

Testimony to House General and Human Services committees, January 6, 2016

submitted by Chris Donnelly, Champlain Housing Trust

Introduction

I'm Chris Donnelly, Director of Community Relations for the Champlain Housing Trust. I'd like to tell you a little about our efforts to house folks who are homeless, and suggest how we can make more progress. As you know, homelessness is complicated and tied up in multiple challenges such as mental health, addiction, disability, domestic violence and economic inequality, not to mention the lack of housing.

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 the last couple of years, the state has made social investments not to make money, but to both save money and make people's lives better. We have two examples.

Harbor Place. Many of you know about Harbor Place, the emergency housing CHT created to divert some of the motel usage in Chittenden County to a cheaper option with better

outcomes. This is done with services provided by CVOEO, WHBW, Safe Harbor and with relationships and agreements with Howard Center and the UVM Medical Center, and others.

We estimate that HP has saved the state about \$700,000 in just the GA emergency housing program since opening. The upfront investment by the state was a \$370,000 allocation from VHCB, and a contribution from DCF to an operating reserve.

There are other significant savings. We have an agreement to make rooms available to the UVM Medical Center. They are still crunching and analyzing the numbers, but it may be safe to say that the savings in health care dollars for the 90 or 100 people they've placed at HP will be as significant or more so. I'd love the opportunity to speak with you in more detail at a later date on the whole nexus of health and housing. I'm glad to see Dr. Megan Sandel on your schedule for tomorrow.

The savings are great and have a lot of fans in this building. But I'd like to emphasize that our mission isn't to save the state money.

The latest numbers I saw showed people were two times more likely to secure an apartment after being at Harbor Place than other emergency housing placements. And I believe the hospital's analysis will show that people are healthier, too.

Lower cost, better outcomes – this is what we want. But I remind you: it took an upfront investment.

Beacon Apartments. We have acquired another motel – the former Ho Hum on Shelburne Road in South Burlington – to create a much different option. Not temporary housing, the new Beacon Apartments will be permanent, affordable studios or one bedroom apartments for 19 chronically homeless people.

Working with the Safe Harbor program and Burlington Housing Authority, we've identified some of the most likely people to die on the streets and provide them with a home with services seven days a week. These folks have multiple challenges – health, addiction, disability, etc. These are our “Million Dollar Murrays” as coined by Malcolm Gladwell.

We're converting this property into 19 apartments for about \$100,000 per unit – less than half the cost of creating a new apartment in Chittenden County.

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

The first residents are moving in this weekend. All apartments will soon be taken. The 19 apartments serve about a third of the need today for the chronically homeless population in Chittenden County.

We'll document savings and outcomes and report back to you, and I welcome any of you to arrange a tour of this or other properties that we manage.

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.

Services. It's clear to all of us on the front lines that services are needed to help people in crisis avoid a life of instability, cycling in and out of hospitals, treatment centers, corrections, motels, and general disruption. As I started with, causes and cures of homelessness are complex. The solutions are as well, and investment in services that allow case managers to help people manage and hopefully solve their challenges is critical.

Subsidy. The legislature smartly created a Vermont rental subsidy program about three years ago, currently funded at \$1M per year. It's been shown to be effective. Increasing this investment will accelerate the decrease in homelessness. In Chittenden County, about 60% of renters pay more than 30% of their income on rent – the highest in New England after Cape Cod. Rents aren't coming down. The state's investment has moved people out of motels and is helping stabilize families. If there is appetite for any increase, a frugal approach might be targeting state vouchers to apartments with rents already lowered through federal tax credits.

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.

I know your committees don't make appropriation or revenue decisions. But issues you all grapple with – such as opiate addiction, social worker caseloads, affordable housing – all need resources.

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

Steps to address this shortfall are possible:

- First, recommit to the statutory property transfer tax revenue to VHCB at 50%, or about \$19MM this year.
- Second, encourage a strategy over the next four to five years to address the shortage of housing development missed over the last fifteen years through borrowing or new efforts.
- And finally, as proposed by the Governor's poverty council, create a \$2 per night fee on hotel and motel fees and use some that revenue to support affordable housing development.

I look forward to having further conversation with you and letting you know what efforts we're taking to address homelessness.