

Testimony to House Corrections and Institutions Committee, February 24, 2016

submitted by Chris Donnelly, Champlain Housing Trust

Introduction

I'm Chris Donnelly, Director of Community Relations for the Champlain Housing Trust and a co-chair of the Vermont Housing and Conservation Coalition. I wish to thank the committee for making an investment in Vermont through the capital bill you passed last year.

I also wanted to thank you for taking the time to hear from us on how we've used these funds, and what lies ahead for the upcoming year.

Champlain Housing Trust is...

CHT serves the northwestern three counties (Chittenden, Franklin, Grand Isle) of Vermont with about third of the state's population. We provide housing ranging from emergency, temporary housing to housing with services, to affordable apartments for working class folks, to affordable homeownership. We also provide financial literacy, credit counseling and homebuyer education to almost 2,000 people each year. Every night about 6,000 folks go to bed in a CHT home.

We manage about 2,000 apartments:

- 12% are special need, though non-elderly, residents
- 19% are elderly, fixed-income residents
- 17% are New Americans
- 60% of our renters receive some form of rental subsidy – section 8, rural development, or state vouchers.

We see over 140 applications for rental housing a month or about 1,700 per year. We'll have only 250 available apartments in a year, so there are about 120 – or six applicants every work day – which we can't help simply because we don't have enough housing.

Social Investment

When people think about investment, they think about investing money to earn money. But the state often makes a different kind of investment, a social investment, and that's what I'd like to speak with you about. In particular, I'd like to speak with you about an investment that will both save money and make people's lives better.

Beacon Apartments. CHT used \$500,000 in capital bill dollars to acquire the Ho Hum motel in South Burlington. I believe I spoke with you about Harbor Place – the motel in Shelburne that we purchased for emergency housing – last year, and might have briefly touched on this new effort. Beacon Apartments, as the Ho Hum is now known, is not emergency housing, not a shelter or transitional housing. It is 19 new apartments for formerly chronically homeless individuals who are medically vulnerable.

People began moving in last month.

Stemming from an inventory done as part a national 100,000 Homes Campaign template, 60+ chronically homeless individuals were identified as the most vulnerable. These are some of the most likely people to die on the streets or in the woods. Working with Safe Harbor and Burlington Housing Authority, we've worked to provide them with a home with services seven days a week. These folks have multiple challenges – health, addiction, disability, etc. These are folks cycling in and out of the emergency rooms, corrections, and motels in the winter.

We've converted this property into 19 apartments for about \$100,000 per unit – less than half the cost of creating a new apartment in Chittenden County. People have just moved in.

The savings alone for emergency GA motel vouchers per year is between \$130,000 and \$150,000. And that doesn't count what is sure to be an immense health savings. Fiscally, it's smart. Cheaper will be better – less time in the emergency room, more time with access to case management, better chance to stabilize their lives. Better.

All apartments will soon be taken. The 19 apartments serve about a third of the need today for the chronically homeless, medically vulnerable population in Chittenden County.

We'll document savings and outcomes and report back to you.

What's next?

Creating flexibility within our portfolio. We're actively working to have options within our 2,000 apartment portfolio to be able to rent to wide variety of people. Ironically, many programs restrict our ability to serve people coming out of homelessness. So we're working to create more flexibility in our portfolio, and we're committing to increase the number of homeless families and individuals we house by 70 – or 20% of the number of households counted in last year's point in time count.

Developing new partnerships. We're exploring options with domestic and sexual violence advocates to create better options than motels and hotels for their clients. We're actively engaged with the UVM Medical Center to address the needs of their patients who cannot be

released from hospital beds for lack of a safe alternative. We will evaluate the success of Beacon Apartments, and assist others across the state implement if successful and feasible.

New Housing. Last year, DHCD released a study indicating about a 1% vacancy rate over the state. That's not healthy, and contributes to rising rents. Without more housing, we can't solve homelessness.

Over \$40M of property transfer tax revenue targeted for VHCBC has been used for other purposes to fill holes in the budget in the last 15 years. If we had allocated those dollars to VHCBC, we'd have about 1,000 more homes for people. Latest estimates are about 1,300 homeless households.

One first step to address this need would be to support the statutory VHCBC appropriation of one-half of the property transfer tax. This year, that's \$19 million – the Governor recommended level funding of about \$14 million. Any movement towards the statutory amount is progress.

Again, thank you for your support of VHCBC in the Capital Bill with appropriations both last year and this year. I look forward to having further conversations with you and always happy to let you know what efforts we're taking to address homelessness.