

Housing For All Coalition

Occupancy Fee Bill

The Housing For All Coalition supports the creation and passage of an Occupancy Fee Bill in the 2017 Legislative Session.


We are asking that all revenues from this fee go toward affordable housing and homelessness reduction in Vermont. This would include investment in the creation of permanently affordable housing, infrastructure in support of workforce housing, increased rental assistance and supportive services. Suggested use and distribution of revenue incorporates the outcomes and recommendations from the legislatively funded Roadmap to End Homelessness.


By charging a \$2 per night surcharge on hotel, motel and AirBnB guests, as defined in Reg. § 1.9202(3), it is estimated that an Occupancy Fee will raise approximately \$10 million per year.


Why housing?

Access to safe, affordable housing is a basic need and right for all Vermonters. When Vermont families have a safe place to call home, our communities and our state are healthier. Former Gov. Shumlin and his AHS Secretary Hal Cohen recognized this in 2015 when they launched a statewide initiative to End Child and Family Homelessness by 2020. Vermont's recent efforts to end homelessness have been successful - as seen in the 2016 Point-in-Time Count which showed a 28% reduction in homelessness, but there is still work to be done. Revenue from an Occupancy Fee would help to further reduce homelessness and other barriers to housing such as affordability and lack of housing stock.

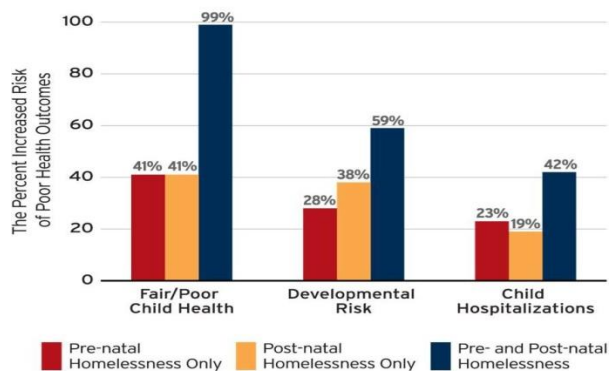
In Vermont:

 **88** hrs per week at minimum wage needed to afford a 2-bedroom unit

 **2.2** number of full time jobs needed at minimum wage needed to afford a 2-bedroom unit

 **\$21.13** per hour wage needed to afford a 2-bedroom unit¹

Compounding Effect of Homelessness on Child Health



By creating more housing options, we are encouraging families to live in Vermont, creating more jobs and ensuring that Vermonters have the stability they need to be thriving members of our Vermont economy. Reducing or eliminating homelessness and housing insecurity will help our families and our state to thrive.

For more information or to get involved please contact Kara Casey at 223-1302 kara@vtnetwork.org or Erhard Mahnke at 233-2902 erhardm@vtaffordablehousing.org.

¹ <http://nlihc.org/oor/vermont#>

Graph: Children's HealthWatch Data, May 2009-December 2014

Housing For All Coalition - Occupancy Fee Bill FAQ

What does the bill include?

- A \$2 per night Occupancy Fee on hotel, motel, and AirBnB guests, as defined in Reg. § 1.9202(3), which is estimated to raise approximately \$10 million a year.
- The revenue will be deposited into a newly created Workforce and Supportive Housing Fund. The fund will be managed by the Vermont Housing and Conservation Board.
- The revenue will be divided into four areas. Suggested use and distribution of revenue incorporates the outcomes and recommendations from the legislatively funded Roadmap to End Homelessness.
 1. 30% for rental and other forms of **housing-related assistance** will go to the Agency of Human Services
 2. 10% for housing-related **supportive services** will go to the Agency of Human Services
 3. 50% to support a revenue bond and other expenditures **to develop permanently affordable workforce and supportive housing** will go to the Vermont Housing and Conservation Board
 4. 10% toward **infrastructure** in support of workforce housing pilot projects to the Vermont Housing and Conservation Board

What is the connection between housing, the occupancy fee, and the hospitality industry?

Lack of affordable housing is a significant barrier to both employers and employees in Vermont. 8.3% of all jobs in the state are directly or indirectly related to the lodging industry. Many employees working in the hotel/motel industry are in need of affordable housing. This affordable/workforce housing is especially lacking in areas where these jobs are available. This often forces workers to buy or rent a home far from the communities where they work, increasing their transportation costs and preventing them from being fully engaged in the civic life of their communities. Creating more affordable housing and infrastructure for workforce housing in areas where there are employment opportunities would help keep Vermonters working in the state, attract more families to move here and spend money in their local communities.

Why this fee?

This is a small fee- equal to the price of a cup of coffee. It will be paid by mostly out-of-state tourists and will make a huge impact on affordable housing in Vermont. Reducing homelessness and housing insecurity leads to healthier communities. Policies that make us and our families healthier are good for Vermont, good for the economy and worth the investment.

What are the cost savings to Vermont by investing in affordable housing?

- Reducing homelessness among families with children and single individuals helps reduce human services spending, including health care, mental health, corrections, and emergency housing. An adequate supply of affordable housing is essential for the health and sustainability of Vermont's communities.
- In one example; between 2012 and 2014 the Vermont Agency of Human Services found that the 134 households in the Vermont Rental Subsidy Program saw a decline of \$196,000 in emergency healthcare costs and \$55,000 in primary healthcare costs. Seventy-five percent of these families exited the program into permanent housing.