

MEMO

To: Senate Appropriations Committee
Fr: Chris Donnelly, Champlain Housing Trust on behalf of HHAV
Re: Senate Finance amendments to H.687
Da: April 30, 2024

Thank you for your focus on housing affordability and the shortage of housing more generally. I am writing on behalf of the Housing & Homelessness Alliance of Vermont as I have been tracking revenue and spending proposals for this coalition of nonprofits. I specifically wanted to call your attention to three pieces of the Senate Finance committee's amendment of H.687 that will be in front of you. I also wanted to provide a possible framework for prioritization as you contemplate what the final spending package in the bill looks like.

I will start with an appreciation that H.687 is a significant piece of work from three of your Senate committees: Senate Natural Resources, Senate Economic Development, and Senate Finance – all of whom built upon or improved policies furthered by your counterparts in the House. I especially wish to extend my appreciation to the Chairs of those committees. It's no surprise that the issue of housing has commanded so much attention from the General Assembly this year. Thank you.

The Senate Finance amendment ([H.687, draft 5.1](#)) contains three proposals I wanted to give you a little background information on:

- Vermont Rental Housing Improvement Program or VHIP (Sec. 86, page 16 of the amendment). Your committee approved language in the FY25 budget to include people with intellectual and developmental disabilities as eligible residents of apartments rehabbed with VHIP funds (in addition to people exiting homelessness or who are refugees). But you did so for only one half of the program. This amendment extends the same eligibility to the full program. VHIP has been a universally touted response to quickly and efficiently bring units back online and could benefit additional populations in need of housing stability. The amendment will not only attempt solve a long-standing commitment to families but also continue to suppress the State's spending on the GA program. These changes would go into effect for FY25 spending.
- Resident Services Program (Sec. 88, page 22 of the amendment). While this section does not carry an appropriation, it acknowledges that nonprofit and public housing agencies are trying to support residents with significant needs and providing housing for an increasing number of people who had been unhoused. The value of including this language is to signal to potential charitable and federal funders that the State has enabled this type of program. These other sources of funding are a very real possibility. I believe that Senate Economic Development advanced a similar type of authorization for the State Treasurer's "Baby Bonds" initiative without an appropriation to send a similar signal.
- Long-Term Affordable Housing Study (Sec. 113a, page 27 of the amendment). Work has been done and shared with multiple committees, individual lawmakers, and administration officials on what a model for State investment looks like to build upon the spending of

recent years, the land use / permitting / regulatory reforms passed last year and contemplated this year, to continue to reduce homelessness, provide homeownership opportunity, and create permanently affordable housing – along with the services that will help people succeed. While we develop Housing Needs Assessments, the State currently lacks a comprehensive long-range plan or vision to fulfill those needs. I understand the reluctance by many to create (yet) another summer study committee, though if there's one issue that deserves all parties to continue to talk, perhaps this one is it. There is no appropriation in the Senate Finance amendment to support the committee, or as it's envisioned, VHCB's administrative support for it. Those small appropriations would be helpful.

Lastly, a word on the spending in H.687. I realize that the final amount of revenue raised by the change in the property transfer tax is yet to be determined (or at least I don't have access to it yet). The last I saw was that \$5.423 million was to be raised for the General Fund and appropriated for seven purposes in the amendment. As that number shrinks, I ask that you look first to reduce those programs that are already in the FY25 budget as one-time expenditures or which are on the contingency list, and hold harmless the programs that are not (such as the Land Access and Opportunity Board and VHFA's First Generation homebuyer program).

Thank you for your consideration.