

# Senate Economic Development Committee Week of 2/14

## **Budget Adjustment Act**

### Hotel and Motel housing

- At the beginning of the pandemic DCF expanded the hotel and motel program
  - Numbers have remained steady at around 2,000 households
  - As the pandemic has become an endemic, FEMA funding has become no longer available
  - March 2022 created DCF transitional housing program
    - Different from historical GA program
    - A way to align a program with the exact requirements for federal funding to leverage funding in the best way possible
    - Federal treasury came out with guidance revealing that not as much money was available
      - Meant program would have to end earlier than expected: set to end March 31
      - Conversation around budget adjustment to extend the program using state dollars
    - Administration proposed ending the program and helping people transition out of the program
    - Historic GA program would revert back to pre-pandemic eligibility
- No definitive plan or consensus yet
  - Complete plans have been submitted but the outcomes are not ideal

### Gus Seelig: Vermont Housing and Conservation Board

- Governors proposal for BAA did not include more resources above last year's base level of BHCD funding
- 42 million to allocate between ARPA and one-time funding
  - Will fully allocate funding in FY
- Unsure how much of BAA will be allocated in FY
- 38 percent jump over the past 2-3 years in the cost of construction
  - Shortage of skilled workers
  - Supply chain interruptions
- Key point: "Vermont cannot be what we want it to be and tolerate the housing shortage"

### Maura Collins: Vermont Housing Finance Agency

#### Missing Middle Income Homeownership

- 17 applications were received in 2 months for 141 homes, 15 different towns in 9 counties
  - \$23 Million
  - Mix of readiness
  - Ones that will take longer are in geographically underserved communities (NEK)
  - Looking at both Municipal and Act 250 Permitting is important

#### Omnibus Bill VHFA-related sections

- Sec. 34 (First Generation Homebuyer)
- Recommending tweak to eligibility to be in line with what other states are doing
  - Shifting from term applicant to homebuyer
  - Only one person on the mortgage would need to qualify
- Sec. 36 and 37 (Missing Middle Income Homeownership)
  - Of the new money, \$5 million will create 25-28 homes
    - Not adequate in the opinion of Maura Collins
    - When asked what the ideal amount would be she answered \$20 million

### **Markup of Omnibus Housing Bill**

#### David Hall

#### Sec. 28 (Single-room occupancy)

- Recovery Supportive Housing
- Sen. Ram Hinsdale proposed either \$1 million for a pilot or striking it from the bill
  - Striking would be because of worries about uptake within the next year
  - Still has benefits for supportive Housing
- Decided to cut it out of the bill but is sending it to the House in case they are working on recovery and supportive housing
  - Not enough specifics yet to send to Senate Appropriations
- Reserving Sec. 28

#### Sec. 29 (Risk Pool Funding)

- Sen. Clarkson proposes to rename the program to the Eviction Rescue Fund
- Already appropriated money last year for this purpose
- Deciding how much more should be put into this program
- Proposed to give 1.5 million for the general purpose of the program to the Department of Housing and Community development and letting them handle how to do it
  - DHC has been working with all the partners already
  - No details or administrative expense
- Leaving the section alone
- Acknowledging that money just went out the door and it is the intent to keep doing risk mitigation
- Leaving the 1.5 million as it is now and letting other committees decide if more is needed
- Sen. proposing expanding the allowable use of funds to include education for tenants
  - Not adding money for this purpose

#### Sec. 32 (Homesharing)

- Changing language to expand Homesharing opportunities Statewide rather than just Central and Southern Vermont