

Poverty Council Housing/Homelessness Committee DRAFT Committee Recommendations

Vermont's prosperity and the well-being of our citizens depends in great measure on an adequate supply of safe, stable and affordable housing. No one can succeed in life without a place to call home. It is the foundation upon which successful lives are built. Yet our state suffers from an almost chronic shortage of quality, affordable housing. Employers have complained for years that they have difficulty recruiting and retaining qualified employees because of our high housing costs. Young people leave our state because they can't find a decent place to live on the wages Vermont businesses pay. People buy or rent far from their jobs and end up having to commute long distances. Almost half of Vermont renters pay too much for their housing costs, leaving them with too little to cover other basic needs and one step away from not being able to pay the rent or mortgage. Many have no choice but to live in substandard housing, leaving them vulnerable to health issues and higher energy costs. Seniors and other Vermonters living on fixed income cannot afford a decent home anywhere in the state without a subsidy. The need for more affordable senior housing and supportive services becomes increasingly acute as Vermont's population ages: The greatest household growth in the next five years is projected to occur among seniors age 65 - 74. And while we have made progress on combating homelessness, especially among some of our most vulnerable Vermonters, much work remains to be done.

Vermont must adequately fund all three legs of the three-legged stool approach to affordable housing and ending both family and chronic homelessness. To make the goal of dedicating 15% of publicly funded affordable housing to homeless families and individuals a reality, we need:

1. **Substantial new capital investments** to create permanently affordable housing,
2. **Increased rental assistance** to house the very lowest income Vermonters, and
3. **Full funding for supportive services** for those with the greatest challenges.

Priority #1: Generate new revenues for affordable housing and ending homelessness.

Because of the State's chronic inability to fully fund its housing and supportive service needs, our highest priority is to create a new revenue source dedicated to those needs. We recommend that the State institute a **\$2 occupancy fee on motels and hotels** and dedicate the projected \$11 - 12 million in revenues to affordable housing and ending homelessness.

Priority #2: Use these new resources to fund all three legs of the three-legged stool:

1. Increase capital investments for building and renovating affordable housing, including for seniors and the homeless, by fully funding the **Vermont Housing and Conservation Board**. Some of the new revenues from the \$2 occupancy fee could be used to support a revenue bond that makes major new investments in affordable housing.
2. Expand rental assistance to the lowest income Vermonters by increasing the **Vermont Rental Subsidy Program** and restoring **Mental Health Vouchers** cut two years ago.
3. Improve access to supportive services, including service coordination and case management, by increasing funding for the **Housing and Opportunity Grant Program, Family Supportive Housing, and Assistive Community Care Services (ACCS)**.

Additional Funding Priorities

- Implement the recommendations from the “Roadmap to End Homelessness” initiative.
- Ensure that all families and individuals have access to emergency housing and services while continuing to reduce reliance on motels by investing in alternative approaches.
- Increase “Back Rent” funding available to local providers to help prevent homelessness.
- Fully restore AHS Central Office Direct Service and Service Coordination Grants.
- Increase resources for home access modifications to enable Vermonters living with physical disabilities to live more independently.
- Advocate for renewal of federal funding for Support and Services at Home (SASH) and continued state match.
- Bring substandard and vacant rental housing up to code and back online by implementing a pilot Rental Rehabilitation Loan Program in selected Vermont towns. Provide low-interest loans and technical assistance to help homeowners create accessory dwelling units.
- Provide ongoing funding for both landlord and tenant resources.
- Fund a feasibility study to expand Vermont’s home-sharing programs statewide.
- Increase allocations for tax credits that help incentivize affordable housing, including rental housing, homeownership, mobile home ownership and energy efficiency.
- Maintain at least level funding for all other proven programs and tax credits that support affordable housing and alleviate homelessness.

Additional New Resources

- Create a check-off on Vermont’s income tax form for voluntary taxpayer contributions to a fund to help end homelessness. The four current funds receive \$50,000 - \$90,000 a year.
- Cap Vermont’s pass-through of the federal mortgage interest deduction and dedicate the savings to affordable housing and homelessness. A \$15,000 cap could raise \$4.4M a year.
- Invest Medicaid resources in housing and services for frequent users of health services.

Legislation

- Support passage of a Homeless Bill of Rights, as proposed in H.211, to provide equal protections for the most vulnerable Vermonters and eliminate barriers to providing shelter.
- Support a Workforce Housing Demonstration Program, as proposed in H.865, to provide funding for municipal infrastructure that supports development of mixed use housing affordable to a range of incomes, from low- and moderate-income to market rate.

Administrative Policy

- Expand eligibility for the Vermont Rental Subsidy Program to include seniors 62 and over.
- Promote housing with supportive services as a best practice that provides positive outcomes and is cost effective for individuals and families and enables seniors to age in place.
- Expand eligibility for the Housing Opportunity Program from 30% to 50% of median income.
- Streamline the Public Housing and Section 8 application process to save public resources by reducing the time case managers spend helping clients fill out multiple applications.