

To: House General, Housing, and Military Affairs
From: Wendy Morgan, Director, Housing for Everyone Law Project, Vermont Legal Aid
Re: Budgetary ideas for your consideration – September 2, 2020

Following are several ideas for your consideration as you work on your recommendations to House Appropriations for the FY21 budget and distribution of Coronavirus Relief Fund (CRF) monies.

Flexibility for DHCD in redistribution of CRF: H.966 (Act 137), in Section 11(a), awarded more than \$46 Million to the Department of Housing and Community Development¹ to distribute to a variety of partners to address housing needs arising from the pandemic. Section 11(b) on page 26 of the law provides:

(b) On or after September 15, 2020, the Department of Housing and Community Development, in consultation with the funding recipients named in this section, shall assess the allocation and expenditure of funds made in this section and may re-allocate funds as the Department determines is necessary to most effectively provide necessary housing-related assistance to Vermonters affected by the COVID-19 crisis.

Since early summer, the recipients of the funds provided by H.966 have worked quickly to set up complicated programs to provide funding and services in accordance with the legislative mandate. During that work, we – at least Vermont Legal Aid -- have identified needs that do not fall within the mandates of the programs outlined in H.966. Consequently, we would suggest that (b) be amended to include language such as: “may re-allocate funds to the programs described in section (a) of this section as well as to other uses consistent with CARES Act requirements, which it determines will most effectively provide necessary housing-related assistance”

Perhaps the area of greatest need now is to provide one or more mechanisms to relieve the pressure of complications arising out of S.333 (Act 101); that act created a moratorium on evictions and foreclosures lasting at least as long as the Governor’s State of Emergency is in effect. In addition, the CDC yesterday mandated a nationwide moratorium on evictions until December 31, 2020. Many legislators, along with DHCD and the Vermont Landlords Association have received complaints from a small, but vocal, percentage of landlords about the adverse effect of the moratorium. The primary areas of concern seem to be a landlord needing to move back into their own home, property under contract for sale requiring it to be empty, tenant damaging unit or grounds, and tenant disturbing quiet enjoyment of other tenants.

If DHCD, in consultation with its partners under H.966, is able to conceive of solutions to these problems that fall outside the boundaries of H.966, DHCD should be able to use CRF dollars not needed by the partners to accomplish the goal of keeping Vermonters safe during the pandemic. For example, might a “moratorium ombudsman” be able to investigate and help settle complaints between landlords and tenants? Might some additional money for housing navigators help tenants who want to move find

¹ \$550,000 went to Vermont Legal Aid through the Agency of Human Services because AHS is the State Agency that historically has handled contracts with Legal Aid.

suitable housing and obtain funding through the Rental Housing Stabilization Program to finance the move?

Similarly, there may be other programs or contracts that DHCD would determine would assist in preventing homelessness that would be a worthwhile expenditure of CRF dollars. For example, might a small grant to AALV increase the outreach and assistance to New Americans and other English Language Learners to access the rental housing and mortgage assistance programs?

Rental Housing Registry: We are aware of three important tasks where having a rental housing registry would have been very useful for implementing the Rental Housing Stabilization Program: (1) notifying LLs of the back rent program (as well as of the Rental Rehab Program), (2) assisting persons to find housing if they are currently experiencing, or likely shortly to experience, homelessness, and (3) being able to contact LLs to get the contact information of tenants who have fallen behind in rent and could benefit from the back rent program.

The idea of a registry at this point in time is not that it would indicate where there are vacancies, but it would have information on where rentals exist and contact information to be able to find vacancies or existing tenant information much more quickly than is possible at this time.

We believe DHCD should be authorized to contract for a barebones registry, built simply enough to have the flexibility in the future to expand functionality. Given the huge number of websites that have portals where a user can log in, get information, and provide information which is stored and reportable, there must be many products available off the shelf to obtain this level of functionality with inexpensive and quick adaptation to a particular buyer's use. As soon as such a registry were available, it could be populated with information from the annual Tax Department release of information from Renter Rebate Certificates, the Department of Health's database of Essential Maintenance Practices filings, and expenditures under the Rental Housing Stabilization Program; persons looking for housing would have a starting place for that difficult task. **Estimated cost:** The estimated cost contained in H.739 is \$400,000.

Transfer of Habitability Inspections to Fire Safety: We are concerned that town health officers who are volunteers or minimally paid are not performing inspections during the pandemic. In addition, tenants may not want unprofessional personnel in their units. Vermont would have a far better inspection system during a pandemic were the responsibility for inspections in municipalities without inspection programs shifted to the Department of Fire Safety. For that to occur, Fire Safety needs people and equipment, and an ongoing source of funding.

If the rental registry included a component to cover fees and the 2021 Budget had some funding for transition, the fees could pick up Fire Safety's costs starting sometime in FY21 or at least by FY22. If that were feasible, Fire Safety could use CRF money to hire new inspectors ASAP and to buy the necessary vehicles and IT equipment to outfit and train those inspectors. **Estimated cost:** The estimated cost for FY21 or CRF would depend on how quickly Fire Safety would be able to hire, outfit, and train staff.

Charge to Rental Housing Advisory Board: As you may know, Sen. Sirotkin is looking for ways to improve the eviction process in Vermont based on what we have learned working on these issues during the pandemic. I suggest that the legislative housing committees ask the Rental Housing Advisory Board to investigate this issue and report back to the legislative early next legislative session. For example, should there be a mediation program to assist landlords and tenants in resolving their needs without

litigation? Also, because non-payment of rent is the biggest cause for disagreements between landlords and tenants, and because non-payment is the cause of 75% of eviction cases, if Vermont had a better system for non-payment than eviction, Vermont could save money on homelessness. Might there be a rent guarantee insurance program, as exists in other states, to pay landlords rent when tenants got in arrears. Claims on this program could trigger referrals to social service and other benefit programs.