

Testimony to Senate Health & Welfare 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 hearing testimony today on how VHCB funding has improved the lives of the most vulnerable Vermonters.

VHCB, over the nearly 30 years in operation, has developed about 12,000 permanently affordable homes across the state. About 10% of this housing is purpose-built, housing with services and you'll hear a little bit about some of this today. Another 15% of them act as a platform to deliver a program called SASH, and Molly Dugan from Cathedral Square will describe SASH shortly.

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. I have two examples that I wanted to share:

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, Women Helping Battered Women, 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 \$265,000 allocation from VHCBC, 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've analyzed the impact on the 80 patients they've placed at HP, and from initial analysis encounters with the Medical Center dropped 60% when you compared the three months prior and three months after placement at HP.

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 numbers indicate that people are healthier, too.

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

We're sharing this model with folks in Brattleboro tomorrow, and in May, Harbor Place and our partners will be recognized with a national award celebrating innovative collaborations.

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.

Stemming from an inventory done as part of 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. 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.

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, the State 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 committee doesn't make appropriation or revenue decisions. But issues you 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.

One first step to address this need would be to support the statutory VHCB 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.

I look forward to having further conversations with you and always happy to let you know what efforts we're taking to address health, housing and homelessness.