



2017 State Legislative Priorities

Vermont's prosperity and the well-being of our citizens depend 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 have 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.

~ Report of the Governor's Council on Pathways from Poverty

Investing in affordable housing infrastructure will bolster productivity and economic growth. The connection between affordable housing and infrastructure is clear: Like roads and bridges, affordable housing is a long-term asset that helps communities and families thrive. Each dollar invested in affordable housing infrastructure boosts local economies by leveraging public and private resources to lift resident earnings and local tax revenue, as well as to support job creation and retention.

~ National Low Income Housing Coalition

BUDGET PRIORITIES & NEW REVENUES

Vermont must adequately fund all three legs of the three-legged stool of investments needed to solve our affordable housing shortage and implement the recommendations of the *Vermont Roadmap to End Homelessness Final Report* for ending both family and chronic homelessness. We need:

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

Generate new revenues for affordable housing and ending homelessness.

- Institute a **\$2 occupancy fee** on guests of motels, hotels and AirBnB and dedicate the projected \$10 million in revenues to affordable housing and ending homelessness. Use these new resources to fund the three-legged stool of investments in housing and homelessness.
- **Invest health care resources in housing and services** for frequent users of health services. Devise strategies for using Medicaid to fund housing and supportive services for extremely low-income and vulnerable Vermonters.
- **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 \$4M a year.

Increase capital investments for building and renovating affordable housing and making it accessible:

- **Fully fund the Vermont Housing & Conservation Board** - Increase capital investments for building and renovating affordable housing by fully funding the Vermont Housing and Conservation Board. Estimated statutory funding level from the Property Transfer Tax: \$20.4M. \$45 million in funds has been diverted from VHCB over the last 16 years.
- **Bond for Affordable Housing** - Address the state's chronic shortage of affordable and quality housing by instituting a multi-year program funded through \$70 million in state-issued capital bonds over five years.
- **Home Access Program** - Enable Vermonters living with disabilities to live more independently and avoid the higher expense of living in a nursing home by investing an additional \$200,000 annually to reduce the waiting list. FY 17 funding is \$565,000, mostly from VHCB. This could be increased by leveraging Global Commitment funds or investing Choices for Care savings.
- Support creation of a **tax credit for home access modifications**.

Expand rental assistance and other housing supports to assist the very lowest income Vermonters and prevent and reduce homelessness:

- Increase the **Vermont Rental Subsidy Program** from \$1M to \$1.5M, open up eligibility to seniors.
- Restore \$400,000 in cuts to **Mental Health Rental Assistance Vouchers**, expand eligibility.
- Increase "**Back Rent**" funding available to local providers to help prevent homelessness.
- **Community Rehabilitation & Treatment (CRT) Housing Support Fund** - Maintain level funding at \$886,809.
- **Transitional Housing for Ex-Offenders** - Support level funding at \$7.2 million. Corrections should use some of its transitional housing dollars to augment funding for the Vermont Rental Subsidy Program to provide housing security for people leaving incarceration and reduce recidivism. When a person's sentence and subsequent DOC support end, people should be seamlessly integrated into the program.

Fully fund supportive services for those with the greatest challenges, including service coordination and case management, by increasing funding for a variety of AHS housing/homelessness related programs:

- Increase the **Housing & Opportunity Grant Program** by \$1M. Expand eligibility from 30% to 50% of median income to stabilize at-risk households and prevent their spiral into homelessness.
- Continue to expand **Family Supportive Housing** until it can operate statewide: increase from \$838,000 to \$1M.
- Ensure that all families and individuals have access to **Emergency Housing** and services while continuing to reduce reliance on motels by investing in community based alternatives.
- Restore \$250,000 cut from **AHS Central Office Direct Service and Service Coordination Grants**.
- Maintain level funding for **Pathways' Housing First** services to chronically homeless Vermonters with serious mental health disabilities in six counties, as well as its state-funded support services, which are critical to support community-based options.

- **Assistive Community Care Services (ACCS):** Support a \$0.75 increase per diem to ACCS providers.
- Support continued level funding for **Support and Services at Home (SASH)**.
- **Vermont's home sharing programs** - Support level funding at \$327,163.
- Provide adequate funding for **drop-in centers for runaway and homeless youth**, which offer immediate services to unaccompanied homeless youth and serve as a first step toward engaging homeless youth into more intensive services and reintegration.

Maintain and increase funding for other key housing related programs:

- **Municipal and Regional Planning** – Support a modest 5% increase (approximately \$130,000). Planning has been level funded at \$3,760,599 for several years and is still below its pre-recession funding levels. Over time, return to statutory funding level of 17% of the Property Transfer Tax.
- **Landlord-Tenant Outreach & Education** - Support \$50,000 for continued comprehensive education and outreach for tenants, landlords and town health officers statewide over a two-year period.
- **First Stop Mobile Home Funding** - Support level funding at \$70,000 for CVOEO's Mobile Home Program.
- **Fair Housing** – Provide \$25,000 in state funding to help prevent housing discrimination and Affirmatively Further Fair Housing.
- **Legal Services** - Support adequate funding to help Vermonters in poverty access and maintain affordable housing options.

PRESERVING THE SAFETY NET & PROMOTING ECONOMIC EMPOWERMENT

The State must maintain the "safety-net" for the most vulnerable Vermonters and help stabilize families. The health and well being of Vermonters is dependent on meeting a higher standard of basic needs. We should continue to support policies that "make work pay" and help low-income, working Vermonters attain self-sufficiency:

- **Support a \$15 an hour minimum wage** and an expanded Earned Income Tax Credit.
- **Support successful employment policies that "make work pay"** and help families seek and maintain employment.
 - Repeal the \$115 a month Reach Up benefit reduction for families with a member receiving disability benefits.
 - Increase the asset limit to \$5,000 -10,000 or eliminate.
 - Over time, increase Reach Up grants to meet a higher percentage of the Standard of Need by adjusting the "ratable reduction" to at least 55% of basic needs and gradually increase.
- **LIHEAP and Crisis Fuel** - Maintain State dollars for assistance above 150% of Federal Poverty; remove the one grant restriction on Crisis Fuel and allow two grants to cover emergency needs.
- **Low-Income Weatherization Assistance Program** – Keep expanding Weatherization capacity to reduce energy burdens, create good-paying jobs, and reduce fossil fuel consumption.
- **Increase funding for the Micro Business Development Program and Individual Development Accounts;** develop a Vermont Matched Savings Account Program; and adequately fund those providers delivering financial education, credit building and repair.

- **Increase investment in Vermont's Child Care Financial Assistance Program (CCFAP).** Raise the base rate to 50% of the current market rate with the long term goal of raising the base to 75% of the current year market rate; mandate that rates and guidelines be adjusted annually and kept current.

TAX POLICY

- **Maintain investments in tax credits that support affordable housing**, including the Vermont Affordable Housing, Charitable Housing, Historic Buildings, Façade Improvement, and Mobile Home Sale Credits. Whenever possible, **increase allocations for tax credits** that help incentivize affordable housing, including the **Vermont Affordable Housing Tax Credit**, which supports rental housing, homeownership, mobile home ownership, rehabilitation, and energy efficiency, and the **Downtown Tax Credit**, which should be increased from \$2.2 million to \$3 million over time.
- 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.
- **Monitor Education Finance reform efforts** to make sure that low-income Vermont renters, homeowners, housing co-op members, mobile home owners, and owners of publicly subsidized housing are treated equitably under any new financing plan.
 - **Preserve property tax income sensitivity** for low- and moderate income homeowners and tenants.
 - **Maintain the Renter's Rebate** at current funding levels, while reforming the program to make it easier to access and administer.

HOUSING LEGISLATION

- **Bring substandard and vacant rental housing up to code** and back online by implementing a pilot Rental Rehabilitation Loan Program in selected Vermont towns. Incentivize private, for-profit landlords to make improvements to distressed rental housing and rent it to low-income and homeless Vermonters at affordable rents. Provide low-interest loans and technical assistance to help homeowners create accessory dwelling units.
- **Increase family and children's health and safety** by enacting measures to increase compliance with the State's Rental Housing Health and Safety Code, such as a statewide rental inspection program funded by per unit fees and which allows local communities to operate their own equivalent programs.
- 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.
- **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. The bill establishes an equal right to jobs, housing, services, schools, and public space for all inhabitants, whether they have a home or not. We are seeing increased resistance to serving the homeless in some communities.
- **Land Use Reform** - Monitor proposals for regulatory changes that ease the land use review process for affordable housing development.

2017 STATE HOUSING PROFILE

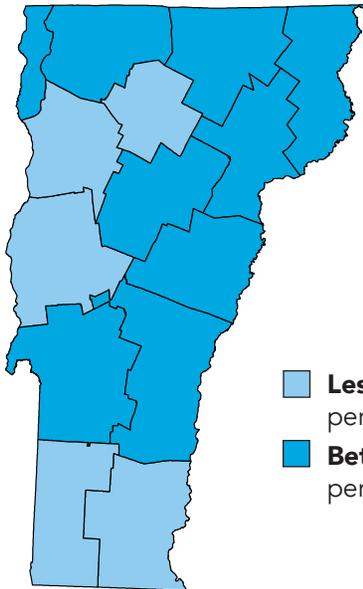
Vermont

Senators: Bernard Sanders and Patrick J. Leahy

Many renters in Vermont are extremely low income (ELI), i.e. households with income less than the poverty guideline or 30% of area median income (AMI), whichever is higher. Across the state, there is a deficit of rental homes both affordable and available to ELI households, many of whom face significant housing cost burdens.

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AFFORDABLE & AVAILABLE HOMES FOR ELI RENTER HOUSEHOLDS



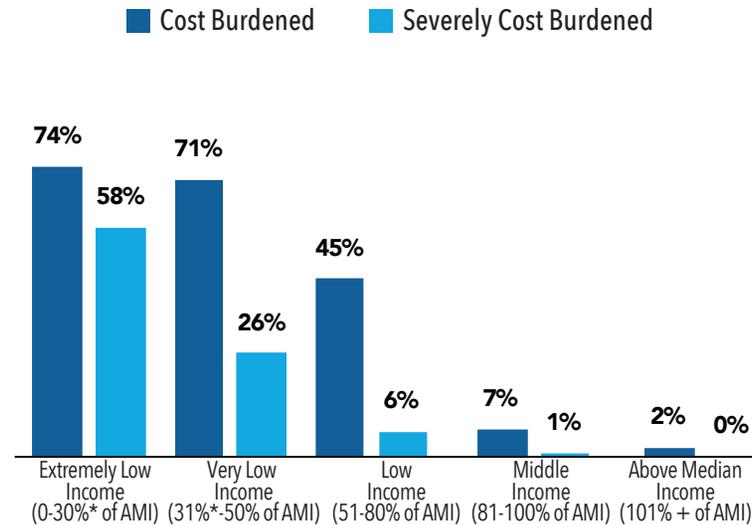
■ **Less than 35 homes**
per 100 ELI households

■ **Between 35 – 45 homes**
per 100 ELI households

Source: NLIHC tabulations of 2009-2013 Comprehensive Housing Affordability Strategy (CHAS) data.

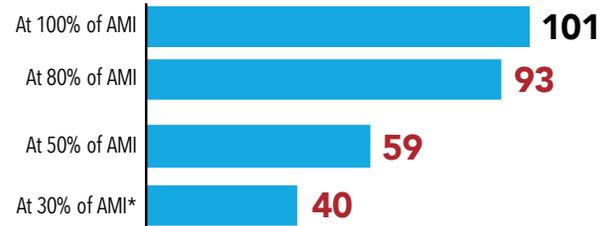
HOUSING COST BURDEN BY INCOME GROUP

Renter households spending more than 30% of their income on housing costs and utilities are cost burdened; those spending more than half of their income are severely cost burdened.



Source: NLIHC tabulations of 2015 American Community Survey Public Use Microdata Sample (PUMS) housing file. Note:*Or poverty guideline, if higher.

AFFORDABLE AND AVAILABLE HOMES PER 100 RENTER HOUSEHOLDS



Source: NLIHC tabulations of 2015 American Community Survey Public Use Microdata Sample (PUMS) housing file. Note:*or Poverty Guideline, if Higher.

KEY FACTS

29%

Households in this state that are renters

18,138

OR

24%

Renter households that are extremely low income

\$24,250

Maximum state level income for a 4-person household

10,866

Shortage of homes affordable and available for extremely low income renters

\$21.13

State Housing Wage

The hourly amount a full-time worker must earn to afford a two-bedroom rental unit at HUD's Fair Market Rent

STATE-LEVEL RENTER STATISTICS

	Total Renter Households	Severely Burdened Households*	% with Severe Burden		Affordable and Available Rental Units Per 100 Households	Surplus/(Deficit) of Affordable and Available Rental Units
Income at or below 30%** of AMI	18,138	10,595	58%	Income at or below 30%** of AMI	40	-10,866
Income between 31% and 50% of AMI	13,952	3,647	26%	Income at or below 50% of AMI	59	-13,083
Income between 51% and 80% of AMI	17,284	1,097	6%	Income at or below 80% of AMI	93	-3,336
All Renter Households	74,467	15,428	21%	Renters make up 29% of all households in the state		

Source: NLIHC tabulations of 2015 American Community Survey (ACS) Public Use Microdata Sample (PUMS)

REGIONAL RENTAL AFFORDABILITY STATISTICS

Metropolitan Statistical Areas (MSAs) and Counties in Districts	Total Renter Households	AMI	30% of AMI	Rent Affordable at 30% of AMI	One Bdrm Fair Market Rent	One Bdrm Housing Wage	Two Bdrm Fair Market Rent	Two Bdrm Housing Wage	Hours at Minimum Wage for Two Bdrm	Avg Renter Wage
Burlington-South Burlington MSA	27,400	\$84,000	\$25,200	\$630	\$1,038	\$19.96	\$1,356	\$26.08	109	\$12.48
Rutland County	7,740	\$63,100	\$18,930	\$473	\$709	\$13.63	\$895	\$17.21	72	\$11.03
Windsor County	7,251	\$72,300	\$21,690	\$542	\$848	\$16.31	\$1,041	\$20.02	83	\$11.41
Washington County	6,674	\$72,500	\$21,750	\$544	\$737	\$14.17	\$986	\$18.96	79	\$11.93
Windham County	5,842	\$65,200	\$19,560	\$489	\$811	\$15.60	\$1,019	\$19.60	82	\$12.82
Bennington County	4,616	\$62,900	\$18,870	\$472	\$806	\$15.50	\$973	\$18.71	78	\$11.67
Addison County	3,636	\$71,000	\$21,300	\$533	\$817	\$15.71	\$946	\$18.19	76	\$12.18
Caledonia County	3,292	\$56,400	\$16,920	\$423	\$666	\$12.81	\$847	\$16.29	68	\$9.95
Lamoille County	2,916	\$66,200	\$19,860	\$497	\$768	\$14.77	\$955	\$18.37	77	\$9.96
Orleans County	2,578	\$53,600	\$16,080	\$402	\$623	\$11.98	\$767	\$14.75	61	\$9.30
Orange County	2,358	\$64,900	\$19,470	\$487	\$728	\$14.00	\$920	\$17.69	74	\$9.79

Source: Out of Reach 2016. This congressional district includes at least a portion of the Fair Market Rent (FMR) areas listed above. For FMR areas that span more than one state, the data reflect this state's geography.

*Severely Burdened: Households spending more than 50% of income on housing costs, including utilities. **Or poverty guideline, if higher.
AMI: Area Median Income.

Last updated in February 2017. Please contact NLIHC research staff at (202) 662-1530 to request additional information.