



vermont affordable housing coalition

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## 2015 State Legislative Priorities

*Safe, stable and affordable housing is a basic need if all Vermonters are to lead healthy, productive lives. Without a home, children have difficulty learning in school; elders and people with disabilities live less independently; single mothers on Welfare cannot move off government assistance; and low-wage workers have difficulty holding onto jobs, let alone moving up the economic ladder. Lack of affordable housing is the single largest contributor to homelessness. It is one of the most important -- perhaps THE most important -- factor in moving Vermonters out of poverty. Investments in affordable housing and supportive services help avoid costs throughout the human services budget, from health care to Corrections, mental health, nursing homes, and motels, among others. Investments in housing increase state and local revenues and spending in the local economy. They help attract and retain employers by providing housing for working Vermonters.*

**~ Report to the Governor from the Council on Pathways from Poverty**

For 2015, the Coalition makes four basic kinds of recommendations that are essential to help meet the housing needs of low-income and homeless Vermonters:

1. **Capital investments** to build and/or acquire and rehabilitate permanently affordable housing;
2. **Rental assistance** to help fill the gap between what the lowest-income Vermonters can afford and what's available, whether on the open market or in the affordable sector; and
3. **Supportive services** for people with special needs to successfully acquire and retain stable housing.
4. **Policies** that assure that all Vermonters, including the homeless and those struggling with diverse challenges, have greater access to safe, stable and affordable housing.

### HIGHEST PRIORITIES

Vermont's chronic budget shortfalls cannot be solved by cutting programs critical to the well being of the most vulnerable Vermonters. The State must use ALL available means to maintain the safety net, including raising revenues. Program cuts and position reductions at the State level – especially on top of several years of deep federal cuts -- will continue disassembling the safety net, undermining economic stability and reducing access to essential services. Recognizing that revenues continue to disappoint, we recommend:

**Create good construction jobs and increase production of permanently affordable housing** by providing full funding for the Vermont Housing and Conservation Board at \$17.75 million from the Transfer Tax.

**While interest rates are still low, preserve existing assisted housing at-risk of losing its affordability** by investing \$15 million in State Capital Bond funds each year for the next four years.

**Continue to build on past successes in reducing homelessness and cut reliance on motels for emergency housing** by investing an additional \$1.25 million for: Emergency Solutions Grants (\$400,000), the Vermont Rental Subsidy Program (\$500,000), and Family Supportive Housing Program (\$350,000).

**Maintain level funding, or provide modest increases for other key housing related programs:** Home Access Program, Community Housing Grants, Emergency Housing, Mental Health Housing Funds, Pathways Vermont, Support and Services at Home (SASH), Assistive Community Care Services (ACCS), Vermont's Home Sharing programs, Transitional Housing for Ex-Offenders, and Municipal and Regional Planning.

**Increase investment in the Low-Income Weatherization Program**, increase LIHEAP grant assistance and fully fund Crisis Fuel needs.

**Preserve property tax income sensitivity** for low and moderate income Vermonters by reforming the Renter Rebate and maintaining current levels of property tax relief for both homeowners and renters.

**Increase rental housing health and safety** by creating a public/private code enforcement system.

### DETAILED BUDGET PRIORITIES

**Use capital investments to grow jobs and protect and create housing.** Vermont has a significant need to refurbish its existing stock of affordable housing and to create more, especially for those with very low incomes. Create good construction jobs and increase production of permanently affordable housing by providing full, statutory funding for the Vermont Housing and Conservation Board at \$17.75 million from the Property Transfer Tax, a \$2.78 million increase.

*[Governor's budget: \$12.15M in General Fund plus \$2.8M in capital funds for each of two years]*

**While interest rates are still low, preserve existing assisted housing at-risk of losing its affordability** by investing \$15 million in State Capital Bond funds each year for the next four years, leveraging federal tax credits and other public resources. These investments will also:

- Make needed capital improvements to our existing affordable housing portfolio, including thermal efficiency measures that will increase sustainability;
- Create more transitional and permanent supportive housing for Vermonters who are homeless, vulnerable or have other special needs;
- Help move families from rental to homeownership, freeing up existing apartments for new families that need them. *[Not included in Governor's budget]*

**Continue to invest in programs that prevent and alleviate homelessness**, while reducing reliance on motels for emergency housing *[Governor's budget level funds the following, except as noted]:*

- Increase Emergency Solutions Grants from \$1.1 to \$1.5 million.
- Increase the Vermont Rental Subsidy Program from \$1 to \$1.5 million. Support policy changes to make the program more useful to a broader range of low-income Vermonters; decrease the time from application to lease-up; and standardize the program to make it more consistent across the state.
- Increase the Family Supportive Housing Program from \$600,000 to \$950,000, expanding the program from five to seven counties and enhancing the first three successful programs. Expand the program statewide by FY 18.
- Further enhance Community Housing Grants (current funding level: \$2.9 million) and increase eligibility from 30% of Area Median Income to 50% to stabilize at-risk households and prevent them from spiraling into homelessness while helping to leverage private funds.
- Maintain adequate funding for Emergency Housing for vulnerable Vermonters and make the following policy changes *[Governor cuts \$300,000]:*
  - Clarify definition of "vulnerable" to include people with documented disabilities (but not necessarily on SSI or SSDI) and families with children over six years.
  - Eliminate "churn" within DCF/ESD: enable one-time eligibility for GA clients; allow forecasted eligibility for "cold weather" nights; eliminate requirement to move once housed.
- Maintain level funding for Pathways Vermont's existing Housing First services to chronically homeless Vermonters with serious mental health disabilities in six counties. A \$357,000 increase, mostly in traditional Medicaid funding, would be needed to expand services to underserved Rutland County. *[Governor's budget increases funding by \$850,000 to replace federal funding that ended 9/30/14]*
- Support adequate funding for legal services to help Vermonters in poverty access and maintain affordable housing options. *[Gov. cuts \$47,000; with loss of federal match, cut totals \$100,00]*

**Provide stable affordable housing and services for people with special needs to live more independently in settings they prefer**, while avoiding the higher cost of institutional care:

- **Enable Vermonters living with disabilities to live more independently** and avoid the higher expense of living in a nursing home by investing an additional \$200,000 in the Home Access Program annually to reduce the waiting list to six months. Current funding is approximately \$675,000 a year, plus \$206,000 in FY 15 one-time funding from Choices for Care savings. HAP funding could be increased by

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leveraging Global Commitment funds.

*[Gov. level funds \$100,000 from DAIL; most funding depends on VHCB funding level, \$475K in FY 15]*

- Maintain current funding for Mental Health Vouchers at \$1.42 million. Likewise, support level funding for the Community Rehab and Treatment Housing Support Fund at \$886,809. *[Vouchers cut \$500K, 35%]*
- Join LeadingAge Vermont in requesting Support and Services at Home (SASH) funding at \$1,063,748, which is a 3% increase over this year (\$1,026,155). *[Gov. proposes 2.5% Medicaid provider increase]*
- Restore the 1.6% FY 15 provider increase for Assistive Community Care Services (ACCS), which would have brought funding up to \$37.25 *per diem*, but was cut as part of the August rescissions. This represents about a \$0.60 *per diem* increase yet still leaves providers far short of the estimated \$57+ it costs per person per day to serve frail elders. *[Gov. proposes 2.5% Medicaid provider increase]*
- Support level funding for Vermont's Home Sharing Programs at \$327,163. *[Gov. level funds]*
- Support level funding for Transitional Housing for Ex-Offenders at \$6.6 million. Examine whether Corrections should provide rental assistance to ex-offenders coming out of prison to enhance their chances of success in the community and reduce recidivism. *[Gov. level funds]*
- **Reinvest Choices for Care savings in improved home and community based services**, as required by Federal waiver. CFC is Vermont's long-term care program for low-to moderate-income elders and adults with disabilities. It provides for both nursing home and home-and-community-based care for people with financial and clinical needs for these services.

Support increased funding for Municipal and Regional Planning, until funding is returned to pre-recessionary levels (\$3.8 million for FY 09) and eventually returned to the Property Transfer Tax (PTT) formula over time. *[Gov. proposes \$360,000, 10.6% increase]*

Support a State appropriation of \$200,000 for mortgage and foreclosure prevention counseling through Vermont's five NeighborWorks HomeOwnership Centers, located in our regional housing nonprofits. *[Not in Gov's budget]*

Support First Stop Funding for CVOEO's Mobile Home Project at the FY 14 level of \$70,000. *[Gov. level funds]*

Continue funding for Landlord-Tenant Outreach & Education at \$30,000. *[Not in Gov's budget]*

Increase the State's investment in Weatherization Programs for low-income and vulnerable Vermonters. At least \$12 million is needed to maintain capacity and help meet the State's energy plan goals. The program reduces dependency on LIHEAP and the overall cost of home heating. It also creates jobs and energy savings.

Increase the State subsidy for LIHEAP Seasonal Fuel Assistance to meet an average of at least 33% of annual household need, the FY 2012 level of assistance. Ensure access to emergency heating services through Crisis Fuel Assistance for needy families and adequately fund the need for emergency fuel. Reverse policy changes made last year. *[Gov. cuts \$6M, 100% of State supplement]*

## ECONOMIC EMPOWERMENT

**Increase Reach Up Grants.** To make work pay and reduce caseloads, continue working to reduce or eliminate benefit cliffs, including application of income disregards and elimination of asset tests. **Start by putting 2014 benefit cliff improvements into the FY 16 budget.** H.790 provided a second year of child care subsidies for working families moving off Reach Up and modestly increased the earned income disregard. Over time – either in the form of step increases or by indexing to inflation or CPI -- Reach Up grants should be increased to meet 100% of the need standard. They have only met 49% of the basic need standard for years. Continue increasing the number of case managers to help more families get off Welfare. *[Governor's budget proposes \$1.6M to fund last year's benefits cliff bill, counts first \$125/mo in SSI benefits against Reach Up benefit for families that receive both, a \$1.6M cut.]*

**Create new jobs, build assets, and promote financial skills** by increasing investments in Micro Business (\$200,000) and Individual Development Accounts (\$200,000); by establishing a Vermont Matched Savings

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Program (\$135,000); and funding Financial Coaching, Credit Repair and Banking programs (\$175,000). These investments will restore and enhance economic opportunities for low-income families.

**Expand the State Earned Income Tax Credit (EITC)** to help low-wage working Vermonters move out of poverty.

**Protect full access to affordable health and dental care options** for low-income Vermonters, keeping health care affordable for Medicaid, VHAP and Catamount participants. Maintain and adequately fund mental health, and drug and alcohol treatment programs.

### TAX POLICY

**Support fairer budget and tax policies** that recognize the basic human rights and needs of low-income families, the elderly, people with disabilities and the most vulnerable among us. Support efforts to **raise new revenues** to pay for the basic needs of low income and vulnerable Vermonters. Adjust Vermont's tax structure to meet the twin imperatives of increasing revenues sustainably and properly apportioning those revenues based on ability to pay.

**Increase the Vermont Affordable Housing Credit** annually by \$125,000 to provide funding for a downpayment assistance program for VHFA-eligible first time homebuyers (maximum annual tax expenditure of \$625,000 at the end of the 5<sup>th</sup> year).

**Maintain investments in other tax credits that support affordable housing**, including the Downtown and Village Center Tax Credits, Charitable Housing Credit, Qualified Sale of a Mobile Home Credit, and Historic Buildings and Façade Improvement Credits.

**Monitor Education Finance reform efforts** to make sure that low-income Vermont renters, homeowners, housing co-op members, mobile home owners, and owners of publicly subsidized housing are treated equitably under any new financing plan.

**Preserve property tax income sensitivity** for low- and moderate income homeowners and tenants. In particular, **preserve and protect the Renter Rebate** at current funding levels, while reforming the program to make it easier to access, administer and comply. In 2013 this was a \$9.4 million dollar program that provides income sensitivity for renters who pay property taxes through their rent. This program functions like a "housing EITC" (Earned Income Tax Credit) and helps prevent homelessness by helping families stay current on rent and utilities.

**Raise sufficient new revenue to increase State Thermal Efficiency investments** necessary to meet the State energy plan goal of improving the energy efficiency of 80,000 housing units by the year 2020.

### LEGISLATION

**Increase the health and safety of Vermont renters and their children** by enacting measures to increase compliance with the State's Rental Housing Health and Safety Code, which should include creating a public/private inspection and enforcement system.

**Support regulation of retail rent-to-own transactions**, as set forth in legislation considered several years ago (H.682/S.270 during the 2009/10 session), including capping "interest" rates at no greater than 36 percent, and other measures designed to end predatory practices that rob low-income people of their scarce resources.

**Support a Homeless Bill of Rights in concept**, as outlined in H.493 of the 2013/14 session. Vermont should follow the example of Rhode Island and several other states that have passed laws establishing an equal right to jobs, housing, services, schools, and public space for all inhabitants, whether they have a home or not.

**Monitor proposals to secure regulatory relief** for affordable housing development.

**Support working Vermonters and their families by enacting earned sick and safe day legislation** (H.208 of the 2013/14 session). This Legislation would ensure that all workers have the ability to earn sick time for personal or family health reasons without the loss of pay.