in $)			Net Tax-Supported Debt as Percent of Personal Income			Net Tax-Supported Debt Service as Percent of Revenues [5]		
Fiscal Year (ending 6/30)	State of Vermont	Moody's Median	State's Rank [4]	State of Vermont	Moody's Median	State's Rank [4]	State of Vermont [5]	Moody's Median	State's Rank [4]
Actual [1]									
2007	706	787	28	2.1	2.4	30	5.1	n.a.	n.a.
2008	707	889	32	2.0	2.6	33	5.0	n.a.	n.a.
2009	692	865	34	1.8	2.5	35	5.5	n.a.	n.a.
2010	709	936	36	1.8	2.5	36	5.7	n.a.	n.a.
2011	747	1,066	37	1.9	2.8	36	5.1	n.a.	n.a.
2012	792	1,117	34	2.0	2.8	36	4.9	n.a.	n.a.
2013	811	1,074	33	1.9	2.8	35	4.6	n.a.	n.a.
2014	878	1,054	30	2.0	2.6	34	4.7	n.a.	n.a.
2015	954	1,012	28	2.1	2.5	31	4.2	n.a.	n.a.
2016	1,002	1,027	27	2.1	2.5	30	4.2	n.a.	n.a.
2017	1,068	1,006	24	2.2	2.5	27	4.3	n.a.	n.a.
2018	987	987	25	2.0	2.3	28	4.0	n.a.	n.a.
2019	1,140	1,068	25	2.2	2.2	26	4.0	n.a.	n.a.
Current [2]	1,214	n.a.	n.a.	2.2	n.a.	n.a.	4.0	n.a.	n.a.
Projected (FYE 6/30) [3]		State Guideline [6]			State Guideline [7]			State Guideline	
2020	1,119	720		2.0	2.0		4.3	6.0	
2021	1,236	739		2.1	2.0		4.3	6.0	
2022	1,206	759		2.0	2.0		4.7	6.0	
2023	1,176	780		1.9	2.0		4.6	6.0	
2024	1,145	801		1.8	2.0		4.5	6.0	
2025	1,112	823		1.7	2.0		4.4	6.0	
2026	1,078	845		1.6	2.0		4.3	6.0	
2027	1,043	868		1.5	2.0		4.2	6.0	
2028	1,009	891		1.4	2.0		4.1	6.0	
2029	974	915		1.4	2.0		3.9	6.0	
2030	940	940		1.3	2.0		3.8	6.0	
5-Year Average of Moody's Mean for Triple-A States		934			2.0			n.a.	
5-Year Average of Moody's Median for Triple-A States		701			1.7			n.a.	

Note: Shaded figures in fiscal years 2020-2030 represent the period when Vermont's debt per capita is projected to exceed the projected State Guideline consistent with the current debt per capita guideline calculation methodology and the assumption that the State will issue bonds consistent with the existing two-year authorization (footnote (3)). See Section 6, "State Guidelines and Recent Events, Debt Per Capita State Guideline – Future Debt Capacity Risk."

(1) Actual data compiled by Moody's Investors Service, reflective of all 50 states. Moody's uses states' prior year figures to calculate the "Actual" year numbers in the table.
(2) Calculated by Public Resources Advisory Group, using outstanding G.O. debt of $761.223 million (including 2018 Housing Bonds and 2019 hypothetical Housing Bonds that generate $50 million in proceeds with $3.5 million in level annual debt service) as of 9/30/19 divided by Vermont's 2019 population of 627.113 as projected by EPR.
(3) Projections assume issuance of $132.610 million of G.O. debt in FY 2021 and $44.055 million in FY 2022 through FY 2030.
(4) Rankings are in numerically descending order (i.e., from high to low debt).
(5) Revenues are adjusted reflecting "current law" revenue forecasts, including changes related to Act 11 as calculated by EPR, based on a consensus between the State's administration and legislature. Current debt service is net of the federal interest subsidies on the Build America Bond issues, and projected debt service is based on estimated interest rates ranging from 5% to 6.5% over the project period.
(6) State Guideline equals the 5-year average of Moody's median for the Peer Group of $701 increasing annually at 2.7%.
(7) The 5-year average of Moody's median for the Peer Group is 1.7%. Since the annual number is quite volatile, ranging from 1.7% to 2.4% over the last five years, the State Guideline is 2.0% for FY 2020 - FY 2030.

State of Vermont

EXISTING AND PROJECTED NET TAX-SUPPORTED G.O. DEBT SERVICE ($000)													
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
	Current	Issue	Issue[2]	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Est.
FY	D/S[1]	$0.000M	132.610M	44.055M	44.055M	44.055M	44.055M	44.055M	44.055M	44.055M	44.055M	44.055M	D/S
		5.00%	5.50%	6.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	
2020	83,905	0	0	0	0	0	0	0	0	0	0	0	83,905
2021	83,190	0	0	0	0	0	0	0	0	0	0	0	83,190
2022	78,484	0	13,924	0	0	0	0	0	0	0	0	0	92,408
2023	74,522	0	13,559	4,843	0	0	0	0	0	0	0	0	92,924
2024	70,117	0	13,194	4,711	5,064	0	0	0	0	0	0	0	93,086
2025	68,209	0	12,830	4,579	4,921	5,064	0	0	0	0	0	0	95,602
2026	64,382	0	12,465	4,447	4,778	4,921	5,064	0	0	0	0	0	96,056
2027	60,738	0	12,100	4,315	4,635	4,778	4,921	5,064	0	0	0	0	96,550
2028	56,859	0	11,736	4,183	4,492	4,635	4,778	4,921	5,064	0	0	0	96,666
2029	53,262	0	11,371	4,051	4,349	4,492	4,635	4,778	4,921	5,064	0	0	96,921
2030	49,513	0	11,006	3,919	4,206	4,349	4,492	4,635	4,778	4,921	5,064	0	96,880

EXISTING AND PROJECTED NET TAX-SUPPORTED G.O. BOND PRINCIPAL PAYMENTS ($000)													
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
	Current	Issue	Issue[2]	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Est.
FY	Principal[1]	$0.000M	132.610M	44.055M	44.055M	44.055M	44.055M	44.055M	44.055M	44.055M	44.055M	44.055M	Principal
2020	57,921	0	0	0	0	0	0	0	0	0	0	0	57,921
2021	57,675	0	0	0	0	0	0	0	0	0	0	0	57,675
2022	54,933	0	6,630	0	0	0	0	0	0	0	0	0	61,563
2023	53,213	0	6,630	2,200	0	0	0	0	0	0	0	0	62,043
2024	50,840	0	6,630	2,200	2,200	0	0	0	0	0	0	0	61,870
2025	50,941	0	6,630	2,200	2,200	2,200	0	0	0	0	0	0	64,171
2026	49,100	0	6,630	2,200	2,200	2,200	2,200	0	0	0	0	0	64,530
2027	47,338	0	6,630	2,200	2,200	2,200	2,200	2,200	0	0	0	0	64,968
2028	45,224	0	6,630	2,200	2,200	2,200	2,200	2,200	2,200	0	0	0	65,054
2029	43,279	0	6,630	2,200	2,200	2,200	2,200	2,200	2,200	2,200	0	0	65,309
2030	41,069	0	6,630	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	0	65,299

EXISTING AND PROJECTED NET TAX-SUPPORTED G.O. BONDS OUTSTANDING ($000)													
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
	Current	Issue	Issue[2]	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Est.
FY	Debt[1]	$0.000M	132.610M	44.055M	44.055M	44.055M	44.055M	44.055M	44.055M	44.055M	44.055M	44.055M	Debt
2019[(3)]	761,223	0	0	0	0	0	0	0	0	0	0	0	761,223
2020	703,302	0	0	0	0	0	0	0	0	0	0	0	703,302
2021	645,627	0	132,610	0	0	0	0	0	0	0	0	0	778,237
2022	590,694	0	125,980	44,055	0	0	0	0	0	0	0	0	760,729
2023	537,482	0	119,350	41,855	44,055	0	0	0	0	0	0	0	742,742
2024	486,641	0	112,720	39,655	41,855	44,055	0	0	0	0	0	0	724,926
2025	435,700	0	106,090	37,455	39,655	41,855	44,055	0	0	0	0	0	704,810
2026	386,600	0	99,460	35,255	37,455	39,655	41,855	44,055	0	0	0	0	684,335
2027	339,262	0	92,830	33,055	35,255	37,455	39,655	41,855	44,055	0	0	0	663,422
2028	294,038	0	86,200	30,855	33,055	35,255	37,455	39,655	41,855	44,055	0	0	642,423
2029	250,758	0	79,570	28,655	30,855	33,055	35,255	37,455	39,655	41,855	44,055	0	621,168
2030	209,689	0	72,940	26,455	28,655	30,855	33,055	35,255	37,455	39,655	41,855	44,055	599,924

Public Resources Advisory Group
Historical and Projected Debt Ratios including Capital Leases
Scenario 8: DPC Compliant (including 2018 actual Housing Bonds and 2019 hypothetical Housing Bonds)
$132.610 in 2021; $43.560 Annually through 2030

	Net Tax-Supported Debt Per Capita (in $)			Net Tax-Supported Debt as Percent of Personal Income			Net Tax-Supported Debt Service as Percent of Revenues (5)		
Fiscal Year (ending 6/30)	State of Vermont	Moody's Median	State's Rank (4)	State of Vermont	Moody's Median	State's Rank (4)	State of Vermont (5)	Moody's Median	State's Rank (4)
Actual (1)									
2007	706	787	28	2.1	2.4	30	5.1	n.a.	n.a.
2008	707	889	32	2.0	2.6	33	5.0	n.a.	n.a.
2009	692	865	34	1.8	2.5	35	5.5	n.a.	n.a.
2010	709	936	36	1.8	2.5	36	5.7	n.a.	n.a.
2011	747	1,066	37	1.9	2.8	36	5.1	n.a.	n.a.
2012	792	1,117	34	2.0	2.8	36	4.9	n.a.	n.a.
2013	811	1,074	33	1.9	2.8	35	4.6	n.a.	n.a.
2014	878	1,054	30	2.0	2.6	34	4.7	n.a.	n.a.
2015	954	1,012	28	2.1	2.5	31	4.2	n.a.	n.a.
2016	1,002	1,027	27	2.1	2.5	30	4.2	n.a.	n.a.
2017	1,068	1,006	24	2.2	2.5	27	4.3	n.a.	n.a.
2018	987	987	25	2.0	2.3	28	4.0	n.a.	n.a.
2019	1,140	1,068	25	2.2	2.2	26	4.0	n.a.	n.a.
Current (2)	1,225	n.a.	n.a.	2.2	n.a.	n.a.	4.0	n.a.	n.a.
Projected (FYE 6/30) (3)		State Guideline (6)			State Guideline (7)			State Guideline	
2020	1,130	720		2.0	2.0		4.4	6.0	
2021	1,247	739		2.2	2.0		4.3	6.0	
2022	1,216	759		2.1	2.0		4.7	6.0	
2023	1,184	780		1.9	2.0		4.6	6.0	
2024	1,152	801		1.8	2.0		4.5	6.0	
2025	1,117	823		1.7	2.0		4.5	6.0	
2026	1,082	845		1.6	2.0		4.3	6.0	
2027	1,046	868		1.5	2.0		4.2	6.0	
2028	1,011	891		1.4	2.0		4.1	6.0	
2029	975	915		1.4	2.0		4.0	6.0	
2030	940	940		1.3	2.0		3.8	6.0	
5-Year Average of Moody's Mean for Triple-A States		934			2.0			n.a.	
5-Year Average of Moody's Median for Triple-A States		701			1.7			n.a.	

Note: Shaded figures in fiscal years 2020-2030 represent the period when Vermont's debt per capita is projected to exceed the projected State Guideline consistent with the current debt per capita guideline calculation methodology and the assumption that the State will issue bonds consistent with the existing two-year authorization (footnote (3)). See Section 6, "State Guidelines and Recent Events, Debt Per Capita State Guideline – Future Debt Capacity Risk."

(1) Actual data compiled by Moody's Investors Service, reflective of all 50 states. Moody's uses states' prior year figures to calculate the "Actual" year numbers in the table.
(2) Calculated by Public Resources Advisory Group, using outstanding G.O. debt of $768.273 million (including 2018 Housing Bonds and 2019 hypothetical Housing Bonds that generate $57 million in proceeds with $4 million in level annual debt service) as of 9/30/19 divided by Vermont's 2019 population of 627.113 as projected by EPR.
(3) Projections assume issuance of $132.610 million of G.O. debt in FY 2021 and $43.560 million in FY 2022 through FY 2030.
(4) Rankings are in numerically descending order (i.e., from high to low debt).
(5) Revenues are adjusted reflecting "current law" revenue forecasts, including changes related to Act 11 as calculated by EPR, based on a consensus between the State's administration and legislature. Current debt service is net of the federal interest subsidies on the Build America Bond issues, and projected debt service is based on estimated interest rates ranging from 5% to 6.5% over the project period.
(6) State Guideline equals the 5-year average of Moody's median for the Peer Group of $701 increasing annually at 2.7%.
(7) The 5-year average of Moody's median for the Peer Group is 1.7%. Since the annual number is quite volatile, ranging from 1.7% to 2.4% over the last five years, the State Guideline is 2.0% for FY 2020 - FY 2030.

State of Vermont

EXISTING AND PROJECTED NET TAX-SUPPORTED G.O. DEBT SERVICE ($000)													
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
	Current	Issue	Issue[2]	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Est.
FY	D/S[1]	$0.000M	132.610M	43.560M	43.560M	43.560M	43.560M	43.560M	43.560M	43.560M	43.560M	43.560M	D/S
		5.00%	5.50%	6.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	
2020	84,397	0	0	0	0	0	0	0	0	0	0	0	84,397
2021	83,684	0	0	0	0	0	0	0	0	0	0	0	83,684
2022	78,976	0	13,924	0	0	0	0	0	0	0	0	0	92,900
2023	75,011	0	13,559	4,794	0	0	0	0	0	0	0	0	93,364
2024	70,614	0	13,194	4,663	5,011	0	0	0	0	0	0	0	93,482
2025	68,703	0	12,830	4,532	4,870	5,011	0	0	0	0	0	0	95,945
2026	64,877	0	12,465	4,401	4,728	4,870	5,011	0	0	0	0	0	96,352
2027	61,234	0	12,100	4,270	4,586	4,728	4,870	5,011	0	0	0	0	96,800
2028	57,350	0	11,736	4,140	4,445	4,586	4,728	4,870	5,011	0	0	0	96,865
2029	53,758	0	11,371	4,009	4,303	4,445	4,586	4,728	4,870	5,011	0	0	97,080
2030	50,005	0	11,006	3,878	4,161	4,303	4,445	4,586	4,728	4,870	5,011	0	96,993

EXISTING AND PROJECTED NET TAX-SUPPORTED G.O. BOND PRINCIPAL PAYMENTS ($000)													
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
	Current	Issue	Issue[2]	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Est.
FY	Principal[1]	$0.000M	132.610M	43.560M	43.560M	43.560M	43.560M	43.560M	43.560M	43.560M	43.560M	43.560M	Principal
2020	58,181	0	0	0	0	0	0	0	0	0	0	0	58,181
2021	57,945	0	0	0	0	0	0	0	0	0	0	0	57,945
2022	55,208	0	6,630	0	0	0	0	0	0	0	0	0	61,838
2023	53,493	0	6,630	2,180	0	0	0	0	0	0	0	0	62,303
2024	51,135	0	6,630	2,180	2,180	0	0	0	0	0	0	0	62,125
2025	51,241	0	6,630	2,180	2,180	2,180	0	0	0	0	0	0	64,411
2026	49,410	0	6,630	2,180	2,180	2,180	2,180	0	0	0	0	0	64,760
2027	47,658	0	6,630	2,180	2,180	2,180	2,180	2,180	0	0	0	0	65,188
2028	45,549	0	6,630	2,180	2,180	2,180	2,180	2,180	2,180	0	0	0	65,259
2029	43,619	0	6,630	2,180	2,180	2,180	2,180	2,180	2,180	2,180	0	0	65,509
2030	41,414	0	6,630	2,180	2,180	2,180	2,180	2,180	2,180	2,180	2,180	0	65,484

EXISTING AND PROJECTED NET TAX-SUPPORTED G.O. BONDS OUTSTANDING ($000)													
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
	Current	Issue	Issue[2]	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Est.
FY	Debt[1]	$0.000M	132.610M	43.560M	43.560M	43.560M	43.560M	43.560M	43.560M	43.560M	43.560M	43.560M	Debt
2019[(3)]	768,273	0	0	0	0	0	0	0	0	0	0	0	768,273
2020	710,092	0	0	0	0	0	0	0	0	0	0	0	710,092
2021	652,147	0	132,610	0	0	0	0	0	0	0	0	0	784,757
2022	596,939	0	125,980	43,560	0	0	0	0	0	0	0	0	766,479
2023	543,447	0	119,350	41,380	43,560	0	0	0	0	0	0	0	747,737
2024	492,311	0	112,720	39,200	41,380	43,560	0	0	0	0	0	0	729,171
2025	441,070	0	106,090	37,020	39,200	41,380	43,560	0	0	0	0	0	708,320
2026	391,660	0	99,460	34,840	37,020	39,200	41,380	43,560	0	0	0	0	687,120
2027	344,002	0	92,830	32,660	34,840	37,020	39,200	41,380	43,560	0	0	0	665,492
2028	298,453	0	86,200	30,480	32,660	34,840	37,020	39,200	41,380	43,560	0	0	643,793
2029	254,833	0	79,570	28,300	30,480	32,660	34,840	37,020	39,200	41,380	43,560	0	621,843
2030	213,419	0	72,940	26,120	28,300	30,480	32,660	34,840	37,020	39,200	41,380	43,560	599,919

Appendix D: Other State Housing Initiatives

Senate Bill No. 3

CHAPTER 365

An act to add Part 16 (commencing with Section 54000) to Division 31 of the Health and Safety Code, and to add Article 5z (commencing with Section 998.600) to Chapter 6 of Division 4 of the Military and Veterans Code, relating to housing, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 29, 2017. Filed with Secretary of State September 29, 2017.]

LEGISLATIVE COUNSEL'S DIGEST

SB 3, Beall. Veterans and Affordable Housing Bond Act of 2018.

Under existing law, there are programs providing assistance for, among other things, emergency housing, multifamily housing, farmworker housing, home ownership for very low and low-income households, and downpayment assistance for first-time home buyers. Existing law also authorizes the issuance of bonds in specified amounts pursuant to the State General Obligation Bond Law and requires that proceeds from the sale of these bonds be used to finance various existing housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, and housing-related parks. Existing law, the Veterans' Bond Act of 2008, authorized, for purposes of financing a specified program for farm, home, and mobilehome purchase assistance for veterans, the issuance, pursuant to the State General Obligation Bond Law, of bonds in the amount of $900,000,000.

This bill would enact the Veterans and Affordable Housing Bond Act of 2018, which, if adopted, would authorize the issuance of bonds in the amount of $4,000,000,000 pursuant to the State General Obligation Bond Law. Of the proceeds from the sale of these bonds, $3,000,000,000 would be used to finance various existing housing programs, as well as infill infrastructure financing and affordable housing matching grant programs, as provided, and $1,000,000,000 would be used to provide additional funding for the above-described program for farm, home, and mobilehome purchase assistance for veterans, as provided.

This bill would provide for submission of the bond act to the voters at the November 6, 2018, statewide general election in accordance with specified law.

This bill would declare that it is to take effect immediately as an urgency statute.

The people of the State of California do enact as follows:

SECTION 1. This act shall be known, and may be cited, as the Veterans and Affordable Housing Bond Act of 2018.

SEC. 2. The Legislature finds and declares all of the following:

(a) California is experiencing an extreme housing shortage with 2.2 million extremely low income and very low income renter households competing for only 664,000 affordable rental homes. This leaves more than 1.54 million of California's lowest income households without access to affordable housing.

(b) While homelessness across the United States is in an overall decline, homelessness in California is rising. In 2015, California had 115,738 homeless people, which accounted for 21 percent of the nation's homeless population. This is an increase of 1.6 percent from the prior year. California also had the highest rate of unsheltered people, at 64 percent or 73,699 people; the largest numbers of unaccompanied homeless children and youth, at 10,416 people or 28 percent of the national total; the largest number of veterans experiencing homelessness, at 11,311 or 24 percent of the national homeless veteran population; and the second largest number of people in families with chronic patterns of homelessness, at 22,582 or 11 percent of the state's homeless family population.

(c) It is essential to continue funding, which is soon to expire, for housing programs that are necessary to address the housing needs of the large number of veterans and their families living in California.

(d) California is home to 21 of the 30 most expensive rental housing markets in the country, which has had a disproportionate impact on the middle class and the working poor. California requires the third highest wage in the country to afford housing, behind Hawaii and Washington, D.C. The fair market rent, which indicates the amount of money that a given property would require if it were open for leasing, for a two-bedroom apartment is $1,386. To afford this level of rent and utilities, without paying more than 30 percent of income on housing, a household must earn an hourly "housing wage" of $26.65 per hour. This means that a person earning minimum wage must work an average of three jobs to pay the rent for a two-bedroom unit. In some areas of the state, these numbers are even higher.

(e) Low-income families are forced to spend more and more of their income on rent, which leaves little else for other basic necessities. Many renters must postpone or forgo home ownership, live in more crowded housing, commute further to work, or, in some cases, choose to live and work elsewhere.

(f) California has seen a significant reduction of state funding in recent years. The funds from Proposition 46 of 2002 and Proposition 1C of 2006, totaling nearly $5 billion for a variety of affordable housing programs, have been expended. Combined with the loss of redevelopment funds, $1.5 billion of annual state investment dedicated to housing has been lost, leaving several critical housing programs unfunded.

(g) High housing costs and the shortage of housing stock in California directly affect the future health of California's economy and, given the staggering numbers indicated above, bold action is necessary. Investment in existing and successful housing programs to expand the state's housing stock should benefit California's homeless and low-income earners, as well as some of the state's most vulnerable populations, including foster and at-risk youth, persons with developmental and physical disabilities, farmworkers, the elderly, single parents with children, and survivors of domestic violence. Investments should also be made in housing for Medi-Cal recipients served through a county's Section 1115 Waiver Whole Person Care Pilot program and family day care providers.

(h) Investment in housing creates jobs and provides local benefits. The estimated one-year impacts of building 100 rental apartments in a typical local area include $11.7 million in local income, $2.2 million in taxes and other revenue for local governments, and 161 local jobs or 1.62 jobs per apartment. The additional annually recurring impacts of building 100 rental apartments in a typical local area include $2.6 million in local income, $503,000 in taxes and other revenue for local governments, and 44 local jobs or .44 jobs per apartment.

(i) California has 109 federally recognized tribes and 723,000 residents with Native American ancestry, the largest number of tribes and residents in the United States. Due to historic dislocation and lack of housing choices, most do not live on tribal lands and those who do live in severely substandard, overcrowded homes lacking quality water and sewer services at rates greater than the general population.

SEC. 3. Part 16 (commencing with Section 54000) is added to Division 31 of the Health and Safety Code, to read:

PART 16. VETERANS AND AFFORDABLE HOUSING BOND ACT OF 2018

Chapter 1. General Provisions

54000. Together with Article 5z (commencing with Section 998.600) of Chapter 6 of Division 4 of the Military and Veterans Code, this part shall be known, and may be cited, as the Veterans and Affordable Housing Bond Act of 2018.

54002. As used in this part, the following terms have the following meanings:

(a) "Board" means the Department of Housing and Community Development for programs administered by the department, and the California Housing Finance Agency for programs administered by the agency.

(b) "Committee" means the Housing Finance Committee created pursuant to Section 53524 and continued in existence pursuant to Sections 53548 and 54014.

(c) “Fund” means the Affordable Housing Bond Act Trust Fund of 2018 created pursuant to Section 54006.

54004. This part shall only become operative upon adoption by the voters at the November 6, 2018, statewide general election.

Chapter 2. Affordable Housing Bond Act Trust Fund of 2018 and Program

54006. The Affordable Housing Bond Act Trust Fund of 2018 is hereby created within the State Treasury. It is the intent of the Legislature that the proceeds of bonds (exclusive of refunding bonds issued pursuant to Section 54026) be deposited in the fund and used to fund the housing-related programs described in this chapter. The proceeds of bonds issued and sold pursuant to this part for the purposes specified in this chapter shall be allocated in the following manner:

(a) One billion five hundred million dollars ($1,500,000,000) to be deposited in the Housing Rehabilitation Loan Fund established pursuant to Section 50661. The moneys in the fund shall be used for the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, to be expended to assist in the new construction, rehabilitation, and preservation of permanent and transitional rental housing for persons with incomes of up to 60 percent of the area median income (AMI). These funds may also be used to provide technical assistance pursuant to Section 54007.

(b) One hundred fifty million dollars ($150,000,000) to be deposited into the Transit-Oriented Development Implementation Fund, established pursuant to Section 53561, for expenditure, upon appropriation by the Legislature, pursuant to the Transit-Oriented Development Implementation Program authorized by Part 13 (commencing with Section 53560) to provide local assistance to cities, counties, cities and counties, transit agencies, and developers for the purpose of developing or facilitating the development of higher density uses within close proximity to transit stations that will increase public transit ridership. These funds may also be expended for any authorized purpose of this program and for state incentive programs, including loans and grants, within the department. Any funds not encumbered for the purposes of this subdivision by November 6, 2028, shall revert for general use in the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, unless the Department of Housing and Community Development determines that funds should revert sooner due to diminished demand.

(c) Three hundred million dollars ($300,000,000) to be deposited in the Regional Planning, Housing, and Infill Incentive Account, which is hereby created within the fund. Moneys in the account shall be available, upon appropriation by the Legislature, pursuant to the Infill Incentive Grant Program of 2007 established by Section 53545.13 for infill incentive grants to assist in the new construction and rehabilitation of infrastructure that supports high-density affordable and mixed-income housing in locations designated as infill, including, but not limited to, any of the following:

(1) Park creation, development, or rehabilitation to encourage infill development.

(2) Water, sewer, or other public infrastructure costs associated with infill development.

(3) Transportation improvements related to infill development projects.

(4) Traffic mitigation.

These funds may also be expended for any authorized purpose of this program. Any funds not encumbered for the purposes of this subdivision by November 6, 2028, shall revert for general use in the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, unless the Department of Housing and Community Development determines that funds should revert sooner due to diminished demand.

(d) One hundred fifty million dollars ($150,000,000) to be transferred to the Self-Help Housing Fund established pursuant to Section 50697.1. Notwithstanding Section 13340 of the Government Code and Section 50697.1, these funds are hereby continuously appropriated to the Department of Housing and Community Development without regard to fiscal years, which funds shall be transferred by the department to the California Housing Finance Agency for purposes of the home purchase assistance program established pursuant to Chapter 6.8 (commencing with Section 51341) of Part 3.

(e) Three hundred million dollars ($300,000,000) to be deposited in the Joe Serna, Jr. Farmworker Housing Grant Fund, established pursuant to Section 50517.5, to fund grants or loans, or both, for local public entities, nonprofit corporations, limited liability companies, and limited partnerships, for the construction or rehabilitation of housing for agricultural employees and their families or for the acquisition of manufactured housing as part of a program to address and remedy the impacts of current and potential displacement of farmworker families from existing labor camps, mobilehome parks, or other housing. These funds may also be expended for any authorized purpose of this program. These funds may also be used to provide technical assistance pursuant to Section 54007. Any funds not encumbered for the purposes of this subdivision by November 6, 2028, shall revert for general use in the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, unless the Department of Housing and Community Development determines that funds should revert sooner due to diminished demand.

(f) Three hundred million dollars ($300,000,000) to be deposited in the Affordable Housing Innovation Fund established pursuant to subparagraph (F) of paragraph (1) of subdivision (a) of Section 53545. Moneys in the fund shall be available, upon appropriation by the Legislature, pursuant to the Local Housing Trust Fund Matching Grant Program established by Section 50842.2 to fund competitive grants or loans to local housing trust funds that develop, own, lend, or invest in affordable housing and used to create pilot programs to demonstrate innovative, cost-saving approaches to creating or preserving affordable housing. Local housing trust funds shall be derived on an ongoing basis from private contribution or governmental sources that are not otherwise restricted in use for housing programs. These funds may also be expended for any authorized purpose of this program. Any funds not encumbered for the purposes of this subdivision by November 6, 2028, shall revert for general use in the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, unless the Department of Housing and Community Development determines that funds should revert sooner due to diminished demand.

(g) Three hundred million dollars ($300,000,000) to be deposited in the Self-Help Housing Fund established pursuant to Section 50697.1. The moneys in the fund shall be available for the CalHome Program authorized by Chapter 6 (commencing with Section 50650) of Part 2, to provide direct, forgivable loans to assist development projects involving multiple home ownership units, including single-family subdivisions, for self-help mortgage assistance programs, and for manufactured homes. These funds may also be expended for any authorized purpose of this program. At least thirty million dollars ($30,000,000) of the amount deposited in the Self-Help Housing Fund shall be used to provide grants or forgivable loans to assist in the rehabilitation or replacement, or both, of existing mobilehomes located in a mobilehome or manufactured home community. These funds may also be used to provide technical assistance pursuant to Section 54007. Any funds not encumbered for the purposes of this subdivision by November 6, 2028, shall revert for general use in the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, unless the Department of Housing and Community Development determines that funds should revert sooner due to diminished demand.

54007. (a) (1) Notwithstanding any other provision of this part, the Department of Housing and Community Development may provide technical assistance to eligible counties and eligible cities, or developers of affordable housing within eligible counties and eligible cities, to facilitate the construction of housing for the target populations for the following programs funded pursuant to this part:

(A) The Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2).

(B) The Joe Serna, Jr. Farmworker Housing Grant Program (Chapter 3.2 (commencing with Section 50515.2) of Part 2).

(C) The CalHome Program (Chapter 6 (commencing with Section 50650) of Part 2).

(2) Technical assistance pursuant to this section shall be provided using the bond proceeds allocated pursuant to Section 54006 to the program for which the technical assistance is provided.

(3) The Department of Housing and Community Development shall not provide more than three hundred sixty thousand dollars ($360,000) total in technical assistance pursuant to this section, and an eligible county or eligible city shall not receive more than thirty thousand dollars ($30,000) in technical assistance annually.

(b) For purposes of this section, the following definitions shall apply:

(1) "Eligible city" means a city that is located within a county with a population of 150,000 residents or fewer.

(2) "Eligible county" means a county with a population of 150,000 residents or fewer.

(3) "Technical assistance" includes engineering assistance and environmental review related to an affordable housing project and reimbursement of administrative costs related to developing a grant proposal.

54008. (a) The Legislature may, from time to time, amend any law related to programs to which funds are, or have been, allocated pursuant to this chapter for the purposes of improving the efficiency and effectiveness of those programs or to further the goals of those programs.

(b) The Legislature may amend this chapter to reallocate the proceeds of bonds issued and sold pursuant to this part among the programs to which funds are to be allocated pursuant to this chapter as necessary to effectively promote the development of affordable housing in this state.

54009. Programs funded with bond proceeds shall, when allocating financial support, give preference to projects that are "public works" for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code and other projects on which all construction workers will be paid at least the general prevailing rate of per diem wages as determined by the Director of Industrial Relations.

Chapter 3. Fiscal Provisions

54010. Bonds in the total amount of three billion dollars ($3,000,000,000), exclusive of refunding bonds issued pursuant to Section 54026, or so much thereof as is necessary as determined by the committee, are hereby authorized to be issued and sold for carrying out the purposes expressed in this part and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. All bonds herein authorized which have been duly issued, sold, and delivered as provided herein shall constitute valid and binding general obligations of the state, and the full faith and credit of the state is hereby pledged for the punctual payment of both principal of and interest on those bonds when due.

54012. The bonds authorized by this part shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), except subdivisions (a) and (b) of Section 16727 of the Government Code, and all of the provisions of that law as amended from time to time apply to the bonds and to this part, except as provided in Section 54028, and are hereby incorporated in this part as though set forth in full in this part.

54014. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this part, the committee is continued in existence. For the purposes of this part, the Housing Finance Committee is “the committee” as that term is used in the State General Obligation Bond Law.

(b) The Department of Housing and Community Development may adopt guidelines establishing requirements for administration of its financing programs. The guidelines shall not constitute rules, regulations, orders, or standards of general application and are not subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(c) For the purposes of the State General Obligation Bond Law, the Department of Housing and Community Development is designated the “board” for programs administered by the department, and the California Housing Finance Agency is the “board” for programs administered by the agency.

54016. Upon request of the board stating that funds are needed for purposes of this part, the committee shall determine whether or not it is necessary or desirable to issue bonds, and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and are not required to be sold at any one time. Bonds may bear interest subject to federal income tax.

54018. There shall be collected annually, in the same manner and at the same time as other state revenue is collected, a sum of money in addition to the ordinary revenues of the state, sufficient to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collections of state revenues to do or perform each and every act which is necessary to collect that additional sum.

54020. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this part, an amount that will equal the total of both of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this part, as the principal and interest become due and payable.

(b) The sum which is necessary to carry out Section 54024, appropriated without regard to fiscal years.

54022. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for purposes of this part. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold, excluding any refunding bonds authorized pursuant to Section 54026, for purposes of this part, less any amount loaned pursuant to this section and not yet repaid and any amount withdrawn from the General Fund pursuant to Section 54024 and not yet returned to the General Fund. The board shall execute any documents as required by the Pooled Money Investment Board to obtain and repay the loan. Any amount loaned shall be deposited in the fund to be allocated in accordance with this part.

54024. For purposes of carrying out this part, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of any amount or amounts not to exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold, excluding any refunding bonds authorized pursuant to Section 54026, for purposes of this part, less any amount loaned pursuant to Section 54022 and not yet repaid and any amount withdrawn from the General Fund pursuant to this section and not yet returned to the General Fund. Any amounts withdrawn shall be deposited in the fund to be allocated in accordance with this part. Any moneys made available under this section shall be returned to the General Fund, plus the interest that the amounts would have earned in the Pooled Money Investment Account, from moneys received from the sale of bonds which would otherwise be deposited in that fund.

54026. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code. Approval by the electors of this act shall constitute approval of any refunding bonds issued to refund bonds issued pursuant to this part, including any prior issued refunding bonds. Any bond refunded with the proceeds of a refunding bond as authorized by this section may be legally defeased to the extent permitted by law in the manner and to the extent set forth in the resolution, as amended from time to time, authorizing that refunded bond.

54028. Notwithstanding any provisions in the State General Obligation Bond Law, the maturity date of any bonds authorized by this part shall not be later than 35 years from the date of each such bond. The maturity of each series shall be calculated from the date of issuance of each bond.

54030. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this part are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

54032. Notwithstanding any provision of the State General Obligation Bond Law with regard to the proceeds from the sale of bonds authorized by this part that are subject to investment under Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code, the Treasurer may maintain a separate account for investment earnings, may order the payment of those earnings to comply with any rebate requirement applicable under federal law, and may otherwise direct the use and investment of those proceeds so as to maintain the tax-exempt status of tax-exempt bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

54034. All moneys derived from premiums and accrued interest on bonds sold pursuant to this part shall be transferred to the General Fund as a credit to expenditures for bond interest; provided, however, that amounts derived from premiums may be reserved and used to pay the costs of bond issuance prior to transfer to the General Fund.

SEC. 4. Article 5z (commencing with Section 998.600) is added to Chapter 6 of Division 4 of the Military and Veterans Code, to read:

Article 5z. The Veterans and Affordable Housing Bond Act of 2018

998.600. Together with Part 16 (commencing with Section 54000) of Division 31 of the Health and Safety Code, this article shall be known and may be cited as the Veterans and Affordable Housing Bond Act of 2018.

998.601. (a) The State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), as amended from time to time, except as otherwise provided herein, is adopted for the purpose of the issuance, sale, and repayment of, and otherwise providing with respect to, the bonds authorized to be issued by this article, and the provisions of that law are included in this article as though set out in full in this article. All references in this article to "herein" refer both to this article and that law.

(b) For purposes of the State General Obligation Bond Law, the Department of Veterans Affairs is designated the board.

998.602. As used herein, the following terms have the following meanings:

(a) "Board" means the Department of Veterans Affairs.

(b) "Bond" means a veterans' bond, a state general obligation bond, issued pursuant to this article adopting the provisions of the State General Obligation Bond Law.

(c) "Bond act" means this article authorizing the issuance of state general obligation bonds and adopting the State General Obligation Bond Law by reference.

(d) "Committee" means the Veterans Finance Committee of 1943, established by Section 991.

(e) "Fund" means the Veterans' Farm and Home Building Fund of 1943, established by Section 988.

(f) "Payment Fund" means the Veterans' Bonds Payment Fund established by Section 988.6.

998.603. For the purpose of creating a fund to provide farm and home aid for veterans in accordance with the Veterans' Farm and Home Purchase Act of 1974 (Article 3.1 (commencing with Section 987.50)), and of all acts amendatory thereof and supplemental thereto, the committee may create a debt or debts, liability or liabilities, of the State of California, in the aggregate amount of not more than one billion dollars ($1,000,000,000), exclusive of refunding bonds, in the manner provided herein.

998.604. (a) All bonds authorized by this article, when duly sold and delivered as provided herein, constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereof.

(b) There shall be collected annually, in the same manner and at the same time as other state revenue is collected, a sum of money, in addition to the ordinary revenues of the state, sufficient to pay the principal of, and interest on, these bonds as provided herein, and all officers required by law to perform any duty in regard to the collection of state revenues shall collect this additional sum.

(c) On the dates on which funds are to be remitted pursuant to Section 16676 of the Government Code for the payment of debt service on the bonds in each fiscal year, there shall be transferred to the Payment Fund to pay the debt service all of the money in the fund, not in excess of the amount of debt service then due and payable. If the money transferred on the remittance dates is less than debt service then due and payable, the balance remaining unpaid shall be transferred to the General Fund out of the fund as soon as it shall become available, together with interest thereon from the remittance date until paid, at the same rate of interest as borne by the bonds, compounded semiannually. Notwithstanding any other provision of law to the contrary, this subdivision shall apply to all veterans' farm and home purchase bond acts pursuant to this chapter. This subdivision does not grant any lien on the fund, the Payment Fund, or the moneys therein to the holders of any bonds issued under this article. For the purposes of this subdivision, "debt service" means the principal (whether due at maturity, by redemption, or acceleration), premium, if any, or interest payable on any date with respect to any series of bonds. This subdivision shall not apply, however, in the case of any debt service that is payable from the proceeds of any refunding bonds.

998.605. There is hereby appropriated from the General Fund, for purposes of this article, a sum of money that will equal both of the following:

(a) That sum annually necessary to pay the principal of, and the interest on, the bonds issued and sold as provided herein, as that principal and interest become due and payable.

(b) That sum necessary to carry out Section 998.606, appropriated without regard to fiscal years.

998.606. For the purposes of this article, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of a sum of money not to exceed the amount of the unsold bonds which have been authorized by the committee to be sold pursuant to this article. Any sums withdrawn shall be deposited in the fund. All moneys made available under this section to the board shall be returned by the board to the General Fund, plus the interest that the amounts would have earned in the Pooled Money Investment Account, from the sale of bonds for the purpose of carrying out this article.

998.607. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for the purposes of carrying out this article. The amount of the request shall not exceed the amount of unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of carrying out this article. The board shall execute whatever documents are required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this article.

998.608. Upon request of the board, supported by a statement of its plans and projects approved by the Governor, the committee shall determine whether to issue any bonds authorized under this article in order to carry out the board's plans and projects, and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out these plans and projects progressively, and it is not necessary that all of the bonds be issued or sold at any one time.

998.609. (a) As long as any bonds authorized under this article are outstanding, the Secretary of Veterans Affairs shall, at the close of each fiscal year, require a survey of the financial condition of the Division of Farm and Home Purchases, together with a projection of the division's operations, to be made by an independent public accountant of recognized standing. The results of each survey and projection shall be reported in writing by the public accountant to the Secretary of Veterans Affairs, the California Veterans Board, the appropriate policy committees dealing with veterans affairs in the Senate and the Assembly, and the committee.

(b) The Division of Farm and Home Purchases shall reimburse the public accountant for these services out of any money that the division may have available on deposit with the Treasurer.

998.610. (a) The committee may authorize the Treasurer to sell all or any part of the bonds authorized by this article at the time or times established by the Treasurer.

(b) Whenever the committee deems it necessary for an effective sale of the bonds, the committee may authorize the Treasurer to sell any issue of bonds at less than their par value, notwithstanding Section 16754 of the Government Code. However, the discount on the bonds shall not exceed 3 percent of the par value thereof.

998.611. Out of the first money realized from the sale of bonds as provided herein, there shall be redeposited in the General Obligation Bond Expense Revolving Fund, established by Section 16724.5 of the Government Code, the amount of all expenditures made for the purposes specified in that section, and this money may be used for the same purpose and repaid in the same manner whenever additional bond sales are made.

998.612. Any bonds issued and sold pursuant to this article may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code. The approval of the voters for the issuance of bonds under this article includes approval for the issuance of bonds issued to refund bonds originally issued or any previously issued refunding bonds.

998.613. Notwithstanding any provision of the bond act, if the Treasurer sells bonds under this article for which bond counsel has issued an opinion to the effect that the interest on the bonds is excludable from gross income for purposes of federal income tax, subject to any conditions which may be designated, the Treasurer may establish separate accounts for the investment of bond proceeds and for the earnings on those proceeds, and may use those proceeds or earnings to pay any rebate, penalty, or other payment required by federal law or take any other action with respect to the investment and use of bond proceeds required or permitted under federal law necessary to maintain the tax-exempt status of the bonds or to obtain any other advantage under federal law on behalf of the funds of this state.

998.614. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this article are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by Article XIII B.

SEC. 5. Sections 3 and 4 of this act shall become operative upon the adoption by the voters of the Veterans and Affordable Housing Bond Act of 2018.

SEC. 6. Sections 3 and 4 of this act shall be submitted by the Secretary of State to the voters as a single measure, the Veterans and Affordable Housing Bond Act of 2018, at the November 6, 2018, statewide general election.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to maximize the time available for the analysis and preparation of the proposed issuance of bonds pursuant to Sections 3 and 4 of this act, it is necessary that this act take effect immediately.

O

Acts (2018), Session Laws

Chapter 99

AN ACT FINANCING THE PRODUCTION AND PRESERVATION OF HOUSING FOR LOW AND MODERATE INCOME RESIDENTS.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to authorize forthwith the financing of the production and preservation of housing for low and moderate income citizens of the commonwealth and to make related changes in certain laws, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same as follows:

SECTION 1. To provide for a capital outlay program to rehabilitate, produce and modernize state-aided public housing developments; to preserve the affordability and the income mix of state-assisted multifamily developments; to support home ownership and rental housing opportunities for low and moderate income citizens; to stem urban blight through the implementation of housing stabilization programs; to support housing production for the elderly, disabled and homeless; to preserve housing for the elderly, the homeless and low and moderate income citizens and persons with disabilities; to develop facilities for licensed early care and education and out of school time programs; and to promote economic reinvestment through the funding of infrastructure improvements, the sums set forth in section 2, for the several purposes and subject to the conditions specified in this act, are hereby made available subject to the laws regulating the disbursement of public funds.

SECTION 2.

DEPARTMENT OF EARLY EDUCATION AND CARE

3000-0410.. For the purpose of state financial assistance in the form of grants for the Early Education and Out of School Time Capital Fund for the development of eligible facilities for licensed early care and education and out of school time programs established in section 18 of chapter 15D of the General Laws; provided, that the department of early education and care may contract with quasi-public or non-profit entities to administer the program, including, but not limited to, the Community Economic Development Assistance Corporation established in chapter 40H of the General Laws; provided further, that the department may develop or finance eligible facilities, may enter into subcontracts with nonprofit organizations established pursuant to chapter 180 of the General Laws or organizations in which such nonprofit corporations have a controlling financial or managerial interest; provided further, that the department shall consider: (i) a balanced geographic plan for such eligible facilities when issuing the funding commitments;

and (ii) funding large group and school age child care centers, as defined by the department of early education and care; provided further, that the services made available pursuant to such grants shall not be construed as a right or entitlement for any individual or class of persons to the benefits financing; provided further, that no expenditure shall be made from this item without the prior approval of the secretary of administration and finance; and provided further, that eligibility shall be established by regulations promulgated by the department pursuant to chapter 30A of the General Laws for the implementation, administration and enforcement of this item.......................... $45,000,000

EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

Department of Housing and Community Development

7004-0049.. For a program of loans or grants to assist homeowners or tenants with a household member with blindness or severe disabilities in making modifications to their primary residence for the purpose of improving accessibility or to allow those individuals to live independently in the community or for construction costs to allow for the building of an accessory unit, which shall mean a unit constructed as an additional dwelling unit separate from the primary dwelling unit, for a person with disabilities or an elder needing assistance with activities of daily living; provided, that not more than 10 per cent shall be used for grants to assist landlords seeking to make modifications for a current or prospective tenant with disabilities, who but for such a grant would be unable to maintain or secure permanent housing; provided further, that the secretary of housing and economic development and the secretary of health and human services shall take all steps necessary to minimize the program’s administrative costs; provided further, that the program shall be available pursuant to income eligibility standards approved by the secretary of health and human services; provided further, that the repayment of the loans may be delayed until the sale of the principal residence by the homeowner; provided further, that persons residing in a development covered by section 4 of chapter 151B of the General Laws shall not be eligible for the program unless the owner can show that the modification is an undue financial burden or that the landlord is participating in the grant program to maintain or secure housing for a tenant with disabilities; provided further, that the secretary of health and human services shall consult with the Massachusetts commission for the blind and the Massachusetts rehabilitation commission to develop the rules, regulations and guidelines for the program; provided further, that nothing in this item shall give rise to enforceable legal rights in any party or an enforceable entitlement to services; and provided further, that the secretary of health and human services shall submit quarterly reports to the house and senate committees on ways and means, the house and senate committees on bonding, capital expenditures and state assets and the joint committee on housing detailing the status of the program established in this item.................. $60,000,000

7004-0050.. For state financial assistance in the form of loans for the development of community-based housing or supportive housing for individuals with mental illness and individuals with intellectual disabilities; provided, that the loan program shall be administered by the department of housing and community development through contracts with the Massachusetts Development Finance Agency established in chapter 23G of the General Laws, the Community Economic Development Assistance Corporation established in chapter 40H of the General Laws, operating agencies established pursuant to chapter 121B of the General Laws and the Massachusetts Housing Finance Agency established in chapter 708 of the acts of 1966;

provided further, that those agencies may develop or finance community-based housing or supportive housing or may enter into subcontracts with nonprofit organizations, established pursuant to chapter 180 of the General Laws, or organizations in which such nonprofit corporations have a controlling financial or managerial interest or for-profit organizations; provided, however, that preference for the subcontracts shall be given to nonprofit organizations; provided further, that the department shall consider a balanced geographic plan for such community-based housing or supportive housing when issuing the loans; provided further, that the department shall consider development of a balanced range of housing models by prioritizing funds for integrated housing as defined by the appropriate housing and service agencies including, but not limited to, the department of housing and community development, the Massachusetts rehabilitation commission, the department of mental health and the department of developmental services, in consultation with relevant and interested clients, clients' families, advocates and other parties as necessary; provided further, that loans issued pursuant to this item shall: (i) not exceed 50 per cent of the financing of the total development costs; (ii) not be issued unless a contract or agreement for the use of the property for such housing provides for repayment to the commonwealth at the time of disposition of the property in an amount equal to the commonwealth's proportional contribution from the Facilities Consolidation Fund to the cost of the development through payments made by the state agency making the contract; (iii) not be issued unless the contract or agreement for the use of the property for the purposes of such housing provides for the recording of a deed restriction in the registry of deeds or the registry district of the land court of the county in which the real property is located, for the benefit of the departments, running with the land, that the land shall be used to provide community-based housing or supportive housing for eligible individuals as determined by the department of mental health and the department of developmental services; provided, however, that the property shall not be released from such restriction until the balance of the principal and interest for the loan has been repaid in full or until a mortgage foreclosure deed has been recorded; (iv) be issued for a term not to exceed 30 years, during which time repayment may be deferred by the loan issuing authority; provided, however, that if on the date the loans become due and payable to the commonwealth, an outstanding balance exists and if, on such date, the department, in consultation with the executive office of health and human services, determines that there still exists a need for such housing and that there is continued funding available for the provision of services to such development, the department may, by agreement with the owner of the development, extend the loans for such periods, each period not to exceed 10 years, as the department shall determine; provided further, that the project shall remain affordable housing for the duration of the loan term, including any extension thereof, as set forth in the contract or agreement entered into by the department; provided further, that in the event the terms of repayment detailed in this item would cause a project authorized by this item to become ineligible to receive federal funds which would otherwise assist in the development of that project, the department may waive the terms of repayment which would cause the project to become ineligible; and (v) have interest rates fixed at a rate, to be determined by the department, in consultation with the state treasurer; provided further, that the loans shall be provided only for projects conforming to this item; provided further, that the loans shall be issued in accordance with a facilities consolidation plan prepared by the secretary of health and human services, reviewed and approved by the department and filed with the secretary of administration and finance, the house and senate committees on ways and means, the house and senate committees on bonding, capital expenditures and state assets and the joint committee on housing; provided further, that no expenditure shall be made from this item without the prior approval of the secretary of administration and finance; provided further, that the department of housing and community development, the department of mental health and the Community Economic Development Assistance Corporation may identify appropriate financing mechanisms and guidelines for grants or loans from this item to promote private development to produce housing, to provide for independent integrated living opportunities, to write down building and operating costs and to serve households at or below 15 per cent of area median income for the benefit of department of mental health clients; provided further, that not more than $10,000,000 may be expended from this item for a pilot program of community-based housing or supportive housing loans to serve mentally ill homeless individuals in the current or former care of the department of mental health; provided further, that in implementing the pilot program, the department shall consider a balanced geographic plan when establishing community-based residences; provided further, that the housing services made available pursuant to such loans shall not be construed as a right or an entitlement for any individual or class of persons to the benefits of the pilot program; provided further, that eligibility for the pilot program shall be established by regulations promulgated by the department; and provided further, that the department shall promulgate regulations under chapter 30A of the General Laws to implement, administer and enforce this item, consistent with the facilities consolidation plan prepared by the secretary of health and human services and after consultation with the secretary and the commissioner of capital asset management and maintenance... $65,000,000

7004-0051.. For state financial assistance in the form of loans for the development and redevelopment of community-based housing or supportive housing for persons with disabilities who are institutionalized or at risk of being institutionalized and who are not eligible for housing developed pursuant to item 7004-0050; provided, that the loan program shall be administered by the department of housing and community development, through contracts with the Massachusetts Development Finance Agency established in chapter 23G of the General Laws, the Community Economic Development Assistance Corporation established in chapter 40H of the General Laws, operating agencies established pursuant to chapter 121B of the General Laws and the Massachusetts Housing Finance Agency established in chapter 708 of the acts of 1966; provided further, that the agencies may develop or finance community-based housing or supportive housing or may enter into subcontracts with nonprofit organizations established pursuant to chapter 180 of the General Laws or organizations in which such nonprofit corporations have a controlling financial or managerial interest or for-profit organizations; provided, however, that preference for such subcontracts shall be given to nonprofit organizations; provided further, that the department shall consider a balanced geographic plan for such community-based housing or supportive housing when issuing the loans; provided further, that all housing developed with these funds shall be integrated housing as defined by the appropriate state housing and service agencies including, but not limited to, the department, the executive office of health and human services and the Massachusetts rehabilitation commission in consultation with relevant and interested clients, clients' families, advocates and other parties as necessary; provided further, that loans issued pursuant to this item shall: (i) not exceed 50 per cent of the financing of the total development costs; (ii) not be issued unless a contract or agreement for the use of the property for the purposes of such housing provides for repayment to the commonwealth at the time of disposition of the property in an amount equal to the commonwealth's proportional contribution from community-based housing to the cost of the development through payments made by the state agency making the contract; (iii) not be issued unless a contract or agreement for the use of the property for the purposes of such community-based housing or supportive housing provides for the recording of a deed restriction in the registry of deeds or the registry district of the land court of the county in which the real property is located, for the benefit of the department, running with the land, that the land shall be used to provide community-based housing or supportive housing for eligible individuals as determined by the Massachusetts rehabilitation commission or other agency of the executive office of health and human services; provided, however, that the property shall not be released from such restrictions until the balance of the principal and interest for the loan has been repaid in full or until a mortgage foreclosure deed has been recorded; (iv) be issued for a term not to exceed 30 years during which time repayment may be deferred by the loan issuing authority; provided, however, that if on the date the loans become due and payable to the commonwealth, an outstanding balance exists and if, on that date, the department, in consultation with the executive office of health and human services, determines that there still exists a need for such housing, the department may, by agreement with the owner of the development, extend the loans for such periods, each period not to exceed 10 years, as the department shall determine; provided, however, that the project shall continue to remain affordable housing for the duration of the loan term, including any extensions thereof, as set forth in the contract or agreement entered into by the department; provided, however, that in the event the terms of repayment detailed in this item would cause a project authorized by this item to become ineligible to receive federal funds, which would otherwise assist in the development of that project, the department may waive the terms of repayment which would cause the project to become ineligible; and (v) have interest rates fixed at a rate, to be determined by the department, in consultation with the state treasurer; provided further, the loans shall be provided only for projects conforming to this item; provided further, that the loans shall be issued in accordance with an enhancing community-based services plan prepared by the secretary of health and human services, in consultation with the department and filed with the secretary of administration and finance, the house and senate committees on ways and means, the house and senate committees on bonding, capital expenditures and state assets and the joint committee on housing; provided further, that no expenditure shall be made from this item without the prior approval of the secretary of administration and finance; and provided further, that the department shall promulgate regulations pursuant to chapter 30A of the General Laws for the implementation, administration and enforcement of this item, consistent with the enhancing community-based services plan prepared by the secretary of health and human services after consultation with the secretary and the commissioner of capital asset management and maintenance.. $55,000,000

7004-0052.. For the capitalization of the Affordable Housing Trust Fund established in section 2 of chapter 121D of the General Laws, provided, that not more than $50,000,000 shall be provided to rehabilitate 1-unit to 4-unit housing in gateway cities, and other similarly-situated municipalities as determined by the department of housing and community development, that have been cited for building or sanitary code violations or that are subject to cancellation of commercial property insurance due to substandard property conditions..................... $400,000,000

7004-0053.. For state financial assistance in the form of grants or loans for the Housing Stabilization and Investment Trust Fund established in section 2 of chapter 121F of the General Laws and awarded only pursuant to the criteria established in said section 2 of said chapter 121F; provided, that not less than 25 per cent shall be used to fund projects which preserve and produce housing for families and individuals with incomes of not more than 30 per cent of the area median income, as defined by the United States Department of Housing and Urban Development; provided further, that if the department of housing and community development has not spent the amount authorized under the bond cap for this program, at the end of each year following the effective date of this act, the department may award the remaining funds to projects that serve households earning more than 30 per cent of the area median income, as defined by the United States Department of Housing and Urban Development; provided further, that not less than $5,000,000 shall be expended for the production or preservation of housing for people age 60 or over; provided further, that the department may expend an amount not to exceed $10,000,000 to stabilize and promote reinvestment, through homeownership, in areas that the department has determined are weak markets as indicated by a high concentration of assisted rental housing, low-rate of homeownership, low median family income, low average sales prices, high levels of unpaid property taxes or vacant or abandoned buildings, by: (i) waiving the requirements of this item and said chapter 121F; and (ii) subsidizing the purchase price, borrowing costs or costs of renovation or new construction of 1 to 6 unit residential buildings for a person who owns the property and occupies any portion of the property as the person's primary residence for not less than 5 years from the date of purchase; provided further, that if more than 5 years, but less than 10 years, from the date the owner takes ownership of the property, the owner sells any of the owner's interest in the property, the new owner shall occupy 1 unit in the property for a period equal to the difference between 10 years and the amount of time the first owner occupied the property as the owner's primary residence; provided further, that if the owner fails to so occupy a unit on the property or ceases to be the owner of the property as required by this item, the department shall recoup the value of any subsidy provided to the owner; and provided further, that 10 years after the owner takes possession of the property pursuant to this item, all restrictions on the property established by this item shall be void............... $150,000,000

7004-0054.. For state financial assistance in the form of grants for projects undertaken pursuant to clause (j) of section 26 of chapter 121B of the General Laws; provided, that contracts entered into by the department of housing and community development for those projects may include, but shall not be limited to, projects providing for renovation, remodeling, reconstruction, redevelopment and hazardous material abatement, including asbestos and lead paint, and for compliance with state codes and laws and for adaptations necessary for compliance with the Americans with Disabilities Act of 1990, the provision of day care facilities, learning centers and teen service centers and the adaptation of units for families and persons with disabilities; provided further, that priority shall be given to projects undertaken for the purpose of compliance with state codes and laws or for other purposes related to the health and safety of residents; provided further, that funds may be expended from this item to make such modifications to congregate housing units as may be necessary to increase the occupancy rate of those units; provided further, that the department shall continue to fund a program to provide predictable funds to be used flexibly by housing authorities for capital improvements to extend the useful life of state-assisted public housing; and provided further, that not less than 25 per cent of the funds made available in this item shall be used to fund projects which preserve or produce housing for families and individuals with incomes of not more than 30 per cent of the area median income, as defined by the United States Department of Housing and Urban Development.. $600,000,000

7004-0055.. For state financial assistance in the form of grants for a 5-year demonstration program, administered by the department of housing and community development to demonstrate cost effective revitalization methods for state-aided family and elderly-disabled public housing that seek to reduce the need for future state modernization funding; provided, that housing authorities with state-aided housing developments pursuant to chapter 200 of the acts of 1948, chapter 667 of the acts of 1954, chapter 705 of the acts of 1966, chapter 689 of the acts of 1974 or chapter 167 of the acts of 1987 shall be eligible to participate in the demonstration program; provided further, that the department shall establish an advisory committee, which shall consist of: the director of housing and community development or a designee; 3 persons to be appointed by the governor, 1 of whom shall be recommended by the Citizens' Housing and Planning Association, Inc., 1 of whom shall be recommended by the Massachusetts chapter of the National Association of Housing and Redevelopment Officials and 1 of whom shall be recommended by the Massachusetts Union of Public Housing Tenants, Inc.; and 3 persons to be selected by the department to provide advice and recommendations to the department regarding the program; provided further, that the department may exempt a recipient of demonstration grants from the requirements of chapters 7C and 121B of the General Laws upon a showing by the recipient that such exemptions are necessary to accomplish the effective revitalization of public housing and shall not adversely affect public housing residents or applicants of any income who are otherwise eligible; provided further, that the department may provide to recipients of demonstration grants such additional regulatory relief as may be required to further the objectives of the demonstration program; provided further, that funds shall be made available for technical assistance provided by the Community Economic Development Assistance Corporation established in chapter 40H of the General Laws or the Massachusetts Housing Partnership Fund established in section 35 of chapter 405 of the acts of 1985 to recipients of demonstration grants and for evaluation of the demonstration; provided further, that the department's regulations for the implementation, administration and enforcement of this item shall: (i) require that selected housing authorities demonstrate innovative and replicable solutions to the management, marketing or capital needs of state-aided family and elderly-disabled public housing developments and contribute to the continued viability of the housing as a resource for public housing eligible residents; (ii) encourage proposals that demonstrate regional collaborations among housing authorities; and (iii) encourage proposals that propose new affordable housing units on municipally-owned land, underutilized public housing sites or other land owned by the housing authority; and provided further, that the department shall annually report to the house and senate committees on ways and means, the house and senate committees on bonding, capital expenditures and state assets and the joint committee on housing on the progress of the demonstration program... $50,000,000

7004-0056.. For state financial assistance in the form of grants or loans for the Housing Innovations Trust Fund established in section 2 of chapter 121E of the General Laws; provided, that not less than 25 per cent of the funds made available in this item shall be used to fund projects which preserve and produce housing for families and individuals with incomes of not more than 30 per cent of the area median income, as defined by the United States Department of Housing and Urban Development; and provided further, that the department may expend $10,000,000 or more from this item for the production and preservation of housing for people in recovery from substance use disorder............. $100,000,000

7004-0057.. For state financial assistance in the form of grants or loans for the Capital Improvement and Preservation Trust Fund established in section 2 of chapter 121G of the General Laws for expiring use properties.................... $125,000,000

7004-0058.. To provide financial support for developing residential housing units and mixed use developments that include both residential housing units and commercial or retail space and are located within neighborhood commercial areas including, but not limited to, those areas designated as main street areas by providing necessary financial assistance to the commercial components of these projects; provided, that the developments may include projects which have residential units above commercial space and shall be located in areas characterized by a predominance of commercial land uses, a high daytime or business population or a high concentration of daytime traffic and parking; provided further, that the financial subsidy for the commercial portion of a project shall not exceed the lower of 25 per cent of the total development cost of the commercial portion of the project or $1,000,000, provided further, that $15,000,000 shall be used to fund transit-oriented housing developments in proximity to public transit nodes; provided further, that eligible activities for transit-oriented development shall include, but not be limited to, planning grants, financing subsidies and environmental assessment; and provided further, that not less than 50 per cent of the beneficiaries of housing in projects assisted by this item shall be persons whose income is not more than 80 per cent of the area median income, as defined by the United States Department of Housing and Urban Development... $50,000,000

7004-0060.. For the Workforce Housing Fund administered by the Massachusetts Housing Finance Agency....................................... $100,000,000

SECTION 3. Section 18 of chapter 15D of the General Laws, as appearing in the 2016 Official Edition, is hereby amended by striking out, in line 6, the figure “25” and inserting in place thereof the following figure:- 50.

SECTION 4. Said section 18 of said chapter 15D, as so appearing, is hereby further amended by inserting after the word “interest”, in lines 16 and 17, the following words:- and such corporation or organization is, at the time of its initial application, providing early care and education or out-of-school-time care for low-income families who are eligible for a public subsidy.

SECTION 5. Section 6 of chapter 62 of the General Laws is hereby amended by striking out, in line 281, as so appearing, the figure “2018” and inserting in place thereof the following figure:- 2023.

SECTION 6. Said section 6 of said chapter 62, is hereby further amended by striking out, in line 287, as so appearing, the figure “2019” and inserting in place thereof the following figure:- 2024.

SECTION 7. Said section 6 of said chapter 62, is hereby further amended by striking out, in line 297, as so appearing, the figure “40.00” and inserting in place thereof the following figure:- 40.0000.

SECTION 8. Section 6I of said chapter 62, as so appearing, is hereby amended by striking out, in lines 112 to 115, inclusive, the words “; provided further, that no credit shall be authorized related to a project that receives state financial assistance authorized under section 7A of chapter 244 of the acts of 2002.”

SECTION 9. Said section 6I of said chapter 62, as so appearing, is hereby further amended by inserting after the word “project”, in line 73, the following words:- ; and (iv) $5,000,000 to preserve and improve existing state or federally-assisted housing.

SECTION 10. Section 6J of said chapter 62, as so appearing, is hereby amended by striking out, in line 41, the figure “$50,000,000” and inserting in place thereof the following figure:- $55,000,000.

SECTION 11. Subsection (c) of section 6M of said chapter 62, as appearing in section 29 of chapter 238 of the acts of 2012, is hereby amended by striking out clause (4) and inserting in place thereof the following clause:-

(4) no community partner shall receive a community investment tax credit allocation of less than $50,000 or more than 2 1/2 per cent of the total credits available in any 1 taxable year; provided, however, that the department may waive this cap if it determines that it would be unable to otherwise fully allocate the credits available during that calendar year to eligible community partners; provided, however, that no community partner shall receive a subsequent allocation unless the department has determined that it has made satisfactory progress toward utilizing any prior allocation.

SECTION 12. Subsection (e) of said section 6M of said chapter 62, as so appearing, is hereby amended by striking out the first sentence.

SECTION 12A. Subsection (i) of said section 6M of said chapter 62, as so appearing, is hereby amended by striking out the second sentence and inserting in place thereof the following sentence:- The total value of the tax credits authorized in this section, together with those authorized in section 38EE of chapter 63, shall not exceed: (i) $3,000,000 in taxable year 2014; (ii) $6,000,000 in each of taxable years 2015 to 2018, inclusive; (iii) $8,000,000 in each of taxable years 2019 and 2020; (iv) $10,000,000 in each of taxable years 2021 and 2022; and (v) $12,000,000 in each of taxable years 2023 to 2025, inclusive.

SECTION 13. Section 31H of chapter 63 of the General Laws, as appearing in the 2016 Official Edition, is hereby amended by inserting after the word “project”, in line 74, the following words:- ; and (iv) $5,000,000 to preserve and improve existing state or federally-assisted housing.

SECTION 14. Said section 31H of said chapter 63, as so appearing, is hereby further amended by striking out, in lines 114 to 117, inclusive, the words “; provided further, that no credit shall be authorized related to a project that receives state financial assistance authorized under section 7A of chapter 244 of the acts of 2002.”

SECTION 15. Section 38Q of said chapter 63, as so appearing, is hereby amended by striking out, in line 3, the figure “2018” and inserting in place thereof the following figure:- 2023.

SECTION 16. Said section 38Q of said chapter 63, as so appearing, is hereby further amended by striking out, in line 9, the figure “2019” and inserting in place thereof the following figure:- 2024.

SECTION 17. Said section 38Q of said chapter 63, as so appearing, is hereby further amended by striking out, in line 17, the figure “40.00” and inserting in place thereof the following figure:- 40.0000.

SECTION 18. Section 38R of said chapter 63, as so appearing, is hereby amended by striking out, in line 40, the figure “$50,000,000” and inserting in place thereof the following figure:- $55,000,000.

SECTION 19. Subsection (c) of section 38EE of said chapter 63, as so appearing, is hereby amended by striking out clause (4) and inserting in place thereof the following clause:-

(4) no community partner shall receive a community investment tax credit allocation of less than $50,000 or more than 2 1/2 per cent of the total credits available in any 1 taxable year; provided, however, that the department may waive this cap if it determines that it would be unable to otherwise fully allocate the credits available during that calendar year to eligible community partners; provided, however, that no community partner shall receive a subsequent allocation unless the department has determined that it has made satisfactory progress toward utilizing any prior allocation;

SECTION 20. Subsection (e) of said section 38EE of said chapter 63, as so appearing, is hereby amended by striking out the first sentence.

SECTION 21. Subsection (i) of said section 38EE of said chapter 63, as so appearing, is hereby amended by striking out the second sentence and inserting in place thereof the following sentence:- The total value of the tax credits authorized in this section, together with those authorized in section 6M of chapter 62, shall not exceed: (i) $3,000,000 in taxable year 2014; (ii) $6,000,000 in each of taxable years 2015 to 2018, inclusive; (iii) $8,000,000 in each of taxable years 2019 and 2020; (iv) $10,000,000 in each of taxable years 2021 and 2022; and (v) $12,000,000 in each of taxable years 2023 to 2025, inclusive.

SECTION 22. Subsection (a) of section 2 of chapter 121G of the General Laws, as so appearing, is hereby amended by adding the following sentence:- An eligible property that has been acquired for the purpose of preserving or improving the property shall not lose eligibility due to actions by the purchaser to renew or extend state or federal contracts or subsidies.

SECTION 23. Section 4 of chapter 708 of the acts of 1966, as most recently amended by section 6 of chapter 239 of the acts of 1998, is hereby further amended by adding the following subsection:-

(aa) Take any and all actions necessary and appropriate, directly or through an affiliate or subsidiary entity: (i) to provide contract administration services in or for any state of the United States of America or the District of Columbia, in connection with any multifamily rental subsidy program of the United States Department of Housing and Urban Development; (ii) to provide loan servicing services with respect to 1-family to 4-family residential mortgage loans secured by mortgages on real property located in any state of the United States or the District of Columbia; provided the MHFA shall not enter into any agreement for such loan servicing unless the majority of loans to be serviced are mortgage loans secured by mortgages on real property located within the commonwealth; and (iii) to provide any loan servicing, master servicing, mortgage insurance and other commercial services and products related to residential mortgage loans in partnership with a governmental or quasi-governmental agency in any state or the District of Columbia; in each case unless and to the extent prohibited by the laws of any such state or the District of Columbia.

SECTION 24. Section 100 of chapter 142 of the acts of 2011 is hereby amended by striking out the figure "2020", inserted by section 14 of chapter 129 of the acts of 2013, and inserting in place thereof the following figure:- 2025.

SECTION 25. Section 98 of chapter 238 of the acts of 2012 is hereby amended by striking out the figure "2019" and inserting in place thereof the following figure:- 2025.

SECTION 26. Chapter 287 of the acts of 2014 is hereby amended by inserting after section 124 the following section:-

SECTION 124A. Sections 46, 48, 61, and 63 shall take effect on January 1, 2024.

SECTION 27. Section 125 of said chapter 287, as amended by section 65 of chapter 359 of the acts of 2014, is hereby further amended by striking out the words "46, 48, 56A, 61, 63 and 124" and inserting in place thereof the following words:- 56A and 124.

SECTION 28. Notwithstanding any general or special law to the contrary, the secretary of housing and economic development and the secretary of administration and finance shall jointly submit a report on the progress of all projects and expenditures related to the funds available in this act or any outstanding authorizations from a prior authorization act for housing projects that were undertaken by the executive office of housing and economic development or any of its constituent agencies to the house and senate committees on ways and means, the house and senate committees on bonding, capital expenditures and state assets and the joint committee on housing. This report shall include, but not be limited to: (i) the address and the nature and scope of the work for each project funded in this act; (ii) the total amount allocated for each project, broken down by fiscal year during which the allocation occurred and the total estimated cost of each project; (iii) the amount expended for the planning and design of each project up to the time the report is filed; (iv) the amount expended on construction of each project up to the time the report is filed; (v) the total amount currently expended on each project; (vi) a schedule of life cycle standards for each completed project; (vii) the original estimated completion date of each project; (viii) the current anticipated completion date of each project; and (ix) if the project has been deauthorized, the reason for and date of the deauthorization. The information required in this report shall be current as of 30 days before the submission of the report and the report shall be submitted biannually for 6 years after the effective date of this act.

SECTION 29. To meet the expenditures necessary in carrying out section 2, the state treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an amount to be specified by the governor from time to time but not exceeding, in the aggregate, $1,800,000,000. All bonds issued by the commonwealth as aforesaid shall be designated on their face, Housing Production, Preservation, Modification and Neighborhood Development Loan Act of 2018, and shall be issued for a maximum term of years, not exceeding 30 years, as recommended by the governor in a message to the general court dated April 24, 2017 under section 3 of Article LXII of the Amendments to the Constitution; provided, however, that all such bonds shall be payable not later than June 30, 2053. All interest and payments on account of principal on such obligations shall be payable from the General Fund. Bonds and interest thereon issued under the authority of this section shall, notwithstanding any other provision of this act, be general obligations of the commonwealth. An amount not to exceed 2 per cent of the authorizations may be expended by the department of housing and community development for administrative costs directly attributable to the purposes of this act, including costs of clerical and support personnel. The director of housing and community development shall file an annual spending plan with the fiscal affairs division, the house and senate committees on ways and means, the house and senate committees on bonding, capital expenditures and states assets and the joint committee on housing which details, by subsidiary, all personnel costs and any administrative costs charged to expenditures made pursuant to this act.

SECTION 30. Notwithstanding any general or special law to the contrary, not later than 120 days after the expiration of affordability restrictions on housing units assisted under items 7004-0050 and 7004-0051 of said section 2, the department of housing and community development or its assignee, who shall be a qualified developer selected pursuant to the terms of said items 7004-0050 and 7004-0051 under the guidelines of the department, shall have an option to purchase any such housing units at their current appraised value, reduced by any remaining obligation of the owner, upon the expiration of the affordability restrictions. The department or its assignee shall only purchase or acquire such housing units to preserve or provide affordable housing. The department or its assignee shall hold such purchase option for the first 120 days after the expiration of the affordability restrictions. Failure to exercise the purchase option within 120 days after the expiration of the affordability restriction shall constitute a waiver of the purchase option by the department or its assignee. Not later than 30 days after the expiration of an affordability restriction, the owner and the department shall each designate a professional in the field of multi-unit residential housing. Each professional shall select an impartial appraiser. Not later than 60 days after the expiration of the affordability restriction, the 2 impartial appraisers shall determine the current appraised value in accordance with recognized professional standards. If there is a difference in the valuations, the valuations shall be added together and divided by 2 to determine the current appraised value of the units. No sale, transfer or other disposition of the property shall be completed until either the purchase option period expires or the owner has been notified, in writing, by the department or its assignee that the option will not be exercised. The option shall be exercised only by written notice signed by a designated representative of the department or its assignee, mailed to the owner by certified mail at the address specified in the notice of intention and recorded with the registry of deeds or the registry district of the land court of the county in which the affected real property is located, within the option period. If the purchase option has been assigned to a qualified developer selected pursuant to said items 7004-0050 and 7004-0051 of said section 2, the written notice shall state the name and address of the developer and the terms and conditions of the assignment.

Before any sale or transfer or other disposition of housing that the department has not previously exercised an option to purchase, an owner shall offer the department or its assignee, who shall be a qualified developer selected pursuant to said items 7004-0050 and 7004-0051 of said section 2, a first refusal option to meet a bona fide offer to purchase the units. The owner shall provide to the department or its assignee written notice by regular and certified mail, return receipt requested, of the owner’s intention to sell, transfer or otherwise dispose of the property. The department or its assignee shall hold the first refusal option for the first 120 days after receipt of the owner’s written notice of intent to transfer the property. Failure to respond to the written notice of intent to sell, transfer or otherwise dispose of the property within the 120 day period shall constitute a waiver of the right of first refusal by the department. No sale, transfer or other disposition of the property shall be completed until either this first refusal option period has expired or the owner has been notified in writing by the department or its assignee that the option will not be exercised. The option shall be exercised only by written notice signed by a designated representative of the department or its assignee, mailed to the owner by certified mail at the address specified in the notice of intention and recorded with the registry of deeds or the registry district of the land court of the county in which the affected real property is located, within the option period. If the first refusal option has been assigned to a qualified developer selected pursuant to said items 7004-0050 and 7004-0051 of said section 2, the written notice shall state the name and address of the developer and the terms and conditions of the assignment.

An affidavit before a notary public that the notice of intent was mailed on behalf of an owner shall conclusively establish the manner and time of the giving of notice to sell, transfer or otherwise dispose of the property. The affidavit and notice that the option shall not be exercised shall be recorded with the registry of deeds or the registry district of the land court in the county in which the affected real property is located. Each notice of intention, notice of exercise of the purchase option or first refusal option and notice that the purchase option or first refusal option shall not be exercised shall contain the name of the recorded owner of the property and a reasonable description of the premises to be sold or converted. Each affidavit signed before a notary public shall have attached to it a copy of the notice of intention to which it relates. The notices of intention shall be mailed to the relevant parties in the care of the keeper of the records for the party in question. Upon notifying the owner in writing of its intention to exercise its purchase option or first refusal option during the 120 day period, the department or its assignee shall have an additional 120 days, beginning on the date the purchase option period or first refusal option period expires, to purchase the units. Those time periods may be extended by mutual agreement between the department or its assignee and the owner of the property. Any extension agreed upon shall be recorded in the registry of deeds or the registry district of the land court of the county in which the affected real property is located. Within a reasonable time after requesting an extension, the owner shall make available to the department or its assignee any information that is reasonably necessary for the department to exercise its option.

SECTION 31. Notwithstanding any general or special law to the contrary, not later than July 1, 2018, and annually thereafter, the director of housing and community development shall submit to the secretary of administration and finance, the house and senate committees on ways and means, the joint committee on housing and the house and senate committees on bonding, capital expenditures and state assets a capital plan for fiscal years 2019 to 2023, inclusive, for the capital funds authorized in section 2.

SECTION 32. Notwithstanding any general or special law to the contrary, a private entity engaged in a construction, development, renovation, remodeling, reconstruction, rehabilitation or redevelopment project receiving funds pursuant to this act shall properly classify individuals employed on the project and shall comply with all laws concerning workers' compensation insurance coverage, unemployment insurance, social security taxes and income taxes with respect to all such employees. All construction contractors engaged by an entity on any such project shall furnish documentation to the appointing authority showing that all employees employed on the project have hospitalization and medical benefits that meet the minimum requirements of the connector established in chapter 176Q of the General Laws.

SECTION 33. (a) Notwithstanding any special or general law, there shall be established a special commission to: (i) determine the level of need for additional adult disabled housing in the commonwealth; (ii) create a portfolio accounting for all occupied and available housing for individuals with disabilities; and (iii) determine best practices and costs to increase the stock of adult disabled housing to meet the level of need.

(b) The special commission shall consist of: 2 members of the house of representatives, 1 of whom shall be appointed by the minority leader; 2 members of the senate, 1 of whom shall be appointed by the minority leader; the secretary of housing and economic development, or a designee; the undersecretary of housing and community development, or a designee; the commissioner of developmental services, or a designee; 1 representative of the Massachusetts Housing Partnership; 1 representative of the Citizens' Housing and Planning Association, Inc.; 1 representative of the Arc of Massachusetts; 2 parents or guardians of adult disabled children; 2 representatives from local housing authorities who shall be appointed by the secretary of housing and economic development; and 1 representative of the Massachusetts developmental disabilities council. The first meeting of the commission shall take place not later than December 1, 2018.

(c) The special commission shall submit its recommendations, together with drafts of legislation necessary to carry those recommendations into effect, by filing the same with the clerks of the senate and house of representatives, and the chairs of the joint committee on mental health and substance abuse not later than July 1, 2019.

SECTION 34. Notwithstanding any general or special law to the contrary, the unexpended and unencumbered balances of the bond-funded authorizations in the following accounts shall cease to be available for expenditure 180 days after the effective date of this act: 3000-0400, 7004-0039, 7004-0040, 7004-0041, 7004-0042, 7004-0043, 7004-0044, 7004-0045, 7004-0046, 7004-0047, 7004-0048.

SECTION 35. Sections 10 and 15 shall be effective for tax years beginning on or after January 1, 2018.

SECTION 36. Sections 11, 12, 13, 17, 18 and 26 shall be effective for tax years beginning on or after January 1, 2018.

Approved, May 31, 2018

2018 Private Activity Bond Volume Cap Usage

Table 2: HFA Authority and Usage

Agency Name	2018 Cap Allocation	Transfer Amounts Rec'd in 2018	Carryforward	Total 2018 Authority	Cap Used by HFA in 2018	Carryforward Into 2019	Authority Expired in 2018
Alabama HFA *	127,962,109	0	1,327,447,600	1,455,409,709	425,324,700	511,848,435	0
Alaska HFC	310,710,000	0	682,738,230	993,448,230	124,215,059	793,100,000	76,133,171
Arizona DoH	N/AV	N/AV	N/AV	0	210,500,000	519,000,000	N/AV
Arkansas DFA	315,449,295	0	859,080,000	1,174,529,295	315,449,295	823,514,295	35,565,705
California HFA	304,043,316	0	1,322,551,233	1,626,594,549	751,461,447	0	875,133,101
Colorado HFA	284,375,585	92,725,556	557,346,808	934,447,949	368,048,629	566,399,320	0
Connecticut HFA	226,055,592	0	156,507,646	382,563,238	382,563,238	0	0
Delaware SHA	77,677,500	233,032,500	852,889,834	1,163,599,834	286,515,000	877,084,834	0
District of Columbia HFA	N/AV	N/AV	N/AV	N/AV	N/AV	N/AV	N/AV
Florida HFC	526,465,500	0	1,438,509,505	1,964,975,005	703,503,660	1,261,471,345	0
Georgia DCA/HFA *	288,554,843	0	2,143,619,840	2,432,174,683	235,330,000	1,543,484,011	653,360,672
Hawaii HFDC	90,377,500	0	349,146,873	439,524,373	360,714,200	78,810,173	0
Idaho HFA	311,375,000	0	837,179,640	1,148,554,640	299,360,092	849,133,490	61,062
Illinois HDA	818,982,460	0	597,859,340	1,416,841,800	565,196,098	851,645,702	0
Indiana HCDA	311,007,627	0	1,398,743,335	1,709,750,962	309,465,539	1,400,285,422	0
Iowa FA	237,815,752	36,990,959	472,334,149	747,140,860	323,527,915	423,612,945	0
Kansas Department of Commerce	311,375,000	0	281,186,348	592,561,348	18,300,000	261,711,678	0
Kentucky HC *	277,574,871	0	437,301,290	714,876,161	250,494,913	437,301,290	0
Louisiana HC	70,000,000	0	544,999,840	614,999,840	86,352,500	445,000,000	0
MaineHousing	50,000,000	245,710,000	834,705,000	1,130,415,000	185,098,685	858,900,000	86,416,315
Maryland DHCD *	158,869,646	183,759,239	1,586,099,742	1,928,728,627	487,113,110	1,668,648,297	10,758,355
MassHousing	413,000,000	8,900,000	0	421,900,000	413,632,184	8,267,815	0
Michigan SHDA	500,000,000	0	406,707,571	906,707,571	681,173,237	225,534,333	0
Minnesota Housing	134,800,581	117,198,842	237,817,392	489,816,815	217,113,379	272,703,436	0
Mississippi HC	313,330,500	0	799,314,671	1,112,645,171	303,955,000	808,690,040	131
Missouri HDC	627,641,235	0	1,581,646,012	2,209,287,247	128,849,426	1,705,556,347	374,881,474
Montana Housing	310,710,000	0	882,205,000	1,192,915,000	168,325,760	873,315,288	151,273,952
Nebraska IFA	310,710,000	0	824,930,224	1,135,640,224	441,495,254	694,144,970	0
Nevada HD	0	91,023,654	353,753,295	444,776,949	104,435,860	340,341,089	0
New Hampshire HFA *	155,355,000	0	521,940,000	677,295,000	264,785,000	412,510,000	0
New Jersey HMFA *	500,000,000	0	521,519,349	1,021,519,349	418,692,301	602,827,047	0
New Mexico MFA	0	0	708,865,000	708,865,000	258,173,315	432,090,000	18,601,685
New York City HDC	768,815,000	0	0	768,815,000	768,815,000	0	0
New York State HCR *	1,200,751,044	0	3,322,343	1,204,073,387	1,204,073,387	0	0
North Carolina HFA *	713,345,995	0	1,574,498,120	2,287,844,115	660,479,899	1,623,055,216	4,309,000
North Dakota HFA	0	305,315,000	462,642,915	767,957,915	229,872,613	538,085,302	0
Ohio HFA	300,000,000	173,360,900	2,757,893,573	3,231,254,473	1,079,349,123	2,149,605,350	2,300,000
Oklahoma HFA	61,911,108	125,029,612	617,615,000	804,555,720	41,455,125	548,170,620	214,929,975
Oregon HCS	125,000,000	0	715,656,608	840,656,608	443,988,699	396,572,640	4,669
Pennsylvania HFA	508,543,885	0	801,513,544	1,310,057,429	407,256,999	902,800,430	0
Puerto Rico HFA	N/AV	N/AV	N/AV	N/AV	N/AV	N/AV	N/AV
Rhode Island Housing	227,375,000	0	581,385,500	808,760,500	163,996,797	635,568,203	9,195,500
South Carolina SHFDA	0	0	1,398,429,172	1,398,429,172	213,866,400	922,513,172	262,049,600
South Dakota HDA	0	293,806,522	678,301,652	972,108,174	308,269,663	663,838,511	0
Tennessee HDA	705,178,000	0	1,498,018,000	2,203,196,000	968,118,312	1,235,077,688	0
Texas DHCA	408,207,752	295,000,000	1,288,685,313	1,991,893,065	816,006,650	1,148,129,181	27,757,234
Utah HC *	136,790,835	0	447,128,420	583,919,255	175,933,484	407,985,771	0

2018 Private Activity Bond Volume Cap Usage

Table 2: HFA Authority and Usage

Agency Name	2018 Cap Allocation	Transfer Amounts Rec'd in 2018	Carryforward	Total 2018 Authority	Cap Used by HFA in 2018	Carryforward Into 2019	Authority Expired in 2018
Vermont HFA	155,290,500	0	381,944,693	537,235,193	126,009,614	365,270,579	45,955,000
Virgin Islands HFA	N/AV	N/AV	N/AV	N/AV	N/AV	N/AV	N/AV
Virginia HDA	382,421,403	259,046,375	2,041,966,618	2,683,434,396	878,933,900	1,804,500,496	0
Washington SHFC *	2,000,000	761,603,015	264,323,853	1,027,926,868	588,441,517	439,485,351	0
West Virginia HDF	124,284,000	178,426,000	782,980,600	1,085,690,600	27,750,000	820,425,600	237,515,000
Wisconsin HEDA	299,262,858	280,196,323	1,490,156,519	2,069,615,700	673,943,700	1,395,672,000	0
Wyoming CDA *	90,000,000	220,710,000	909,705,000	1,220,415,000	301,515,000	918,900,000	0
Total	14,573,396,292	3,901,834,497	42,215,112,210	60,690,342,999	20,167,240,678	37,462,587,712	3,086,201,601

Alabama HFA: Carryforward into 2019 includes volume cap received at the end of 2018.

Georgia DCA/HFA: Georgia DCA/HFA converted its expiring bond authority into Mortgage Credit Certificate authority.

Kentucky HC: The Kentucky Higher Education Loan Corporation, a separate state agency from Kentucky HC, is currently unable to use PAB authority that has previously been allocated to it by the state.

Maryland DHCD: Response includes $23,052,084 in cap authority Maryland DHCD transferred to county governments.

New Hampshire HFA: Unable to determine the expired PAB volume for the entire state.

New Jersey HMFA: Unable to determine expired PAB volume for the entire state.

New York State HCR: These amounts include funds received by the New York State HFA (which issues multifamily bonds) and the New York Mortgage Agency (which issues single-family mortgage revenue bonds).

North Carolina HFA: Unable to determine expired PAB volume for the entire state.

Utah HC: Utah HC has never had bond cap expire.

Washington SHFC: The $2,000,000 in new authority was for Washington SHFC's Beginning Farmer/Rancher Program. Per state statue, Washington state allocated 32 percent of its bond cap to housing each year, of which 80 percent is allocated to Washington SHFC, resulting in an initial allocation of 25.6 percent of the state's annual volume cap. Per an agreement with the Washington Department of Commerce and other state-wide PAB issuers, Washington SHFC trades receipt of any remaining carryforward at the end of one year toward its initial allocation for the following year. Since Washington SHFC received 2017 carryforward in excess of its 2018 statutory allocation, it declined its 2018 allocation and received all carryforward for 2017 at the end of the calendar year. This gives the Washington Department of Commerce more flexibility in its allocation.

Wyoming CDA: Wyoming CDA received all the bond authority that was set to expire in 2018. Wyoming CDA converted its expiring bond authority into Mortgage Credit Certificate authority

Appendix E: Detailed Modeling for Bonded Scenarios

Proceeds		54,185,000
Project Fund		**50,266,882**
UD	0.50%	270,925
COI		225,000
DSRF		3,422,193
Contingency		-
Total		**54,185,000**

<===Funds Available (Project Fund)

<==Calculated Bonds (Total)

Total Project funds	50,266,882	
Taxable amount	3,420,000	**<==== Debt**
Tax-exempt amount	46,846,882	**Service Amount**
DSRF Earnings Rate:	1%	
Target debt service:	3,420,000	

Tenor	Date	Coupon	Price	Proceeds	Principal	Interest	DS	DSRF Earnings	Net Debt Service
	5/1/2020								
Issue	5/1/2020					-	-		(54,185,000)
1	11/1/2020	1.64%	100.000%	2,270,000	2,270,000	1,148,398	3,418,398	34,222	3,384,176
2	11/1/2021	1.56%	100.000%	2,310,000	2,310,000	1,111,170	3,421,170	34,222	3,386,948
3	11/1/2022	1.47%	100.000%	2,345,000	2,345,000	1,075,134	3,420,134	34,222	3,385,912
4	11/1/2023	1.51%	100.000%	2,380,000	2,380,000	1,040,662	3,420,662	34,222	3,386,440
5	11/1/2024	1.53%	100.000%	2,415,000	2,415,000	1,004,724	3,419,724	34,222	3,385,502
6	11/1/2025	1.59%	100.000%	2,450,000	2,450,000	967,775	3,417,775	34,222	3,383,553
7	11/1/2026	1.69%	100.000%	2,490,000	2,490,000	928,820	3,418,820	34,222	3,384,598
8	11/1/2027	1.76%	100.000%	2,535,000	2,535,000	886,739	3,421,739	34,222	3,387,517
9	11/1/2028	1.87%	100.000%	2,580,000	2,580,000	842,123	3,422,123	34,222	3,387,901
10	11/1/2029	1.93%	100.000%	2,625,000	2,625,000	793,877	3,418,877	34,222	3,384,655
11	11/1/2030	2.02%	100.000%	2,675,000	2,675,000	743,214	3,418,214	34,222	3,383,992
12	11/1/2031	2.19%	100.000%	2,730,000	2,730,000	689,179	3,419,179	34,222	3,384,957
13	11/1/2032	2.33%	100.000%	2,790,000	2,790,000	629,392	3,419,392	34,222	3,385,170
14	11/1/2033	2.49%	100.000%	2,855,000	2,855,000	564,385	3,419,385	34,222	3,385,163
15	11/1/2034	2.53%	100.000%	2,925,000	2,925,000	493,296	3,418,296	34,222	3,384,074
16	11/1/2035	2.57%	100.000%	3,000,000	3,000,000	419,293	3,419,293	34,222	3,385,071
17	11/1/2036	2.61%	100.000%	3,080,000	3,080,000	342,193	3,422,193	34,222	3,387,971
18	11/1/2037	2.65%	100.000%	3,160,000	3,160,000	261,805	3,421,805	34,222	3,387,583
19	11/1/2038	2.69%	100.000%	3,240,000	3,240,000	178,065	3,418,065	34,222	3,383,843
20	11/1/2039	2.73%	100.000%	3,330,000	3,330,000	90,909	3,420,909	34,222	3,386,687
Total				54,185,000	54,185,000	14,211,149	68,396,149	684,439	67,711,710

Assumptions:
- Level debt service
- Same spread as 2018 bonds to MMD

Proceeds		26,940,000		Total Project funds	24,877,755
Project Fund		**24,877,755**	**<===Funds Available**	Taxable amount	1,700,000 **<==== Debt**
UD	0.50%	134,700		Tax-exempt amount	23,177,755 **Service Amount**
COI		225,000			
DSRF		1,702,546			
Contingency		-			
Total		**26,940,000**	**<==Calculated Bonds**	DSRF Earnings Rate:	1%
				Target debt service:	1,700,000

Tenor	Date	Coupon	Price	Proceeds	Principal	Interest	DS	DSRF Earnings	Net Debt Service
	5/1/2020								
Issue	5/1/2020					-	-		(26,940,000)
1	11/1/2020	1.64%	100.000%	1,130,000	1,130,000	570,915	1,700,915	17,025	1,683,890
2	11/1/2021	1.56%	100.000%	1,150,000	1,150,000	552,383	1,702,383	17,025	1,685,358
3	11/1/2022	1.47%	100.000%	1,165,000	1,165,000	534,443	1,699,443	17,025	1,682,418
4	11/1/2023	1.51%	100.000%	1,185,000	1,185,000	517,318	1,702,318	17,025	1,685,292
5	11/1/2024	1.53%	100.000%	1,200,000	1,200,000	499,424	1,699,424	17,025	1,682,399
6	11/1/2025	1.59%	100.000%	1,220,000	1,220,000	481,064	1,701,064	17,025	1,684,039
7	11/1/2026	1.69%	100.000%	1,240,000	1,240,000	461,666	1,701,666	17,025	1,684,641
8	11/1/2027	1.76%	100.000%	1,260,000	1,260,000	440,710	1,700,710	17,025	1,683,685
9	11/1/2028	1.87%	100.000%	1,280,000	1,280,000	418,534	1,698,534	17,025	1,681,509
10	11/1/2029	1.93%	100.000%	1,305,000	1,305,000	394,598	1,699,598	17,025	1,682,573
11	11/1/2030	2.02%	100.000%	1,330,000	1,330,000	369,412	1,699,412	17,025	1,682,386
12	11/1/2031	2.19%	100.000%	1,360,000	1,360,000	342,546	1,702,546	17,025	1,685,520
13	11/1/2032	2.33%	100.000%	1,385,000	1,385,000	312,762	1,697,762	17,025	1,680,736
14	11/1/2033	2.49%	100.000%	1,420,000	1,420,000	280,491	1,700,491	17,025	1,683,466
15	11/1/2034	2.53%	100.000%	1,455,000	1,455,000	245,133	1,700,133	17,025	1,683,108
16	11/1/2035	2.57%	100.000%	1,490,000	1,490,000	208,322	1,698,322	17,025	1,681,296
17	11/1/2036	2.61%	100.000%	1,530,000	1,530,000	170,029	1,700,029	17,025	1,683,003
18	11/1/2037	2.65%	100.000%	1,570,000	1,570,000	130,096	1,700,096	17,025	1,683,070
19	11/1/2038	2.69%	100.000%	1,610,000	1,610,000	88,491	1,698,491	17,025	1,681,465
20	11/1/2039	2.73%	100.000%	1,655,000	1,655,000	45,182	1,700,182	17,025	1,683,156
Total				26,940,000	26,940,000	7,063,515	34,003,515	340,509	33,663,005

Assumptions:
- Level debt service
- Same spread as 2018 bonds to MMD

Appendix E: Comparative Funding for Housing by State

2018 Administration and Budget

Table 12: State Funding for Housing

							If Yes				
Agency Name	Bond Funding	Appropriated Funds	Other	Total	Amount Administered by Agency	State Trust Fund	Administer Fund	Primary Trust Fund Capitalization Source	Designated Revenue Services	Other State Designated Revenue Source	Administer Other Source
Alabama HFA	425,324,700	0	0	425,324,700	425,324,700	No				No	
Alaska HFC	180,380,000	47,400,000	125,570,000	305,950,000	305,950,000	No				Yes **	Yes
Arizona DOH	124,215,059	0	0	124,215,059	124,215,059	Yes	Yes	State Unclaimed Property Single-Family Mortgage Program Fees	Yes	Yes **	No
Arkansas DFA	315,449,295	0	71,122,396	386,571,691	315,449,295	Yes	Yes	By Legislative approval. State funds to be determined on an annual basis.	No	No	
California HFA	751,461,447	0	0	751,461,447	751,461,447	Yes	Yes	Profit	No	No	
Colorado HFA *	368,048,629	29,300,000	0	397,348,629	368,048,629	Yes	No	The Colorado Housing Investment Fund (CHIF) was created from the Attorney General's custodial funds with $13.2 million to address Colorado's need for affordable rental housing. In 2015, an additional $23 million in custodial funds were added to the CHIF based on the success of the Fund.	No	Yes **	No
Connecticut HFA	838,110,000	99,718,732	169,000,000	1,106,828,732	838,110,000	Yes	No	General Obligation Funds	No	Yes **	Yes
Delaware SHA	159,642,095	7,000,000	17,500,000	24,500,000	24,500,000	No				No	
District of Columbia HFA	N/AV	N/AV	N/AV	N/AV	N/AV	N/AV	N/AV	N/AV	N/AV	N/AV	N/AV
Florida HFC *	526,465,500	123,605,000	0	650,070,500	650,070,500	Yes	Yes	Documentary stamp taxes	Yes	No	
Georgia DCA/HFA	235,330,000	3,000,000	0	238,330,000	238,330,000	Yes	Yes	State appropriations	No	No	
Hawaii HFDC	93,535,000	314,620,849	38,000,000	446,155,849	407,482,761	Yes	Yes	Conveyance tax	Yes	No	
Idaho HFA	305,597,087	0	0	305,597,087	305,597,087	No				No	
Illinois HDA	482,925,457	0	0	482,925,457	0	Yes	Yes	Real Estate Transfer Tax	Yes	Yes **	Yes
Indiana HCDA	316,062,851	0	0	316,062,851	316,062,851	No				Yes **	Yes
Iowa FA	126,910,000	6,012,966	4,183,421	137,106,387	137,106,387	Yes	Yes	Appropriation and revenue stream	Yes	No	
Kansas HRC *	N/AV	2,000,000	600,000	2,600,000	0	Yes	Yes	Excess Kansas HRC Operations and miscellaneous fee revenues	No	No	
Kentucky HC	277,574,871	0	0	277,574,871	277,574,871	Yes	Yes	The Affordable Housing Trust Fund is funded by recording fees on all mortgage related documents filed (collected by the county clerk offices).	Yes	No	
Louisiana HC	86,352,500	0	0	86,352,500	86,352,500	Yes	Yes		Yes	No	
MaineHousing	183,930,000	18,050,000	0	201,980,000	201,980,000	No				No	
Maryland DHCD *	487,133,110	42,640,223	94,800,000	624,573,333	624,573,333	Yes	Yes	Federal Funded	Yes	No	
MassHousing	543,900,000	472,983,325	0	1,016,883,325	421,900,000	Yes	Yes	State bonds	No	No	
Michigan SHDA	497,648,237	0	0	497,648,237	497,648,237	No				N/AP	
Minnesota Housing	447,028,817	143,798,000	25,295,000	616,121,817	497,603,952	Yes	Yes	Interest earned on trust funds held by real estate brokers.	Yes	No	
Mississippi HC	303,955,000	1,484,450	0	305,439,450	305,439,450	No				N/AP	
Missouri HDC	128,849,426	0	0	128,849,426	128,849,426	Yes	Yes	Real estate recording fees	Yes	No	
Montana Housing	168,328,760	0	0	168,328,760	168,328,760	Yes	Yes	Not funded	N/AP	No	

2018 Administration and Budget

Table 12: State Funding for Housing

							If Yes				
Agency Name	Bond Funding	Appropriated Funds	Other	Total	Amount Administered by Agency	State Trust Fund	Administer Fund	Primary Trust Fund Capitalization Source	Designated Revenue Services	Other State Designated Revenue Source	Administer Other Source
Nebraska IFA	322,780,000	10,700,000	0	333,480,000	322,780,000	Yes	No	Documentary stamp revenues on real estate transfers	Yes	Yes **	No
Nevada HD	79,000,000	0	0	79,000,000	79,000,000	Yes	Yes	Real Property Transfer Tax	Yes	No	
New Hampshire HFA	155,355,000	2,500,000	0	157,855,000	157,855,000	Yes	Yes	Periodic state appropriations	No	No	
New Jersey HMFA	529,477,302	0	0	529,477,302	0	Yes	Yes		Yes	N/AP	
New Mexico MFA *	252,700,000	0	4,567,686	257,267,686	0	Yes	Yes		No	No	
New York City HDC *	N/AP	N/AP	N/AP	N/AP	N/AP	Yes	No	New York City receives an as-of-right allocation of volume cap for multifamily housing from New York State; a portion of which is allocated to HDC. New York State also, at its own discretion, allocates additional volume cap to HDC.	Yes	No	
New York State HCR *	0	662,249,000	53,000,000	715,249,000	715,249,000	Yes	Yes	State Funds for New York State DHCR	Yes	No	
North Carolina HFA	252,781,000	22,635,000	13,438,000	288,854,000	288,854,000	Yes	Yes		No	Yes **	Yes
North Dakota HFA	229,872,613	0	0	229,872,613	229,872,613	No				N/AP	
Ohio HFA	279,349,123	142,041,585	0	421,390,708	396,141,795	Yes	No	The Ohio Housing Trust Fund (OHTF) is capitalized by county real estate recordation fees. OHFA receives OHTF funding from the Ohio Development Services Agency (ODSA) for allocation.	Yes	Yes **	Yes
Oklahoma HFA	110,825,125	0	0	110,825,125	110,825,125	Yes	Yes	Legacy funding from over 20 years ago; no new funding since.	No	No	
Oregon HCS *	1,075,425,000	25,576,416	440,405,177	1,541,406,593	1,541,406,593	Yes	Yes	$15.5 million corpus funded with state General Fund and lottery funds	No	Yes **	Yes
Pennsylvania HFA	433,309,000	0	0	433,309,000	0	Yes	Yes	Fannie Mae and Freddie Mac earnings	Yes	Yes **	Yes
Puerto Rico HFA	0	10,000,000	0	10,000,000	10,000,000	No				N/AP	
Rhode Island Housing	119,270,000	1,000,000	11,294,108	131,564,108	131,564,108	No				No	
South Carolina SHFDA	70,000,000	0	0	70,000,000	0	Yes	Yes	Real Estate transfer tax	Yes	No	
South Dakota HDA	291,180,000	612,235	0	291,792,235	291,792,235	Yes	Yes	Excise tax on large economic development projects	Yes	No	
Tennessee HDA	621,306,012	5,800,000	0	626,106,012	626,106,012	Yes	Yes	Tennessee HDA Reserves	No	Yes **	Yes
Texas DHCA	1,485,991,291	5,184,451	0	1,491,175,742	408,207,752	Yes	Yes	State General Revenue, loan repayments and interest earnings	No	Yes **	Yes
Utah HC	380,000,000	0	0	380,000,000	380,000,000	Yes	No		N/AP	No	
Vermont HFA *	0	7,124,128	18,550,031	25,674,159	825,000	Yes	N/AP	Property transfer tax revenue and Capital Bill	Yes	Yes **	Yes
Virgin Islands HFA	N/AV	N/AV	N/AV	N/AV	N/AV	N/AV	N/AV	N/AV	N/AV	N/AV	N/AV
Virginia HDA *	141,795,000	5,500,000	0	147,295,000	0	Yes	No	State annual capital budget	No	No	
Washington SHFC *	588,441,517	0	0	588,441,517	588,441,517	Yes	No	State Capital Budget	No	Yes **	No
West Virginia HDF	124,550,000	0	0	124,550,000	124,550,000	Yes	Yes	Fees from all real estate transactions	Yes	No	
Wisconsin HEDA	299,262,858	0	0	299,262,858	299,262,858	No				No	
Wyoming CDA	144,998,996	0	0	144,998,996	144,998,996	No				N/AP	
Total	16,361,827,678	2,212,536,360	1,087,325,819	19,453,647,762	15,265,691,849	39	30		21	15	

* Colorado HFA: Legislature approved in 2019 to increase state funding using unclaimed property tax monies and new monies resulting from state vendor sales tax fee.

* Florida HFC: Although statutes direct that a portion of the documentary stamp tax collections flow into the housing trust funds, these funds may not be appropriated for housing. In fiscal year 2018/2019, Florida Housing received appropriations from the housing trust funds totaling $123.6 million for housing; however, $182 million was swept to General Revenue for appropriation elsewhere by the Legislature.

* Kansas HRC: The Kansas Legislature appropriated $2 million for a Moderate-Income Housing Program. Kansas HRC Operations have funded approximately $600,000 in State Housing Trust Fund activities.

* Maryland DHCD: Federal Tax-Exempt Bonds section includes $72 million in MCCs.

* New Mexico MFA: Other includes the total allocation of State Affordable Housing Tax Credits, however, the full allocation was not utilized.

* New York City HDC: New York City HDC has its own capital resources used as subsidy and also combines its own capital with the New York City Department of Housing Preservation and Development capital, including city capital budget monies and HOME funding.

* New York State HCR: Federally tax-exempt bonds are for New York State HFA and SONYMA.

* Oregon HCS: Federally tax-exempt bonds include Oregon HCS issued bonds only and includes conduit revenue bonds. Other is comprised of funds spent through Oregon HCS (which would include non-Oregon HCS state bonds that have proceeds provided to Oregon HCS). It does not include bonds issued by other state agencies (Veterans Affairs, Facilities Administration, and Administrative Services) whose proceeds may be used for housing purposes but are not issued by Oregon HCS. It also does not include state or federal tax credits.

* Vermont HFA: Vermont HFA administers the State Housing Tax Credit.

* Virginia HDA: Virginia HDA does not get any State Funds.

* Washington SHFC: The bond cap amounts may not include certain issuances by Housing Authorities.

** Alaska HFC: Agency Balance Sheet: HUD funding, DOE Funding, and Rasmuson Funding.

** Arizona DOH: TBA DPA Program.

** Colorado HFA: General Fund and Marijuana Cash Tax Fund monies have been designated for housing.

** Connecticut HFA: Interest on Real Estate Brokers Trust Account (IOREBTA).

** Illinois HDA: Rental Housing Support Program (derives from real estate related document recording fees),
Illinois Affordable Housing Tax Credit, this is a tax credit so not direct financing.

** Indiana HCDA: Indiana Housing First.

** Nebraska IFA: Documentary stamp revenues also fund the Homeless Shelter Assistance Fund and Behavioral Health Services Fund (which is used for rental assistance).

** North Carolina HFA: North Carolina HFA uses the Workforce Housing Loan Program as its other state designated revenue source.

** Ohio HFA: Ohio HFA receives funding from the Ohio Department of Commerce's Unclaimed Funds Division for purposes of financing our Housing Development Loan (HDL) Program. Multifamily Mortgage Revenue Bonds for 4 percent Housing Tax Credit Projects and bonds for OHFA's First Time Home Buyers program are made possible through the state's volume cap authority. Our state's volume cap is administered by the Ohio Development Services Agency.

** Oregon HCS: A fee is charged for every title document recorded which comes to Oregon HCS for single-family and multifamily programs. Additionally, a charge is received from users of investor owned utilities (PGE and Pacific Power), and a portion of that is directed to Oregon HCS for weatherization and multifamily housing.

** Pennsylvania HFA: Fees derived from Marcellus Shale drilling and a realty transfer tax.

** Tennessee HDA: Attorney General Settlement and U.S. Treasury HHF Funds.

** Texas DHCA: State Low Income Housing Tax Credits.

** Vermont HFA: State Housing Tax Credit.

** Washington SHFC: Surcharge on document recording fees. Some local housing levies (Seattle, Bellingham).