

Presentation to House Committee on General, Housing and Military Affairs

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This year begins 47 years of operation for the VSHA.

VSHA established in 1968, by Governor Hoff and has the distinction of being the very first statewide housing authority in the country. Founded by an act of the Vermont State Legislature, the VSHA was given the charge to improve housing conditions and expand housing opportunities for families of very low, low and moderate income (cite 24 Chapter 113: Section 4004 Vermont Statutes Annotated)

The intent leading to the creation of VSHA was that some statewide mechanism capable of implementing a broad range of housing solutions was required to serve areas of Vermont not within the jurisdiction of a local housing authority. At that time, except for the US Dept. of Agriculture, federally-backed housing activity in areas of the state was virtually nonexistent. As authority to operate several new US Dept. of Housing and Urban Development (HUD) programs were vested in VSHA. Today, VSHA is fully statewide organization having a local presence in all Vermont Communities throughout Vermont. The role which VSHA performs within the state of Vermont's housing industry and its positive impact on the lives of individuals of very low and low income is significant. VSHA provides housing services that reach approximately 8,000 Vermont families.

The core programs of the Authority are strongly impacted by actions at the federal level. HUD's Section 8 programs are funded by acts of Congress.

The Authority receives no direct funding whatsoever from the State of Vermont to fund rental assistance or for operations.

VSHA administers more than \$50 million of HUD federal money for project and tenant-based rental assistance throughout the state of Vermont. VSHA has been instrumental in the development and preservation and management of 1,608 affordable housing units that include 1000 mobile home park lots and 600 multi-family/elderly units.

Our diverse program includes the Section 8 Housing Choice Voucher program which contains an assortment of incentives and housing alternatives such as Family Self-Sufficiency, Homeownership, Family Unification, Mainstream Housing Opportunities, Veterans Affairs Supporting Housing and Project-Based Initiatives.

The Section 8 HCV program is the largest federal low-income housing program. It provides some 2 million households nationwide with vouchers which are used to help pay for housing in the private market. The program has been popular with Congress for over 30 years as it steered government subsidies away from public housing developments to private rentals and gives families a choice of where they want to live as well as stability for the private landlord. Vermont has over 7000 vouchers authorized and currently administered by eight local housing authorities and state-wide by the VSHA. Two local housing authorities The Hartford HA and the SACHA have voluntarily transferred their voucher programs to VSHA.

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

A moratorium on issuing turnover existing vouchers became necessary in 2013 and VSHA temporarily took 239 vouchers offline. This action was taken in anticipation of automatic government cuts (known as Sequestration) which allowed VSHA to successfully manage our funding and spending. As a result of careful planning, in April of last year we began reissuing some of those vouchers. To date, 111 additional families are being served by the voucher program.

In 2010, with a high demand for housing assistance and a nearly four year wait for that assistance, VSHA was forced to close the waiting list for the Section 8 Housing Choice Voucher program to new applicants. We anticipate reopening our application process for new voucher applicants this coming March.

VSHA also administers the rental assistance component of a Housing Opportunities for Persons with Aids (HOPWA) grant provided to the Vermont Housing and Conservation Board. The Housing Opportunities for Persons with AIDS (HOPWA) program, implemented in 1996, receives federal funding under the McKinney-Vento Homeless Assistance Programs and is a collaborative effort working with AIDS Service Organizations that is targeted to

individuals/households living with AIDS. The Vermont Housing and Conservation Board (VHCB) administers the federal HOPWA grants on behalf of the state of Vermont and VHCB contracts with VSHA to administer the rental housing assistance component of the grants. Thirty individuals are assisted through this program.

We anticipate this year, VSHA and the Vermont Department of Health (VDH) will collaborate on a new initiative in support of a state-funded Housing Opportunity for People with AIDS (HOPWA) rental assistance program. VDH will provide the funding to create up to 25 housing vouchers, not to exceed \$140,000 annually for a period of five years.

This state funded program will act as a transitional housing program to the federal HOPWA program. VSHA will look to its existing HOPWA waiting list and will administer tenant-based rental housing assistance following the same rules and guidelines established by the federal program. When a federal voucher becomes available, it will go the next state-funded applicant on the waiting list.

VSHA is also HUD's Contract Administrator for over 3200 units of new construction/ Moderate Rehabilitation and substantial rehabilitation, owned by private developers and/or nonprofits.

Ending Homelessness

Continuum of Care Homeless Programs

Due to last year's federal budget constraints, over 400 HUD CoC projects in the U.S. were eliminated. VSHA In its role as Collaborative Applicant to support the VT Balance of State CoC, VSHA coordinated & submitted a successful HUD CoC Homeless Assistance application that resulted in one of the highest scores in the U.S. (Total Potential Score = 156, Highest Achieved Score = 143.25, VT BoS CoC Score = **138.5**).

In 2014, Vermont's two U.S. Department of Housing and Urban Development (HUD) Continuums of Care (CoC) received a total of **\$3,568,757** [VT Balance of State (VT BoS) - \$2,532,168, Chittenden- \$1,036,589] that funds existing renewal projects, reallocated projects and a few new projects to further our efforts to end homelessness. These amounts do not include three additional Permanent Housing

Bonus projects awarded (\$375,900) to the VT BoS CoC as the result of competitive applications and set to renew in a few years.

This accomplishment was the result of collaborative hard work and difficult decisions made by the VT BoS CoC that allowed Vermont to keep \$117,023 in funds otherwise designated for a sequestration cut. Our cooperative spirit will prove critical in the coming years as we face even greater fiscal and capacity challenges in our effort to work on a collective system-wide level of ending homelessness in Vermont.

In our role as Collaborative Applicant to the VT BoS CoC, and as a long-term committed partner to ending homelessness, VSHA provides substantial support towards the annual Vermont Point-in-Time Count of the Homeless/Housing Inventory Chart of Homeless Beds, the HUD Consolidated Plan, Vermont's Plan to End Homelessness, and in a Governor-appointed position on the Vermont Council on Homelessness.

Other activities that demonstrate VSHA's commitment to ending homelessness include a homeless preference for our Section 8 Housing Choice Voucher program to serve qualified residents of our Shelter+Care program, survivors residing in Domestic Violence Transitional Housing programs, participants in the Vermont Rental Subsidy program, as well as serving homeless families and youth through our Family Unification program. We maintain essential partnerships with countless for-profit landlords, local housing authorities, housing trusts, Vermont Agency of Human Services, Vermont Housing and Conservation Board, Vermont Coalition of Runaway and Homeless Youth programs, U.S. Department of Veterans Affairs-WRJ, and many others.

New Initiatives:

New initiatives include the administration of a \$1.3 million state-funded rental assistance program for the Department of Mental Health, (DMH) HOUSING SUBSIDY PLUS CARE

VSHA works in collaboration with the Vermont Department of Mental Health (DMH) to bring this assistance to homeless disabled families and individuals. By working with local mental health providers, approximately 127 formerly homeless individuals/households were assisted in 2014. Since its inception in 2012, 194 have been assisted.

Vermont Rental Subsidy

VSHA also contracts with the Agency of Human Services to perform HQS inspections for the Vermont Rental Subsidy Program. This rapid rehousing initiative administered by the Vermont Agency of Human Services (AHS) is state-funded rental assistance to formerly homeless individuals. VSHA partnered with AHS in 2013 to provide Housing Quality Standards (HQS) unit inspections. To date 1428 units have been inspected by VSHA staff. We have issued over 40 vouchers to families with VRS subsidies.

Veterans Supportive Housing

(HUD-VASH vouchers)

The HUD-VASH program first initiated in 2008, is a joint program of the Departments of Housing and Urban Development (HUD) and Veterans Affairs (VA). Under this joint supportive Housing (HUD-VASH) program, homeless veterans receive a Section 8 Housing Choice Voucher from HUD that is coupled with case management and clinical services provided by the VA at its medical centers and in the community. Eligible individuals and veterans are identified by VA. Evaluation of the HUD-VASH program has found that participants increase days housed, employment, income, and connections with family and friends. Program recipients have also been found to decrease their use of alcohol and the number of days that they spend homeless or in institutions.

The HUD-Veterans Affairs Supportive Housing (HUD-VASH) program has served more than 74,000 homeless veterans nationally. In Vermont, VSHA has been administering the VASH program since its inception. In 2014, VSHA received an additional funding of \$164,426 in rental vouchers which will assist 29 homeless veterans find permanent supportive housing. These additional vouchers bring VSHA's total available subsidies to 169.

As previously mentioned VSHA administers this program in collaboration with the White River Junction VA Medical Center. The VA Medical Center provides case management and clinical services and refer veterans to VSHA for rental vouchers. These veterans rent privately owned housing and typically pay no more than 30 percent of their income for rent.

Future funding

Congress passed legislation (the so-called “CRomnibus”) in December to fund the Department of Housing and Urban Development and most other federal agencies for fiscal year 2015.

Overall, the final bill is better for housing programs than might have occurred, and having full-year funding settled will bring needed stability to rental assistance and other HUD programs.

VSHA will not learn its funding allocation until March 1st but we are anticipating funding to supportive the 3409 units under lease and to grow the program by an additional 214 vouchers by the end of 2015 bringing the program number of vouchers to 3623.

VSHA undertook a Rental Market Study to increase HUD FMRs in Windham, Windsor and Bennington Counties. HUD announced the release of the final FY15 Fair Market Rents (FMRs) on October 3, following a period of public comments on the proposed FY15 FMRs. The FMRS represents the amount that would be needed to pay the gross rent (shelter plus utilities) for decent, safe, and modest private rental housing, based on the estimated 40th or 50th percentile rent level for an area.

FMRs are used to determine payment standards for the Housing Choice Voucher (HCV) program, and initial renewal rents for some expiring project-based Section 8 contracts. FMRs also serve as rent ceilings in the HOME Investments Partnership program, and are used to calculate maximum award amounts for Continuum of Care grantees. The final FY15 FMRs were effective as of October 1, 2014.

FMRS increase from 1% in the Burlington MSA area to 19% in Caledonia.

The change from the proposed to final FMRs for Bennington, Windsor, and Windham was due to a rent study VSHA coordinated with ICF International and funded by VSHA and our local and state partners. The final FMRs for were increased an additional 4% for Bennington and Windham and Windsor by 7%

The survey was a success and will pay off for years to come as HUD continues to apply inflation factors to these rents and not their own ACS-derived ones. The current HUD methodology compares the 5 year average 2 BR rent (2008-2012) to the average 2012 2BR So if the current year data is higher because of rising rents we get a corresponding increase. If the current year data is lower we get flat or decreases. The problem is the sample size of the 5 year data for VT counties is often very small.