



VERMONT

AGENCY OF HUMAN SERVICES

Specialized Housing Voucher
Workgroup Report

Senate Committee on
Economic Development,
Housing and General Affairs

January 23, 2020

Statutory Charge

H.542/Sec. E.300.4 SPECIALIZED HOUSING VOUCHERS

“...requires the Secretary of Human Services to convene a workgroup to develop a strategy to fully utilize available federal rental assistance funds for vulnerable populations in Vermont”

Specialized Subsidies Covered:

- CoC-Permanent Supportive Housing “Shelter + Care”
- CoC Rapid Rehousing (RRH)
- Family Unification Program (FUP)

Working Group Members

- Department of Mental Health
- Department of Corrections
- Department of Children and Families
- Department of Disabilities, Aging and Independent Living
- Housing and Community Development
- Vermont State Housing
- Vermont Housing and Conservation Board

Stakeholder Input

- Chittenden County Homeless Alliance (Continuum of Care, (CoC)
- Vermont Council to End Homelessness (Balance of State CoC)
- Vermont State Housing Authority Field Representatives
- Burlington Housing Authority Leadership
- ACCD/DHCD Housing Council
- Vermont Affordable Housing Coalition
- Provider Survey
- Property Manager Survey

Findings and Recommendations

Report Finding: Market Forces Impact Utilization

- External factors are impacting Vermont's ability to utilize vouchers including:
 - rental market conditions (availability of affordable rental housing)
 - condition of the local affordable housing stock
 - the receipt of multiple new voucher allocations in the prior two years

Report Finding: AHS Leverages Funding for Services as Match for Federal Vouchers

- Large agencies, like Designated Agencies and Specialized Service Agencies bill Medicaid for support services but are limited to serving people with mental health conditions
- AHS funds roughly 40%-100% of housing case management support services in the smaller provider agencies the group studied
- Most of these providers are using DOC, DCF, Housing Opportunity Program and DMH PATH funds to match with CoC subsidies
- To a smaller extent providers use private funds, from University of Vermont Medical Center, their local United Way, and private donations

Findings Summary

- Service funding is not tied directly to the CoC programs where services are required. The CoC has elected to utilize federal funding for subsidies not services to remain competitive.
- AHS (via DCF) funds homeless services providers primarily for emergency shelter and homeless prevention services.
- When providers are able, they leverage these dollars to serve people in CoC-administered programs like, Supportive Housing Shelter + Care and CoC Rapid Rehousing; however, there is not a designated funding source specifically for these interventions
- Vermont's network of affordable housing developers are serving formerly homeless individuals and families in their units, however, the affordable housing property managers surveyed report that services are not adequate to keep people stably housed

Recommendations

- Based on work with the Statewide Council on Homelessness, the workgroup organized recommendations into four buckets thought to be “root causes” of underutilization:
 - Services funding,
 - Service design, delivery and coordination,
 - Housing availability,
 - Barriers to lease up and documentation

Recommendations: Services

Service Funding

- The increased availability of federal rapid re-housing assistance may warrant consideration of increased flexibility in the way the Vermont Rental Subsidy (VRS) is used to support housing stability of families receiving Reach-Up

Service design, delivery and coordination,

- Prioritize, coordinate and streamline funding exclusively for permanent supportive housing case management services so that providers can offer the level of services required by people eligible for RRH and CoC PSH S+C. Ensure housing-related services are focused on providing intensive, low-barrier, individualized, case management services for those ranked as “highest need” on the coordinated entry list used by CoC

Recommendations: Housing Availability

Housing Availability

- Continue to encourage Affordable Housing Providers to work with CoC's to house people eligible for PSH CoC (S+C) to meet their "15%" goal. This would allow affordable housing providers to 1) increase the operating funding in their buildings through the subsidy portion and 2) ensure formerly homeless tenants have access to consistent, dedicated case management services.

Recommendations: Barriers to Lease-up and Documentation

Barriers to Lease-Up

- Advocate for changes at HUD at the Federal level to allow states and local communities more time to adapt to revisions it makes annually to CoC program prioritization and practice expectations.
- Prevent vulnerable households from losing their federally subsidized housing and entering (or returning to) homelessness by ensuring eviction prevention activities are taking place in publicly funded affordable housing.

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**Report to
The Vermont Legislature**

Specialized Housing Vouchers Working Group

**In Accordance with Sec. E.300.4 of Act 72 of 2019
An act relating to making appropriations for the support of government**

**Submitted to: House Committee on Appropriations
House Committee on Health Care
House Committee on General, Housing, & Military Affairs
Senate Committee on Appropriations
Senate Committee on Health and Welfare
Senate Committee on Economic Development, Housing, &
General Affairs**

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Report Date: November 15, 2019



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Statutory Charge

Act 72 of 2019 requires the Secretary of Human Services to convene a working group to develop a strategy to fully utilize available federal rental assistance funds for vulnerable populations in Vermont. This rental assistance, in the form of specialized and rapid rehousing vouchers, serves specialized, vulnerable populations, including homeless families with children, homeless youths, chronically homeless individuals with mental illness, and families that have lost or are at risk of losing a child to State custody. The working group shall consult with community-based housing and human services providers and examine the following:

- (1) whether existing expenditures on case management or other services for this vulnerable population could be utilized as match to draw federal specialized voucher funds; and
- (2) Vermont's current allocation of housing assistance funds to ensure that Vermont maximizes the ability of the State to draw federal voucher funds; and
- (3) any other recommendations the working group may make to help avoid further loss of these specialized vouchers.

The working group included one representative from each of the Departments of Mental Health, of Corrections, for Children and Families, of Disabilities, Aging, and Independent Living, and of Housing and Community Development within the Agency of Commerce and Community Development; the Vermont State Housing Authority; and the Vermont Housing and Conservation Board.

On or before November 1, 2019, the Secretary of Human Services shall report the findings of the working group to the Secretary of Administration for possible inclusion in the Governor's 2021 budget request and concurrently to the House Committees on Appropriations, on Health and Welfare, and on General, Housing, and Military Affairs and the Senate Committees on Appropriations, on Health and Welfare, and on Economic Development, Housing and General Affairs.

Introduction

Vermont is fortunate to have a highly collaborative and effective network of service providers around the state focused on ending homelessness and improving economic security of vulnerable Vermonters. Vermont also has engaged Public Housing Authorities that have successfully applied for and earned numerous subsidy awards from the Department of Housing and Urban Development (HUD) to make housing more affordable for thousands of Vermonters.

In addition, the State has worked to create two highly effective HUD Continuums of Care (CoC) to serve homeless families and individuals across the state. The CoC consists of non-profit organizations, state and local government entities and public housing agencies and according to HUD, is "designed to promote community-wide planning and strategic use of resources to address homelessness; improve coordination and integration with mainstream resources and

other programs targeted to people experiencing homelessness...and allow each community to tailor its programs to the particular strengths and challenges...within that community” In Vermont we have two HUD-jurisdiction CoCs, the Chittenden Homeless Alliance (CHA), which serves Chittenden County, and the Vermont Coalition to End Homelessness (VCEH), acting as the primary decision-making group for the VT Balance of State Continuum of Care (VT BoS CoC) geographic area, which serves all VT counties, except Chittenden.

Vermont’s Coordinated Entry Systems (CES), developed in 2018, establishes a mechanism for identifying and referring people experiencing homelessness to appropriate housing interventions and subsidy programs working to end homelessness.

Despite the hard work and intense collaboration occurring in communities large and small, Vermonters continue to be challenged to find housing that is affordable, complicated by mental health and substance use challenges.

HUD’s Family Options Study (2013) found that families who received a permanent subsidy through a federal housing voucher, experienced significantly shorter stays in shelter or transitional housing and experience positive human benefits including decreased instances of housing and school mobility, fewer child separations from parents, less adult psychological distress, decreased intimate partner violence and greater food security. The report concluded, “In general, the outcomes from receiving a subsidy were significantly better than those for transitional housing, rapid re-housing and usual care.” The research also illustrated that permanent housing subsidies were the most effective way to end family homelessness and showed that permanent subsidies also improved family well-being and long-term stability.

The State of Vermont must continue to look at all possibilities to ensure that the millions of dollars in federal housing subsidies received each year are fully utilized. Thus, the workgroup established by the Legislature in the spring of 2019, gathered and analyzed data and input from providers, CoC’s, affordable housing developers, housing authority staff and the Vermont Council on Homelessness and amassed a great deal of information to respond to the Legislature’s questions regarding underutilization of specialized housing voucher programs. This report represents the working group’s best assessment and analysis of all the data gathered.

Background: Housing and Urban Development Subsidy Programs

The U.S. Housing and Urban Development (HUD) provides several housing assistance programs. It is a complex system, but put simply, there are two sets of programs. The first funds programs for people experiencing homelessness, the second funds public housing and voucher programs for low-income households, including the elderly and persons with disabilities.

HUD’s Voucher Program

Housing Choice Vouchers (HCVs) known also known as “Section 8,” is the most common example of HUDs voucher programs. Eligibility for HCVs are based primarily on income. In general, income eligible households may not exceed 50% of the median income for the county or metropolitan area in which the family chooses to live. By law, a housing authority must provide

75% of its vouchers to applicants whose incomes do not exceed 30% of the area median income. Median income levels are published by HUD and vary by location.

HUD's Special Needs Housing Program

Some housing for people experiencing homelessness are funded through grants from HUD's Office of Special Needs Assistance Programs (SNAPS). SNAPS provides funding opportunities to nonprofit organizations, public housing authorities and local/State governments to quickly rehouse individuals and families experiencing homelessness through VT's two HUD-jurisdiction Continua of Care (CoC). There are two HUD Homeless Assistance programs – the competitively awarded HUD Continuum of Care program, which is applied for and awarded through the CoCs, and the formula-based HUD Emergency Solutions Grant (ESG) program. ESG funds are awarded to the State of Vermont under Vermont's HUD Consolidated Plan.

Subsidies Covered in this Report

CoC-Permanent Supportive Housing (PSH)

CoC PSH includes provides long-term rental assistance and supportive services for persons experiencing homelessness and a disabling condition of long duration, primarily those with serious mental health challenges, substance use disorders, and related diseases. CoC program-funded projects must have written agreements with service providers to commit at least 25% in match funding derived from non-HUD CoC eligible sources. CoC Program participants must have access to an adequate level of services which are appropriate to their level of need. Potential CoC Program-funded projects must be prioritized by the CoC and chosen/funded by HUD, in competition with over 400 CoCs nationwide, as part of an annual HUD CoC Notice of Funding Availability competition.

CoC-PSH may provide rental assistance through:

- Tenant-based Rental Assistance (TBRA), which provides rental assistance to persons experiencing homeless in market rate apartments in the community. Tenants with TBRA may retain the assistance if they move to a different apartment;
- Sponsor-based Rental Assistance (SBRA) provides rental assistance through contracts between the grant recipient and a private nonprofit sponsor or community mental health agency that owns or leases units in which participants reside; and
- Project-based Rental Assistance (PBRA) provides rental assistance to the owner of an existing structure where the owner agrees to lease the units to people who have experienced homelessness. Tenants living with PBRA are not able the assistance with them if they move; the rental assistance stays in the building for the next tenant. All current CoC Programs are limited to a 1-year grant term; new projects may request longer grant terms.

CoC Rapid Rehousing (RRH)

CoC RRH is defined by HUD and the U.S. Interagency Council on Homelessness (USICH) as “an intervention designed to help individuals and families to quickly exit homelessness and return to permanent housing” and specifies three core components that should be part of a rapid re-housing program:

- Housing Identification
- Rent and Move-in Assistance
- Rapid re housing case management and services¹.

CoC RRH provides short- (up to 4 months) or medium term (up to 24 months) rental assistance. Rapid Re-housing can be used to serve a variety of populations, including youth, individuals, families, and veterans.

Federal guidance for RRH issued in 2012 clarified that RRH is supposed to follow a “Housing First” philosophy which means that households should not be subject to restrictive eligibility criteria intended to “screen-out” households based on sobriety, employment, mental health challenges and the like. RRH services are designed to resolve housing crisis, not the underlying conditions that may have caused homelessness. Households served by CoC-Rapid Rehousing (including projects operated by VSHA, Pathways VT, and Steps to End Domestic Violence) experience domestic violence, substance use disorder, mental health and other health needs. Households who receive CoC-RRH are supported to secure employment, and other income, in order to increase their ability to pay rent and sustain long-term housing stability.

The Family Unification Program (FUP)

FUP is a program under which housing assistance is made available under the Housing Choice Voucher (HCV) program in partnership with the Public Child Welfare Agency (PCWA) to two groups:

1. Families for whom the lack of adequate housing is a primary factor in the imminent placement of the family's child, or children, in out-of-home care; or the delay in the discharge of the child, or children, to the family from out-of-home care; and
2. Youth at least 18 years and not more than 24 years of age (have not reached their 25th birthday), who left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in Section 475(5)(H) of the Social Security Act, and are homeless or are at risk of becoming homeless at age 16 or older. As required by statute, FUP voucher issued to such a youth may only be used to provide housing assistance for the youth for a maximum of 36 months².

To be eligible for funding, the local Housing Authority, the PCWA and the CoC must enter into a Memorandum of Understanding (MOU) that demonstrates how the entities will work in partnership to identify, house and serve eligible families. For FUP-eligible youth, HUD requires the CoC to integrate the prioritization and referral process into the coordinated entry process³. A list of other Federal Housing Subsidies in Vermont, not subject to this inquiry, can be found in the Appendix A.

¹ Understanding Rapid Rehousing: Systematic Review of Rapid Re-housing Outcomes Literature, U.S. Department of Housing and Urban Development, Office of Policy Development and Research (July 2018)

² https://www.hud.gov/sites/dfiles/PIH/documents/FUPNOFA2017_2018FR-6100-N-41.pdf

³ FUP for families are the subject of this report, not youth because VSHA and DCF have elected to use most of their FUP award for families.

Federal Trends Impacting Utilization Rates Vermont

In recent years Housing and Urban Development (HUD) has shifted their policies to focus on ending homelessness. In so doing, HUD has encouraged the use of all federal subsidies to target households who were formerly homeless or at-risk of homelessness. This is demonstrated by HUD's NOFA process for non-CoC housing subsidies, like Family Unification Program Vouchers, and/or the Mainstream voucher program or "811," both of which gave preference to applicants (PHAs) that demonstrated support services would be made available to serve households receiving subsidies.

Targeting subsidies toward higher need populations with the goal of ending homelessness is an idea supported by the Vermont Plan to End Homelessness. However, without additional service capacity, it is challenging to provide housing case management services for any and all households receiving a federal subsidy. Importantly, not *all* low-income households need access to the kind of one-on-one case management services made available to households with CoC-RRH or CoC-PSH "S+C". Rather, these intensive housing case management is typically preserved for households who cannot access services through traditional channels in the community.

Assessment of Current System and Resources

Qualitative Data

The working group met with the following groups to discuss utilization and gather input:

- Vermont Council on Homelessness
- Chittenden County Homeless Alliance
- Vermont Coalition to End Homelessness
- Vermont State Housing Authority Field Representatives
- Vermont Housing Council
- Vermont Affordable Housing Coalition

The workgroup also conducted two surveys – for direct service staff working with people who use federal rental assistance and for property managers working in buildings where tenants may have rental assistance.

Surveys Responses

The provider survey was sent out through various channels including from AHS to Reach Up case managers, Family Services Division (FSD) staff, Office of Economic Opportunity grantees, and the Designated Agencies (DA) and Specialized Services Agencies (SSA). It was also distributed via the State's two CoC's to their members and partner organizations. Working group members at VHCB and DHCD also sent it to their broad network of affordable housing providers.

Ultimately, the working group received roughly 170 responses. Most (58%), of the survey respondents worked for Reach Up, 17% worked for a community mental health agency, DA or SSA, and 20% of respondents worked for homeless and housing providers, which includes staff working in Capstone agencies, shelters, transitional housing, permanent supportive housing, affordable housing and youth homelessness programs, a small percentage (4%) of respondents

worked for housing authorities. The proportion of respondents from various stakeholder groups are illustrated in the chart below.

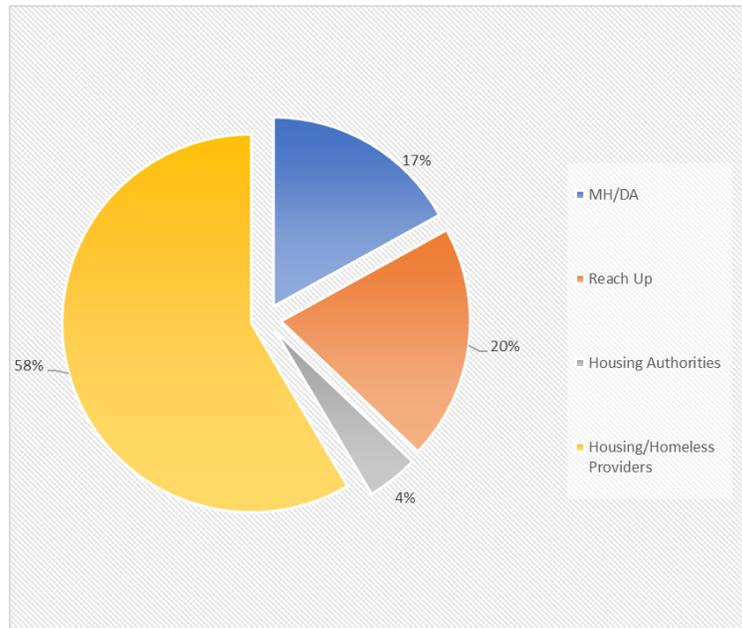


Figure 1 Provider Survey Respondents

The property management survey was distributed through the Vermont Affordable Housing Coalition (VAHC), Vermont Department of Housing and Community Development (DHCD), Vermont Housing & Conservation Board (VHCB) and Vermont State Housing Authority (VSHA). The survey was intended to help the working group learn more about what property managers are experiencing about their tenants who use specialized vouchers. Twenty-two property managers responded to the survey, roughly 80% worked for non-profit affordable housing providers and roughly 20% worked for for-profit owners. Together, the survey respondents represented roughly 900 households who currently use some type⁴ of rental assistance to help them afford their rent.

Quantitative Data

The workgroup collected quantitative data from the following sources: VHCB, VSHA, Burlington Housing Authority, Brattleboro Housing Authority, AHS departments of Corrections, Children and Families, Mental Health and Aging and Independent Living, and from the Homeless Management Information System (HMIS). HMIS is required by HUD by all entities that receive funding from the SNAPS office.

Federal Subsidy Utilization Rates and Significance

According to testimony provided to the Legislature in April 2019, VSHA underutilized federal subsidies in the amount of \$336, 648, roughly 43 vouchers or 29% of their total CoC PSH Shelter + Care (S+C) grant. Thus, VSHA’s utilization rate last year was 71 percent. That same

⁴ Most survey respondents did not know what kind of rental assistance their tenants were using

testimony stated that BHA had underutilized their CoC PSH S+C subsidies by \$206, 707 or 27 vouchers in 2017-2018, which means their grant utilization rate was only 55 percent. VSHA provided data that indicated their Rapid Rehousing subsidies were underutilized in FY 16 and FY 17. As of August 2019, VSHA was using 50 of 78 Rapid Rehousing subsidies. In other words, 28 or 36% of the voucher award were not in use – a utilization rate of 64%. HUD looks at utilization rates when determining future grant awards, so the need to keep utilization rates high is extremely important to public housing authorities (PHAs) and communities that they serve.

According to a HUD study on utilization rates, utilization is adversely affected for PHAs that received vouchers in the last two years, particularly for PHAs that received a special allocation of vouchers⁵. This is relevant because VSHA received a special allocation of 100 Family Unification Program Vouchers (FUP) in November 2018, and a special allocation of 60 “Mainstream” or 811 vouchers, in 2018 which could explain their low utilization rates that year. Additionally, a new award for Housing Choice Vouchers (HCVs) became effective at VSHA on 1/1/2019.

As of August 2019, VSHA was funded by HUD to serve a minimum of 148 households with CoC PSH S+C subsidies. At the time, the actual number of households served by VSHA with these subsidies was higher, at 169 households. This difference is due to the effective utilization of “grant savings” in which HUD allows CoC projects to serve additional households with unused funds after the minimum number of households are served. Although VSHA CoC PSH S+C were over-utilized by 14%, because of grant savings, the amount of unspent/returned to HUD remained the same.

Federal Subsidy	VSHA	Utilization Rate January 2019	Current Utilization Rate*
Shelter + Care Subsidy	148	71%	114%
Rapid Re Housing	78	N/A	64%
Family Unification Program	359	N/A	94%

*Per VSHA, August 2019

BHA has a contract for 60 Shelter + Care subsidies and as of September 2019, 42 subsidies were in use, a utilization rate of 70%. According to this study, HUD considers anything less than 90% utilization as “low.” However, it should be noted, that the research referenced, studied utilization in the Housing Choice Voucher program, in which eligible applicants do not have to have a disability, or be considered literally homelessness, thus utilization rates may be generally higher in that program.

⁵ <https://www.huduser.gov/Publications/PDF/utilization.pdf>

Federal Subsidy	BHA	Utilization Rate 2017-2018	Current Utilization Rate*
Shelter + Care	60	55%	70%
Family Unification Program	385	95%	95%

*Per BHA, September 2019

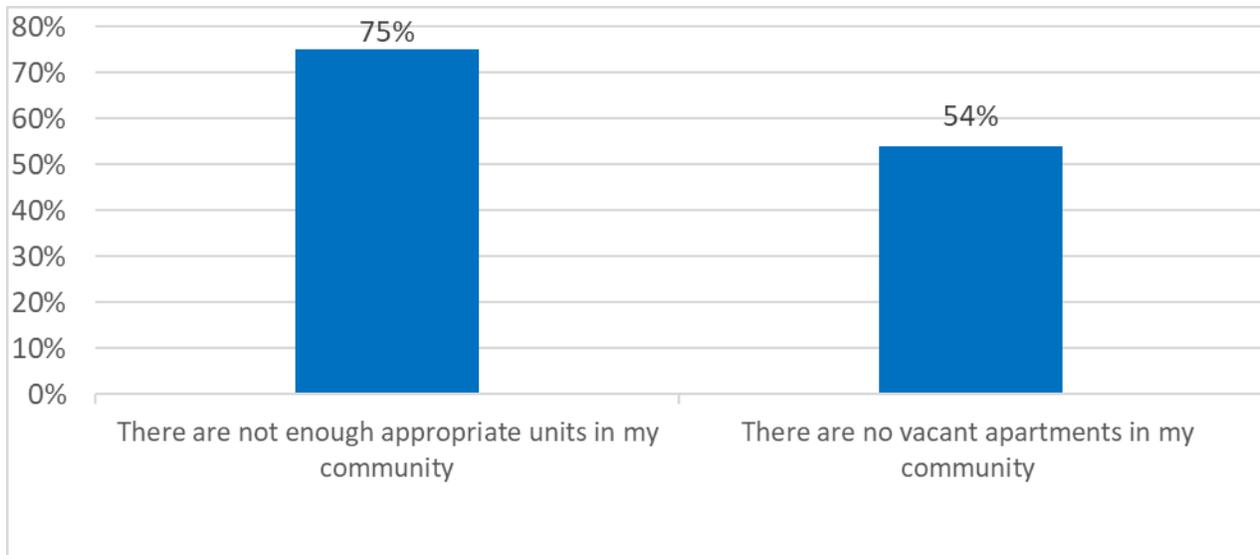
BHA also administers FUP vouchers. Utilization of this program has remained steady at 95% over the last several years. In order to be eligible for additional FUP vouchers in the future, HUD requires PHAs to maintain a 90% utilization rate. By this standard, BHA is performing well in this program.

Factors Impacting Utilization Market Conditions

The HUD study also found that unfavorable market conditions, such as low vacancies and lower quality housing stock adversely affect utilization. These conditions are affecting all communities, but most prominently in Chittenden County, served by the BHA. The vacancy rate in Burlington was 1.59% in 2017 compared to 3.67% statewide, and 6.18% nationally⁶.

This is consistent with the responses from the Vermont provider survey conducted in conjunction with this report, where 75% said the reason they could not get clients into housing was that there were not enough appropriate units in their community and / or there were no vacant apartments (54%).

⁶ <https://www.census.gov/programs-surveys/acs/>

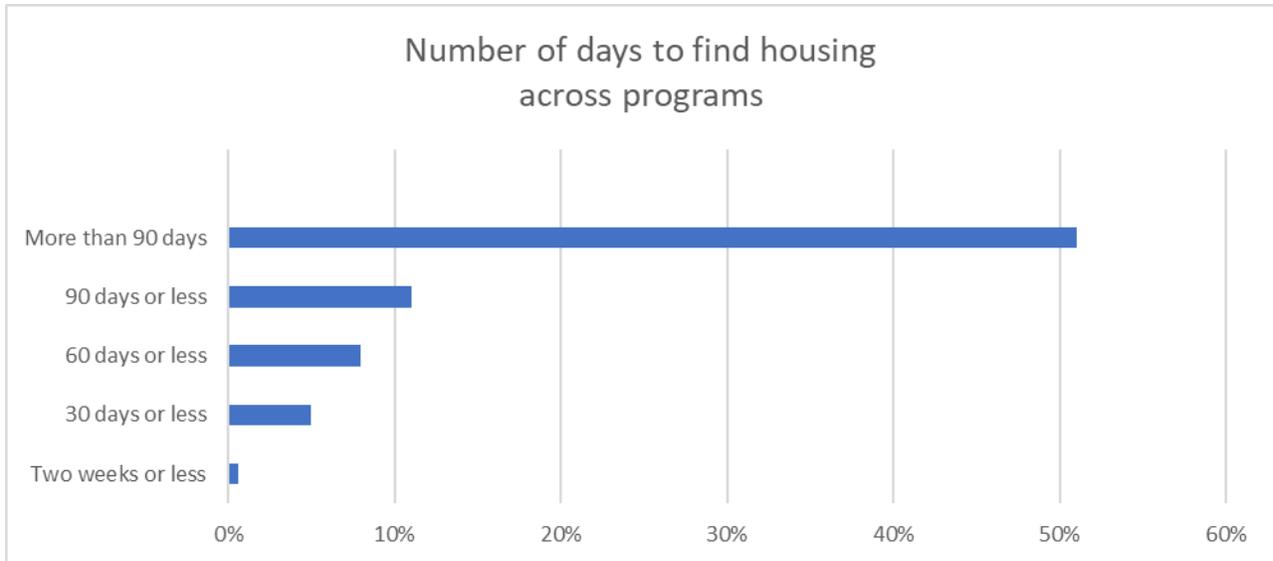


Shortage of Units, Delays in Access

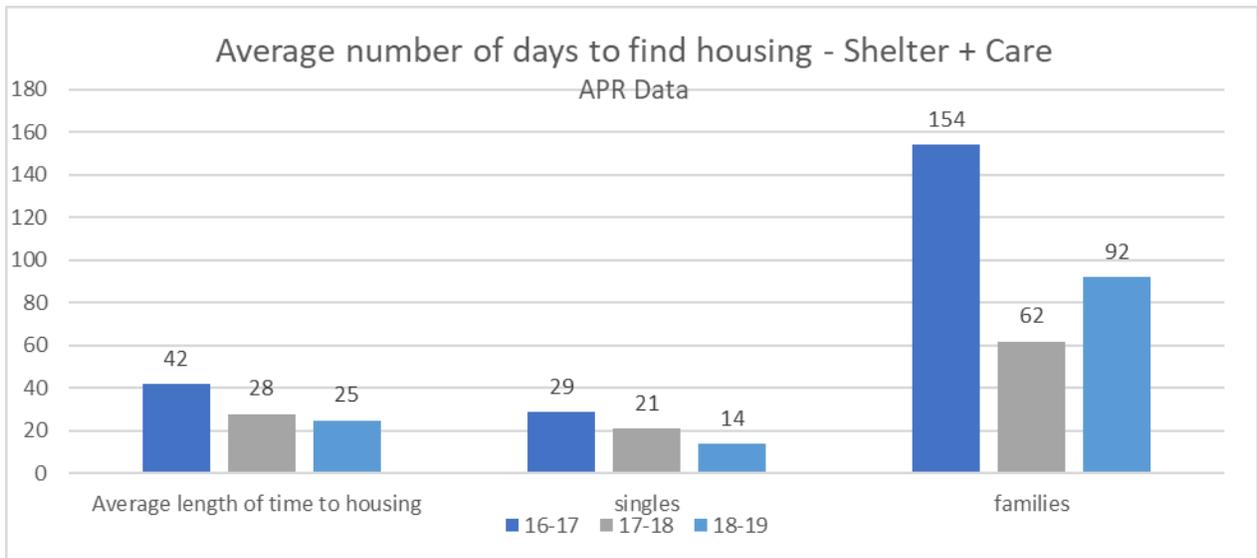
Quantitative and qualitative data demonstrate that identifying suitable housing for participants takes a long time, across all subsidy programs studied by the workgroup. This is important because the inability to house people quickly, slows down providers’ ability to utilize subsidies and contributes to subsidy loss at the end of the grant year. For example, a provider has capacity to serve a new tenant and accepts a new subsidy from the Housing Authority, it then takes the provider 3 months to house the eligible applicant. The tenant now uses 9, instead of 12, months of rental assistance available, leaving the equivalent of 3 months’ rent unused. These dollars go back into the “pot” of subsidy dollars for other eligible tenants. However, if delays persist and other clients cannot use 12 months of subsidy, the amount of the unused subsidies are compounded, and the result is unused funding. Unused project funding goes back to HUD at the end of the 12-month grant year.

Delays to Access Housing: Details by Subsidy Program

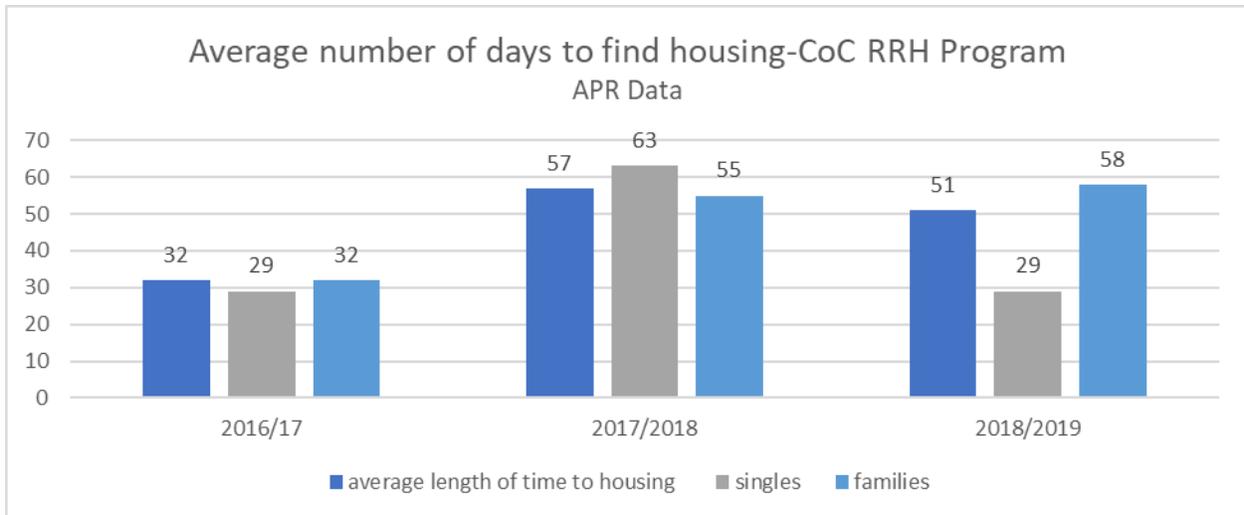
According to survey respondents, more than 50% believe it takes more than 90 days to find housing for people using CoC-PSH “S+C”, CoC-RRH or a FUP voucher.



The length of time it takes to house someone according to Annual Program Review (APR) data collected for HUD CoC programs each year is consistent with the provider survey results regarding families but not singles in the Shelter + Care program.



APR data on CoC-RRH households shows the number of days to find an apartment was slightly lower than reported in the survey. However, the APR data demonstrates that it took families with CoC-RRH subsidies nearly twice as long in the last two fiscal years to become housed than the 30-day benchmark set for Rapid Rehousing programs by the National Alliance to End Homelessness.



Factors Impacting Utilization- High Need Population

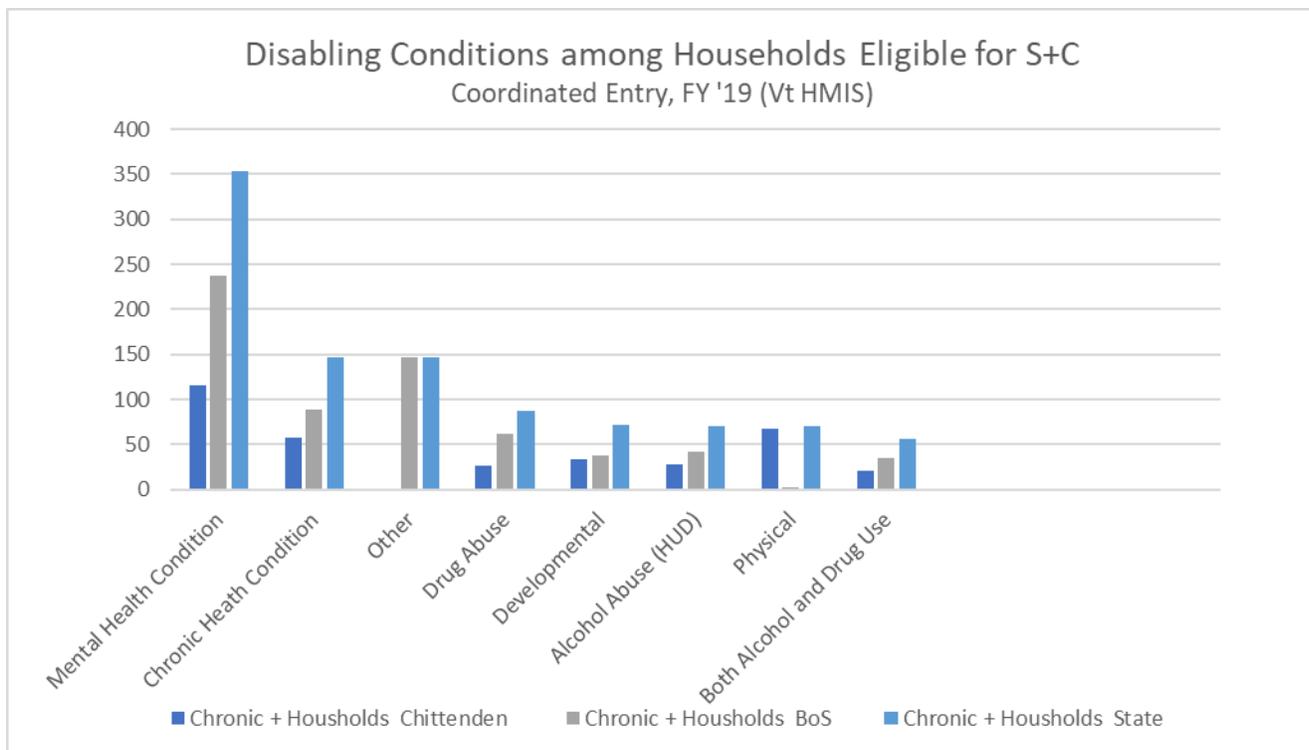
The “specialized” subsidies that are at the center of the Legislature’s request are more challenging to use than traditional HCVs. The reason they are specialized is because HUD recognizes that not all low-income people have equal access to resources. These subsidies were designed with special features to facilitate access and enrollment for higher need populations. CoC-PSH S+C was designed for the most vulnerable households who, but for the subsidy *and* support services would remain homeless for long periods of time. CoC-PSH S+C is the most expensive and intensive housing intervention, therefore HUD targets it to those most in need by creating a triage of eligibility prioritization to first serve those with the longest episodes of literal homelessness and highest needs.

CoC-PSH (“S+C”) Eligibility and Scope of Need

Eligible households are those who have experienced literal homeless for 12 months (continuously or cumulative over four episodes in the last 3 years) and have a long-term disabling condition that effects their ability to live independently.

In Chittenden County there were 545 literally homeless households in FY ’19, of which, approximately 165 met the eligibility criteria for Shelter+ Care, or 30% of the total homeless population in the county.

Within the Vermont Balance of State CoC, there were 1102 literally homeless households in FY ’19. Of those homeless households, approximately 310 or 28% met the eligibility requirements for Shelter + Care.



CoC Rapid Rehousing Eligibility and Scope of Need

RRH is designed to serve households who are experiencing literal homelessness, with or without disabilities. This resource was expanded by HUD after research determined that a short-term subsidy and less intensive case management services reduced homelessness and the use of transitional housing⁷.

The VSHA Rapid Rehousing Program FFY16 (10/1/2017 - 9/30/2018) served 207 persons, of which 57 (28%) were identified as entering the program with a disabling condition [per APR data] and CoC-HMIS data shows that roughly 70% of all households known to CoCs (through the Coordinated Entry Lists) also have a disability. Therefore, we can surmise that households with RRH vouchers are facing many of the same barriers to getting into housing as S+C recipients.

Willingness to Rent to Challenging Population

The general sentiment among all the survey respondents, members of the Council on Homelessness, Continuum of Care lead agencies and VSHA field representatives is that the population served by all specialized subsidy programs face significant barriers to securing a unit in a tight rental market.

Sixty-three percent (63%) of provider survey respondents said, “Prior evictions prevent my clients from getting housed because landlords will not rent to them”, and 40% of respondents

⁷ The study found that Rapid Rehousing costs less than the usual care families would have received on their own in the community and was much cheaper than transitional housing. way to end family homelessness and showed that permanent subsidies also improved family well-being and long-term stability.

said that, “Criminal histories are a barrier to landlords’ willingness to rent to my client.” Prior evictions, bad credit, very low income, poor or no rental histories, housing discrimination and criminal history present barriers contribute to delays in finding housing, and factor into low utilization of specialized subsidies.

However, most survey respondents, 68%, report that they do have relationships with landlords in their community and most respondents, 74%, report their relationship with landlords to be “Excellent” or “Good.”

Longer Length of Stays

Lack of available, quality units, steep competition for apartments could be made worse by longer length of stays by households living with specialized vouchers subsidies. According to the APR data, S+C and CoC RRH recipients have been utilizing their vouchers for longer periods of time over the past several years. Longer periods of time in stable housing is a desired program outcome however, it could have a negative impact on unit availability, as the landlords who are willing to rent to people regardless of subsidy or disability, but their units are occupied by subsidy recipients who moved in 2-3 years ago.

Lack of Service Capacity

Longer lengths of stay also impact caseloads. Service providers reported that the longer people stay in subsidy programs that require services; the less capacity service providers have to serve new clients who also need housing and services.

For instance, if a case manager provides support to 20 households at one time (caseload of 20), that case manager cannot take on serving a new household until another household on their caseload no longer require services. Alternatively, case managers continue to take on new clients experiencing homelessness, typically those in crisis, above their caseload norm. According to survey data, when this occurs, the case manager tends to prioritize the new client with higher needs and may focus less on clients who have already secured housing. In these situations, the level of housing retention services for existing tenants may suffer due to stretched caseloads. Inadequate housing retention services for clients with higher support service needs are at high risk for returning to homelessness.

Service Capacity

CoC S+C and RRH programs are designed for high need populations that need support services together with the rental assistance in order to remain housed. For states and communities to obtain these specialized subsidies, applicants must demonstrate a commitment of match funding equivalent to 25% of the total project award. In the CoC program, HUD has given a strong preference to funding projects that demonstrate services from other private, state or federal funding, preferring to use CoC Program funds to support subsidies. In response to the competitive award process and other factors (i.e. streamlining programs to reduce administrative burdens), Vermont’s CoCs have largely shifted project funding to focus on rental assistance. This has proven a successful strategy in maintaining and even increasing the level of federal CoC funding in Vermont.

Every year, Vermont’s two largest public housing authorities, Burlington Housing Authority (BHA) and the Vermont State Housing Authority, with the CoC’s have successfully demonstrated available service funding to meet the match requirement. However, the challenge inherent in these programs, is that, with few exceptions, there has been no dedicated additional federal dollars for services to meet this mandate. In order to house households experiencing homelessness and help them stay housed, providers are relying on an existing service array, in most cases designed to implement services that may or may not be of the manner, in the form, or intensity required to help vulnerable people access permanent housing and help them remain safely and stably housed.

Service Capacity and Need

As noted above, households prioritized for CoC S+C and RRH by design, have been determined to have the highest needs by HUD. To ensure communities are using these subsidies and the services that are required for the target population, HUD requires, and Vermont has taken painstaking measures to ensure, that homeless households are being assessed accurately, and processed in a coordinated fashion through the Coordinated Entry Systems (CES) operated separately by the two CoCs. Coordinated Entry provides a uniform way to identify and assess the needs of households experiencing homelessness and prioritizes households for the appropriate program based on those identified needs. Coordinated Entry ensures equitable access to limited resources and targets those resources through a defined prioritization policy across the CoC. The workgroup heard many anecdotes from service providers of instances when subsidies were available to use in a local community, but services were not available or not appropriate for the potential tenant.

In order to understand this better, the workgroup asked the Coordinated Entry lead agencies to review their lists of homeless households eligible for CoC PSH -S+ C and/or CoC RRH, and report back how many households were eligible but could not be served due to lack of service capacity or alternatively, how many households were on the list but could not be served due to lack of subsidy.

Eight out of 12 agencies reported back that approximately 361 households could not be referred for housing because there was either not a subsidy or enough service capacity available in the community. There is not enough data to provide comparisons across the state, or in direct context to scale of need, however, HMIS data shows that approximately 475 households were eligible for S+C across the state in FY 19. In addition, the BoS CoC reports approximately 180 households were eligible for RRH in FY 19.

Therefore, with incomplete data and some communities not reporting, we can *roughly* estimate that our system cannot serve 55% of the households eligible for CoC S+C or RRH because there is a lack of service capacity or subsidy in the communities where they are needed.

Specialized Voucher	Number of Households
----------------------------	-----------------------------

Eligible for S+C	475
Eligible for RRH (BoS)	180*
Approximate total eligible	655
Cannot be served**	361**
Percent of eligible households not served	55%

*Chittenden County CoC does not collect data on those eligible for RRH; thus, an undercount statewide

**This does not include 4 of the 12 communities that collect this data, thus an undercount statewide

Match Services Funding (S+C, RRH)

Each year, the federal match requirement for CoC PSH S + C and CoC RRH is met and documented. As stated previously, the match required is 25% of the subsidy grant. As an example, last year VSHA’s S+C grant was \$1,792,442 and the 25% service dollar match required was \$448,111.

FY 19

Housing Authority	Shelter + Care Grant	HUD Required Service match	RRH Grant	HUD Required Service Match
VSHA	\$1,792,442	\$488,111	\$969,071	\$270,000
BHA	\$636,360	\$159,090	N/A	N/A

Service providers provide a letter to Housing Authorities demonstrating that they can commit a specified amount of their existing funding as the required match. During the grant term, service providers must carefully document all the services they are providing for CoC RRH and S+C tenants to demonstrate the provision of services and the level of required match.

Housing Support Services funded by the Agency of Human Services

The Agency of Human Services invests in a number of programs, services and rental assistance that support highly vulnerable Vermonters with a variety of complex needs. Most of the housing-related investments combine some level of services and temporary rental assistance to facilitate housing placement and stability. Below is a list of programs by Department.

Department for Children and Families (DCF)

DCF makes the largest investments in housing supports and services. In FY’20, DCF awarded approximately \$7.1 million in federal and state funding under the Housing Opportunity Grant Program (HOP) to thirty-nine non-profit organizations across Vermont.

HOP funding supports grantees to operate emergency overnight shelter; provide essential services to shelter guests; provide transitional housing where appropriate; short-term rehouse

homeless individuals and families; and prevents individuals and families experiencing a housing crisis from becoming homeless.

In SFY20, half of funding awarded under HOP provides core support for emergency shelters throughout the state, 22% pays for homeless prevention and 16% supports rapid re-housing, including short- and medium-term rental assistance. The remaining dollars support coordinated entry to streamline client access to resources; and funds the Homeless Management Information System (HMIS) required by HUD. HOP funding in the chart below only represents medium term rental assistance and housing prevention services as those are the most applicable, and most leveraged by S+C, RRH and FUP providers.

The Family Supportive Housing (FSH) program which funds 7 districts to place families experiencing homelessness in housing and provide on-going intensive case management and service coordination to support housing stability. Family Supportive Housing prioritizes families with DCF (child welfare) involvement, multiple episodes of homelessness and children under age 6.

The Youth Development Program, which provides housing supports and short-term rental assistance to young adults aging out of foster care.

The Vermont Rental Subsidy (VRS), a 12-month subsidy targeted primarily to families on Reach Up. VSHA and ESD have worked together to create a “bridge” arrangement whereby families with VRS who continue to need rental assistance after the 12-month period are prioritized for Housing Choice Vouchers (HCV).

ESD grants also support housing navigation and housing-related case management services in four AHS districts, and a limited number of transitional housing units.

The General Assistance Emergency Housing program for people who cannot access emergency shelter and meet certain eligibility requirements. However, the cost of this program is not included in the chart below, as funds are used to pay for motels and cannot be leveraged to support the kind of services needed for CoC S+C, RRH and FUP households.

Department of Mental Health (DMH)

DMH administers the Community Rehabilitation and Treatment (CRT) Housing Support Fund to keep people with serious mental health issues, stable in the community. The CRT Housing Support funds temporary rental assistance that can be used as a “bridge” to a permanent subsidy administered by the housing authority it also funds other short-term assistance needed to keep people out of mental health crisis and hospitalization.

The Subsidy + Care program is administered by DMH and was modeled after HUD’s Shelter + Care program to serve homeless Vermonters in mental health acute care beds or those individuals who are homeless and at serious risk of needing an acute care bed. Subsidy + Care provides tenant-Based rental subsidies; which are administered by the Vermont State Housing Authority (VSHA). Treatment Services for Subsidy + Care are provided by community-based organizations funded by DMH to serve people with serious mental illness.

The PATH program is administered by DMH and finds outreach and case management for homeless adults with mental health and/or a substance use disorder (SUD).

Department of Corrections (DOC)

The DOC supports medium term rental assistance (12-24 months) to facilitate community integration and housing stability for individuals after incarceration. With the rental assistance, DOC also funds intensive case management to help individuals find and maintain housing, as well as mental health and substance use treatment, and vocational support. DOC support comes in the form of a tenant-based rental subsidy to be used in the community. Service funding is granted to community-based providers for individual case management and funds a number of transitional housing placements.

Vermont Department of Health (VDH)

The Division of Alcohol and Drug Abuse Programs (ADAP), a division within the Department of Health (VDH), funds transitional housing and on-site case management services for people leaving residential treatment who want to live in a “sober” environment.

VDH also funds the Housing Opportunities for People with AIDS (HOPWA) program administered by the Vermont State Housing Authority (VSHA). The rental assistance is intended to help someone become permanently housed while awaiting a federally funded HOPWA voucher.

The chart below provides the amount of funding designated for housing-related services and rental assistance in each program. Please note, this list includes funding for programs that serve households similar to those who would be eligible for S+C, CoC RRH and FUP. The list does not include facility costs of single-site settings like transitional housing. It also does not include funding for emergency shelter operations or services based in shelters.

AHS Housing -Services and Rental Assistance Funding by Department

<u>Department/Program</u>	<u>Housing-related Services</u>	<u>Financial & Rental Assistance</u>
DMH CRT Housing Support Fund	\$906,398	\$519,248
DMH PATH Program	\$390,933	
DCF/OEO HOP Rapid Re-housing – Retention Services and Financial/Rental Assistance (includes HUD ESG funds)	\$453,309	\$590,892

DCF/OEO HOP Homelessness Prevention Services and Financial/Rental Assistance	\$573,985	\$787,914
DCF/OEO HOP Coordinated Entry Assessment and Housing Navigation Services (includes HUD CoC funds)	\$898,000	
DCF/OEO Family Supportive Housing	\$727,200	
DOC Transitional Housing	\$4,297,867 *	\$552,451
VDH/ADAP Transitional Housing	\$854,916	
DCF/ESD Reach Up Housing Case Management	\$277,502	\$30,000
DCF/FSD Youth Development Program	\$160,000	\$240,000
VDH HOPWA Bridge Subsidies		\$229,600
DCF/ESD Vermont Rental Subsidy		\$1,000,000
Total	\$10,941,295	\$3,149,479

*Funds services to residents in transitional housing facility, does not allow for community-based housing case management; although housing navigation for residents is provided. OEO works in close partnership the VCEH and the CCHA to ensure that AHS resources (state and federal) are targeted to have the strongest collective impact. HOP grantees all work as part of their local homeless CoC to coordinate services and housing for people experiencing homelessness in their community. As both the Chittenden Homeless Alliance and Vermont Coalition to End Homelessness shifted CoC funding away from services towards rental assistance, HOP funding has shifted to expand funding for housing-related services.

Services Funding Case Studies

The data above demonstrates that there is still a need for serving very vulnerable households. However, looked at another way, Vermont providers are serving 45% of the households that need permanent housing and some level of services without dedicated funding.

In general, some larger agencies, especially, Specialized service Agencies (SSAs) and Designated Mental Health Agencies (DA), can bill Medicaid for support services like case management and clinical mental health support services. Although this is not straightforward because many DAs and SSAs are limited to serving people with certain mental health conditions,

and some are limited to the confines of traditional mental health counseling. Therefore, many organizations find that in order to provide case management services that can be tailored to the unique needs of homeless households, they must draw from other sources.

In other examples, organizations are leveraging services (roughly 40-100% are AHS-funded) to support formerly homeless households eligible for CoC-PSH, CoC-RRH and FUP. Below are examples of how health agencies and leverage DMH, DOC and DCF funding for services.

The first case example below, demonstrates some providers’ ability to seamlessly braid together HOP, PATH and FSH to support households with a myriad of subsidies, including high-need households with RRH, S+C and FUP.

Organization A

This organization funds 5 full-time staff who support people on rental subsidies as a part of their responsibilities. These workers provide housing retention services to 45 households (number fluctuates) with state or federal rental subsidies requiring case management. This organization leverages 100% of funding from AHS, Department of Mental Health through the PATH program, and Subsidy + Care and through the DCF funded HOP program Lastly, this organization is a Family Supportive Housing provider, and leverages FUP subsidies for that housing services-only grant.

Funding Source	Amount
PATH	71,352
HOP (2 positions)	91,396
FSH (2 positions)	134,000
Total	296,748

Subsidy Source	Vouchers
CoC-RRH	1
DMH Subsidy + Care	4
FUP	11
HOP	11
Mainstream vouchers/811	1
VT Rental Subsidy	1
CoC-PSH “Shelter + Care”	16
Total	45

Organization B

The second case study, Organization B, receives HOP funding but in this case, the HOP dollars are granted for emergency shelter. The full-time case manager is embedded in the shelter facility and is focused on day-to-day operations. In addition, the organization’s DOC funding is also used for an embedded case manager, in this example, for DOC-funded clients living in single-site permanent supportive housing program. While these resources are used for housing case management supports, they cannot be used to support households with subsidies in the

community. Neither of these AHS-funded services can be leveraged services for federal subsidies.

Organization C

This smaller organization predominantly provides emergency shelter, street outreach and housing navigation services. It serves CoC RRH and S+C households with funding from the Department of Mental Health (DMH) and the Department of Children and Families (DCF), as well as funding from their local United Way and other private funding sources. This organization leverages roughly 39% of the funding they receive through AHS, predominantly for homeless outreach and for housing navigation services. Private donations pay for 58% of the services provided to S+C and RRH tenants.

Organization B Funding Sources	Amount	Estimated Amount that can be leveraged for S+C/RRH	Estimated amount that can be leveraged from AHS funding	%
Department of Corrections (case manager serving DOC clients in housing)	\$50,000	\$0	\$0	
Local United Way	\$5000	\$5000	N/A	
Private Donations	\$114,150	\$114,150	N/A	
DCF	\$50,000	\$50,000	\$50,000	
HOP (emergency shelter)	\$50,000	\$0	\$0	
DMH (PATH)	\$27,200	\$27,200	\$27,200	
Total	\$296,350	\$196,350	\$77,200	39%

Organization D

This organization funds staff primarily with funding from DMH to serve households that are eligible for Shelter + Care. However, this limits who they can serve to those who meet CRT criteria. They also leverage some funding from a grant they receive from DOC, and piecemeal other case management services through funding from the United Way, Community Development Block Grant and from University of Vermont Medical Center (UVMCC). This large agency provides mental health and other community support services. They serve households with Shelter + Care, through Medicaid (44%), various program funding (51%), and 6% from private fundraising.

Service Capacity, Family Unification Program Vouchers

In the case of FUP, there is not a service match required in the way that they are in RRH and S+C. FUP is a Housing Choice Voucher that requires an MOU between the PCWA, the Housing Authority and the CoC. Communities that demonstrate they will provide services to families in the FUP program for 12 months, are given priority for the federal award (as reflected in HUDs 2018 NOFA for FUP vouchers).

In Vermont, the FUP MOU stipulates that VSHA will take referrals from DCF, process applications and issue vouchers, and DCF must provide 12 months of case management services for FUP recipients. Case management services are defined as at least one in-person meeting per month.

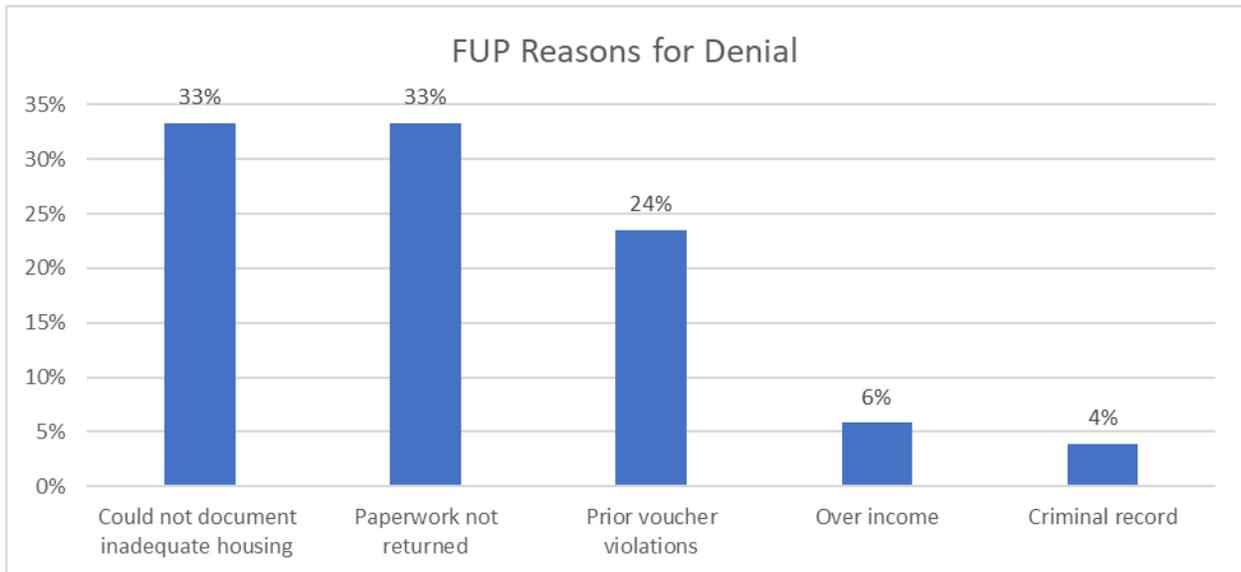
Again, there is no dedicated funding for FUP case management services. DCF leverages case management services they already provide to families via Reach-Up, Family Services and the Family Supportive Housing Program to ensure FUP families are supported for 12 months after move-in.

One challenge with leverage of Reach Up case management and Family Services workers is that a time that a family is enrolled in Reach Up or involved with Family Services may not align with the 12 months of services required alongside a FUP voucher. Reach Up enrollment and case management support can end prior to 12 months as can FSD services. In both cases, FSD and ESD Reach Up staff have limited training to help families to access housing or maintain their housing long-term.

Service Capacity, Impact on FUP Utilization

The workgroup learned anecdotally that service capacity limits access to FUP vouchers. Referrals for a FUP require a housing case management commitment, and limited capacity means that some families eligible for and in need of a FUP are not referred due to a lack of housing case management. Although utilization of FUPs is not at low, lack of case management may prevent equitable access to this important resource for households with high needs. The workgroup examined data from VSHA that demonstrates FUP utilization is being impacted by the inability to secure housing units, as also seen in the CoC S+C and RRH programs. As of August 2019, 53% of the 236 families that have applied for FUP with VSHA since November 2017 have been able to lease an apartment, 47% have not. Of those that were able to lease up, almost half (44%) were not able to secure an apartment for 90 days or more. Of the families that did not lease an apartment, 18% were simply unable to find an apartment before the voucher expired.

VSHA data showed that since 2017, 46% of applicants were denied a voucher. In 33% of these cases, households were denied a permanent subsidy because they did not return required paperwork. Paperwork typically includes bank statements, pay stubs, birth certificates and the like. Many families who have been unstably housed are challenged to find this kind of vital information, however, case managers can easily help families find, or order (and pay for) lost documents if needed.

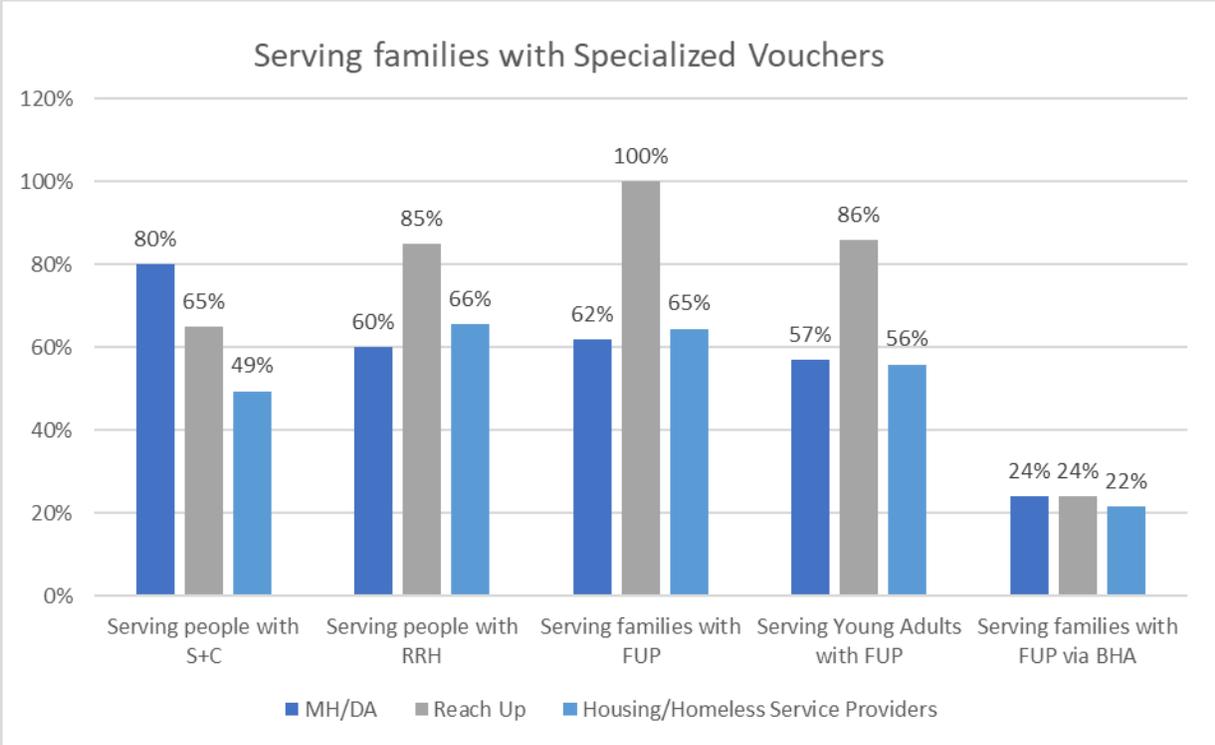


Family Supportive Housing: A bright spot for families with FUP

This is an example of where the type and intensity of services align well with the FUP program – Vermont’s Family Supportive Housing (FSH) program provides intense case management services to help homeless families with child welfare involvement, find and maintain permanent housing. In addition, FSH service coordinators work on any number of challenges families might have to achieve long term family stability. FSH service coordinators work with families to support them to end their involvement with FSD, keep their families intact, or bring children home from foster care; they may also be helping families to increase their income, find child care, and address mental health or substance use issues. Family Supportive Housing can also maintain a service relationship with a household based on the household’s level of need, regardless of a household’s changing eligibility in other programs.

Service Capacity, Current Services and Service Delivery

The working group used the provider survey to determine what services kind of services are generally being provided to households with specialized subsidies. Most of the survey respondents were serving households with specialized subsidies. There were some differences between which service providers were serving households by subsidy. For instance, per the chart below, designated mental health agencies appear to be serving more households with a S+C than other specialized subsidies, and Reach Up case managers appear to be serving more households with FUP than others. Neither of these results are surprising since mental health issues are the primary disabling medical condition among chronically homeless households eligible for S+C and since many families who are eligible for Reach Up are also eligible for FUP.

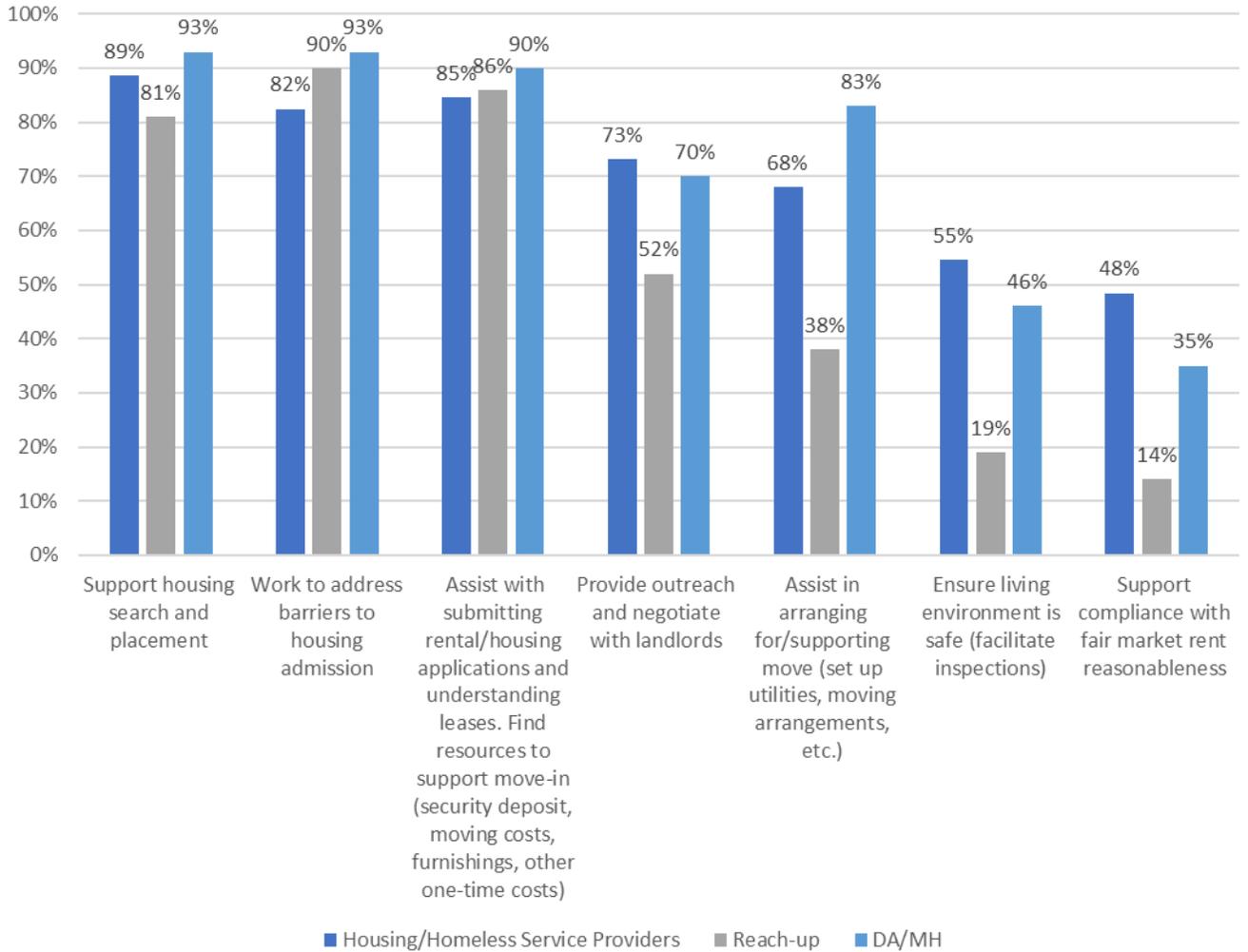


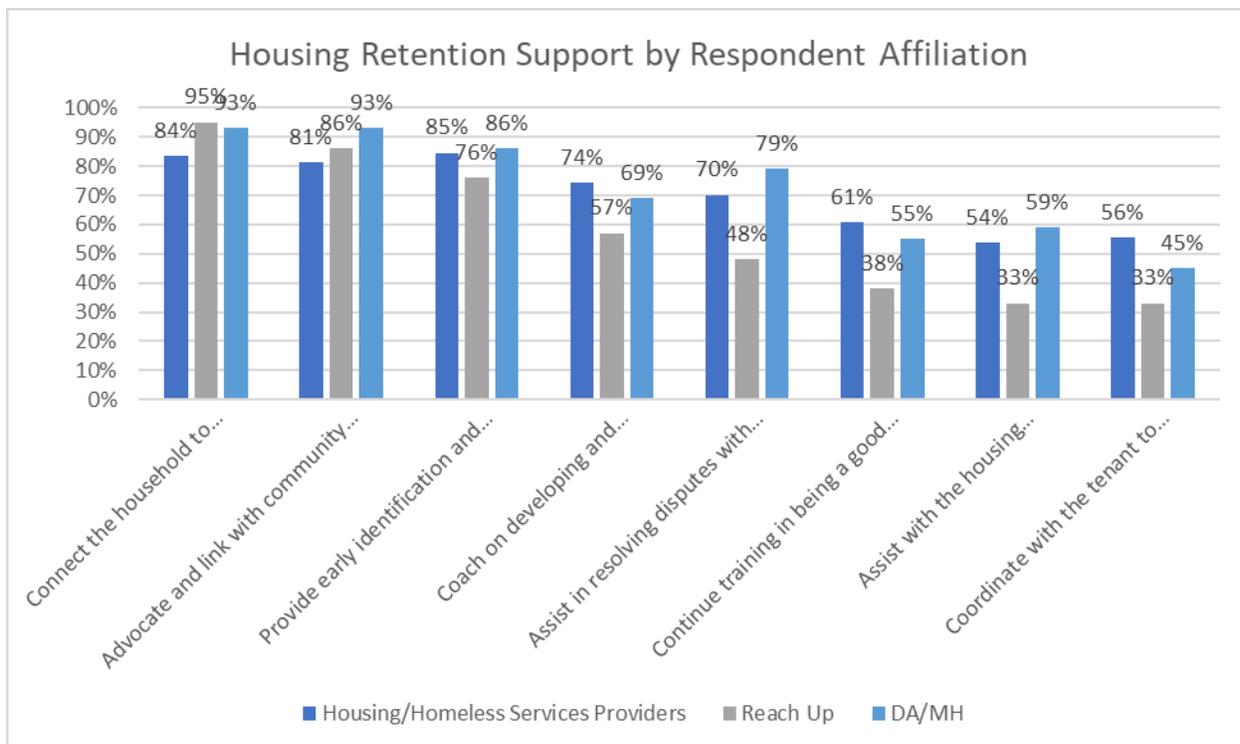
Housing Services

Survey respondents were asked to describe the services they provide to people with specialized housing subsidies. These activities were grouped into two categories, Housing Navigation and Move-in Support and Housing Retention.

According to the survey, between 80-93% of respondents are supporting housing search and placement, helping to address barriers to admission into housing, and assisting to submit applications, pay for move in costs and help tenants understand lease requirements.

Housing Navigation and Move-in Support by Respondent Affiliation





In addition, most service providers that responded to the survey, no matter what their organization or agency, are providing some level of housing retention services. However, among all groups, the percentage decreases somewhat when it comes to helping tenants maintain relationships with landlords/property managers, assist in resolving disputes with landlords and neighbors, and providing on-going support with household management and addressing on-going challenges.

Housing Supply

State and Federal Funding for Affordable Housing

The vast majority of the state’s housing budget comes from federal resources, private equity from housing tax credits, and housing revenue bond funds. In 2018, State funds comprised only \$21.3 million of the combined total of \$162.8 million of funding for affordable housing in Vermont. In addition, \$2.5 million of the State’s property transfer tax revenue and \$785,000 in State housing tax credits supported \$20.6 million of the \$71.5 million used for housing development⁸.

These resources reside primarily in five agencies: The Department of Housing and Community Development (DHCD) of the Agency of Commerce and Community Development, the Vermont Housing and Conservation Board (VHCB), the Agency of Human Services (AHS), the Vermont Housing Finance Agency (VHFA) and the Vermont State Housing Authority (VSHA). In addition to these statewide organizations, affordable housing projects and services in Vermont

⁸ Department of Housing and Community Development, ACCD

are largely provided by a decentralized group of local, regional, and state affordable housing developers and non-profit community-based organizations that cover the entire state.

State Funding for Housing Development

The workgroup gathered data regarding the number of units VHCB has developed in recent years to serve formerly homeless tenants. It indicates that a sizeable portion - 1,013 units or about 18% of all rental-housing units owned by the State’s 10 regional and statewide non-profit housing providers, are leased to previously homeless households, as well for older Vermonters and people with disabilities. This data is in the chart below.

Organization	# affordable rental units	# units rented by households homeless at time of application	% occupied by households previously homeless
A	227	36	15.9
B	1725	296	17.2
C	908	137	15.1
D	387	78	20.2
E	306	57	18.6
G	268	45	16.8
H	503	69	13.7
I	348	83	23.8
J	182	47	26.1
K	804	165	20.5
Total:	5658	1013	17.9

In addition to units in the above table which are integrated into multi-family rental housing, VHCB has also made significant investments in “specialized housing”, those projects which are specifically targeted to homeless or other vulnerable populations.

Vermont’s Housing Revenue Bond

The State recently made an important investment in affordable housing, through Act 85 in 2017 – the Housing for All Revenue Bond (HRB) –administered by VHCB. VHCB is awarding \$37 million in HRB proceeds in the form of grants and loans over three years. The bond proceeds are used by VHCB to fund the development and rehabilitation of owner-occupied and rental housing for Vermonters with very low to middle incomes. In FY2018, VHCB awarded \$17 million in HRB funds to housing developments.

A total of 748 affordable housing units have been funded and approximately 42% of these units are targeted to households with incomes at or below 50% of area median income (AMI). VHCB had proposed using \$4 million of the bond proceeds specifically for permanent supportive housing. By the end of September VHCB will have funded 47 PSH units in 4 projects with \$1.4 million in HRB funding.

Vermont’s affordable housing network is clearly an important partner as we consider federal subsidy utilization. The State’s affordable housing developers are mission driven and provide quality housing. Further, the regional housing non-profits were encouraged through Executive Order No. 3-73 (“the Executive Order”) to “make available at least 15% of their housing portfolio to homeless families and individuals including those with special needs...”⁹ and the data above demonstrates that all of the providers are meeting or exceeding that goal. However, feedback from property managers and the Housing Council indicates that more support is needed to ensure tenants living in affordable housing can maintain housing stability. Over half of the property managers surveyed said that support services provided to tenants were “inconsistent, that sometimes services were adequate and sometimes they were insufficient”¹⁰. All the property managers thought support services were important and more than half of them attend Continuum of Care meetings, contact service providers, and use written agreements to help ensure tenants receive support.

Eviction among formerly homeless tenants

The VT Housing Council reported that eviction rates had increased since the Executive Order was enacted. In fact, Housing Vermont collected data on tenants living in one of the 3,450 units they own. They looked specifically at tenants who had been sent an eviction summons and complaint order over the past three years. During the calendar year 2018¹¹, their data indicates that while the eviction rate is overall very low, 45% of evicted tenants were previously homeless.

Tenant Status	2016	2017	2018
Previously Homeless	2%	9%	45%
Unknown	98%	82%	5%
Overall Eviction Rate	2.2%	2.2%	2.8%

The 15% goal is a critical tool to ensure vulnerable Vermonters have access to safe and affordable housing. However, the intent of that executive order is lost if tenants targeted for those units are returning to homelessness. Going forward, the affordable housing community, housing authorities and AHS, should work together to ensure that tenants with subsidies can remain stably housed and have access to the level of services they need and want.

⁹ <https://legislature.vermont.gov/statutes/section/03APPENDIX/003/00073>

¹⁰ It is important to note, that the majority of respondents did not know if they were working with tenants with specialized vouchers that require services, therefore many of their tenants may not have housing-based services.

¹¹ 2018 data is incomplete and does not represent Housing Vermont’s whole portfolio

Conclusion

Vermont is small state with a relatively high population of people experiencing homelessness. The annual Point in Time count shows the number has stayed fairly consistent over recent years, despite new initiatives and additional federal subsidies.

The State's CoC's have made great strides in developing a coordinated system of care in the last several years. Even with that progress and innovative efforts on the ground to collaborate and coordinate services, precious federal subsidies have not been fully utilized.

The report demonstrates that our ability to utilize subsidies to serve the most vulnerable Vermonters has been compromised due to a variety of factors such as market conditions, affordability, the availability and quality of units, voucher payment standards, service capacity, etc. In order to make an impact on utilization rates and turn the curve on the number of people experiencing homelessness we will have to address each one of these challenges in a unified, State-wide effort.

The Agency of Human Services appreciates the Legislature's leadership in pulling the workgroup together to take a deep dive into the issues.

The challenges are multi-faceted and will take leadership, hard decisions and the collaboration of all State agencies and community partners to ensure that Vermonters experiencing homelessness are able to become and remain stably housed. Every community benefits when residents are safe, healthy and connected.

Recommendations

The recommendations are organized by the root causes of subsidy underutilization identified by the Council on Homelessness:

1. Services funding,
2. Service design, delivery and coordination,
3. Housing availability,
4. Barriers to lease up and documentation.

The working group approached decision-making by consensus whenever possible however, the group decided to include recommendations that were not unanimously agreed upon. The recommendations that were not unanimously supported are marked with an asterisk below.

Service Funding

1. Explore alternative opportunities for funding supportive housing services under Medicaid and through partnerships with OneCare Vermont, while considering the ongoing Medicaid investment cap pressure.
2. Consider increased flexibility in the way the Vermont Rental Subsidy (VRS) is used to support housing stability of families receiving Reach-up. Currently VRS is an important housing resource that predominately serves Reach Up families experiencing homelessness. Maintaining this resource to support permanent housing stability for Reach

Up families is critically important. At the same time, considering the increased availability of federal rapid re-housing assistance, it may be helpful to consider more flexible options for the use of these funds to support housing stability for Reach Up families.

3. Encourage the Chittenden and Balance of State Continua of Care to include funding for housing retention services in all CoC Project Applications.
4. *Invest additional funding for housing case management services and retention via the Department of Children and Families, Housing Opportunities Program (HOP). Utilize additional service funding for permanent supportive housing programs that use a Housing First approach, used effectively by programs like Pathways-VT and Family Supportive Housing (FSH).
5. *Expand Family Supportive Housing Statewide to promote equitable access to the Family Unification Voucher program. Expanding this program from 7 to 12 AHS districts, will promote greater equity for families who are eligible for FUP vouchers, but currently cannot access them because there is a lack of service capacity.

Services Design, Delivery and Coordination

1. Better align eligibility and prioritized populations between AHS and its departments with federal and state subsidy programs (see Appendix A for state and federal subsidy programs, eligibility and prioritization requirements.)
2. Support innovative approaches to bolster housing retention among tenants who have experienced homelessness living in affordable housing. These approaches include embedding a mental health clinician on site for residents piloted by Cathedral Square and offering housing retention services, as is being done in the Housing Vermont Connection Pilot.
3. Prioritize, coordinate and streamline funding exclusively for permanent supportive housing case management services so that providers can offer the level of services required by people eligible for RRH and CoC PSH S+C. Ensure housing-related services are focused on providing intensive, low-barrier, individualized, case management services for those ranked as “highest need” on the coordinated entry list used by CoCs. Related to this is to prioritize housing support services funding for federal vouchers that require them. Research indicates that costly long term supports and permanent subsidies should be reserved only for the most vulnerable people experiencing homelessness like those eligible for S+C and RRH.
4. Create a one-stop-shop for the “three legs” of the permanent supportive housing “stool” - capital, operating and services funding. This integrated method of distributing resources will improve subsidy utilization and better leverage service dollars to ensure the most vulnerable Vermonters get the most intense resource. Make these dollars available through a statewide RFP process. This integrated approach will streamline systems, minimize/consolidate documentation requirements and facilitate the development of

affordable housing; it will also create greater transparency about the process for obtaining resources from funding entities.

5. Ensure quality and consistent housing-related services by formalizing a statewide approach to Permanent Supportive Housing and Rapid Rehousing. This would have to be developed and implemented collaboratively across VSHA, AHS and the Continuum of Care, as AHS does not contract directly with Shelter + Care or federal Rapid Rehousing providers. These entities could issue statewide guidance, practice guidelines, and offer on-going training and technical assistance for providers serving people who have experienced homelessness, including but not limited to shelters, transitional housing programs, and permanent supportive housing initiatives. In addition, provide training and guidance for staff working in non-housing specific settings, like Reach-up, Family Services, Area Agencies on Aging, Choice for Care providers, Probation Officers and others who provide direct services to AHS clients. Please note this would take resources to implement.
6. Continue and Expand “Move-On“ strategies for tenants who currently receive services through Shelter + Care but who no longer need intensive support but do require permanently affordable housing due to their fixed income. This approach increases the availability of permanent supportive housing for persons who need it most, increases service capacity, and ensures that persons exiting permanent supportive housing have access to stable and affordable housing options that maximize community integration.

Housing Availability

1. Despite great progress with the Housing for All Revenue Bond great need still exists. Data collected on conformance with the Governor’s Executive Order on Publicly Funded Housing for the Homeless indicate that public investments in affordable housing are resulting in more units being utilized by homeless. Thus, additional investments in affordable housing will house more homeless and increase utilization of specialized vouchers.
2. Allocate resources to improve the quality and conditions of existing housing stock
3. Work with the affordable housing community to develop models of expanded resident coordination. And eviction prevention efforts to ensure vulnerable households do not lose lifetime access to federally subsidized housing and / or rental assistance.
4. Continue to encourage Affordable Housing Providers to work with CoC’s to house people eligible for PSH CoC (S+C) to meet their “15%” goal. This would allow affordable housing providers to 1) increase the operating funding in their buildings through the subsidy portion and 2) ensure formerly homeless tenants have access to consistent, dedicated case management services.

Barriers to Lease up and Documentation

1. Advocate for changes at HUD at the Federal level to allow states and local communities more time to adapt to revisions it makes annually to CoC program prioritization and practice expectations.
2. Prevent vulnerable households from losing their federally subsidized housing and entering (or returning to) homelessness by ensuring eviction prevention activities are taking place in publicly funded affordable housing.
3. Combat discriminatory rental practices by some landlords who avoid leasing to applicants with housing vouchers via education and code and regulatory enforcement action
4. Encourage landlord liaison programs in communities that benefit or could benefit from the enhanced capacity to identify apartments and landlords

Appendix A

AHS-funded Housing Programs

AHS RENTAL SUBSIDY	PROGRAM GOAL	SUBSIDY DESCRIPTION	ELIGIBILITY	PRIORITIZATION CRITERIA	SERVICE STRUCTURE
VERMONT RENTAL SUBSIDY (DCF/ESD)	To provide temporary assistance that quickly moves individuals and families who experience literal homelessness into permanent housing	Rental Subsidy for 12 months. (move-on preference for federal Housing Choice Voucher (HCV.)	Eligibility: Homeless <u>and</u> receiving Reach-Up <u>or</u> SSI, <u>or</u> under 125% of FPL.	Prioritization: Points awarded in four categories: Household type; # of people in the household; current housing situation; income sources	Funding is for subsidy-only. Community partners serving as Housing Support Workers for clients do so as part of programmatic requirements
HOUSING OPPORTUNITY PROGRAM (RRH-SPECIFIC)	To provide temporary assistance that quickly moves individuals and families who experience literal homelessness into permanent housing while providing appropriate time-limited supports to help stabilize them there* (HUD and General Fund)	medium-term subsidy (short term, 1-3 months or 4-24 months)	persons experiencing literal homelessness (or category 1 or 4)	Follows CoC Prioritization	Intake and Assessment / Housing Navigation/Case Management/Retention Services
FAMILY SUPPORTIVE HOUSING (SERVICES ONLY)	Reduce the incidence and duration of homelessness through supports for families as they transition to and sustain permanent housing Focus on the root causes of a family's homelessness Promote	No subsidy provided, case management services only	Families who are literally homeless and involved in child welfare (children are at-risk of removal or where housing has been identified as a barrier to reunification)	Prioritizing factors (equally weighted): Families with Family Services Involvement (child welfare) + Multiple Episodes of Homelessness + Children Under Age 6	intensive case management (small caseload, meet with families 1-2 times per week) and service coordination to meet the needs of the families

AHS RENTAL SUBSIDY	PROGRAM GOAL	SUBSIDY DESCRIPTION	ELIGIBILITY	PRIORITIZATION CRITERIA	SERVICE STRUCTURE
	resiliency for parents and their children				
DOC TRANSITIONAL HOUSING (DOC)	To facilitate housing stability and community integration for individuals reentering the community after incarceration	Medium term housing subsidy (12-24 months)	Psychiatric disability, history of homelessness, returning to the community from incarceration, at-risk of reincarceration supervised by DOC	None	intensive case management, mental health and substance use treatment, vocational support, basic life/housing needs
CRT HOUSING SUPPORT FUND	To keep people with serious mental health issues, stable in the community	Temporary funding used as a bridge to a permanent subsidy 2) funds other short-term assistance needed to keep people out of mental health crisis and hospitalization	CRT Clients		
SUBSIDY + CARE (DMH)	To serve homeless Vermonters in mental health acute care beds or those individuals who are homeless and at serious risk of needing an acute care bed.	Tenant-Based rental subsidies; funds are granted to Vermont State Housing Authority to administer	For people with serious mental illness who are hospitalized. "Near" CRT eligible and chronically homeless & needing acute care or currently homeless in an		Treatment Services provided by Local Participating Agencies that are funded by DMH

AHS RENTAL SUBSIDY	PROGRAM GOAL	SUBSIDY DESCRIP TION	ELIGIBILITY	PRIORITIZATION CRITERIA	SERVICE STRUCTURE
		on behalf of DMH.	acute care bed.		