

1 Sec. 1. COVID-19 RESPONSE; HOUSING

2 (a) The following amounts are appropriated from the Coronavirus Relief
3 Fund to the named recipients for the purposes specified:

4 (1) Legal and counseling services.

5 (A) \$550,000 to Vermont Legal Aid to provide legal and counseling
6 services to persons who are, or are at risk of, experiencing homelessness, or
7 who have suffered economic harm due to the COVID-19 crisis.

8 (B) \$250,000 to the Department of Housing and Community
9 Development for grants to organizations that provide counseling and assistance
10 to landlords concerning tenancy, rental assistance, and related issues arising
11 due to the COVID-19 crisis.

12 (2) Housing and facilities. \$9,000,000 to the Vermont Housing and
13 Conservation Board, which the Board shall use, in part through grants to
14 nonprofit housing partners and service organizations, for housing and facilities
15 necessary to provide safe shelter and assistance for persons who are, or are at
16 risk of, experiencing homelessness, or who have suffered economic harm due
17 to the COVID-19 crisis, in order to mitigate COVID-19 effects and enable
18 compliance with COVID-19 public health precautions.

19 (3) Foreclosure protection. \$6,000,000 to the Vermont Housing Finance
20 Agency to provide financial and technical assistance to stabilize low- and

1 moderate-income homeowners and prevent home foreclosures for Vermont
2 families.

3 (A)(i) The Agency shall develop a standard application form for
4 homeowners that describes the application process and includes clear
5 instructions and examples to help homeowners apply.

6 (ii) The Agency shall implement a selection process that ensures
7 equitable approval of applications and a distribution system that ensures
8 accountability for homeowners receiving the funds.

9 (C) The Agency shall develop eligibility requirements to ensure the
10 funds are applied towards homeowners equitably, including:

11 (i) limitations for eligibility regarding the earned income of the
12 homeowners in comparison to the area median income;

13 (ii) forms and guidelines for homeowners to certify or otherwise
14 prove a demonstrable need for assistance;

15 (iii) limitations on actual cash benefits, which shall not exceed the
16 actual mortgage liability or three times the monthly mortgage liability,
17 whichever is less; and

18 (iv) a re-application process that provides that if program funds
19 remain at the end of the six-month period, the homeowner may apply for
20 additional assistance.

1 (4) Rental assistance; eviction protection. \$30,000,000 to the
2 Department of Housing and Community Development to develop and
3 implement a Rental Housing Stabilization Program through the Vermont State
4 Housing Authority, which shall administer the distribution of funds to
5 landlords on behalf of tenants in need of rental arrearage assistance.

6 (A) In developing the Program, the Department shall coordinate with
7 the Agency of Human Services and statewide and regional housing and
8 homelessness authorities to provide additional support services and better
9 promote upstream homelessness prevention and housing stability.

10 (B) The Department shall require the Authority to develop a standard
11 application form for landlords and tenants, including mobile home lot tenants
12 and homeless households, that describes the application process and includes
13 clear instructions and examples to help tenants or landlords apply.

14 (C)(i) The Authority shall implement a selection process that ensures
15 equitable approval of applications, notice of grant decisions within 10 days,
16 and decisions on appeals within in 10 days, and a distribution system that
17 ensures accountability for the tenants and landlords that receive funds.

18 (ii) The Authority shall ensure decisions are made according to the
19 rules of the program and without regard to any previous information or
20 decisions known concerning tenants, and no tenant or landlord may benefit or
21 suffer harm due to previous knowledge or decisions.

1 (D)(i) The Authority shall develop eligibility requirements to ensure
2 that funds are applied equitably towards tenants, currently homeless
3 households, and landlords and to those in the most need, including:

4 (I) certification of rent arrears;

5 (II) waiver of termination of tenancy or eviction for a period of
6 time;

7 (III) waiver of late fees and rent in excess of Authority
8 payment standards;

9 (IV) compliance with Rental Housing Health Code within 30
10 days; and

11 (V) agreement not to increase rent for a period of time.

12 (ii) Other requirements.

13 (I) The Authority shall ensure that assistance is provided
14 directly to the landlords on the tenants' behalf.

15 (II) The Authority shall ensure a streamlined application
16 process limited to a tenant certification of household members and a landlord
17 certification of past due rent to show that tenants have missed rental payments
18 and are at risk of eviction, or otherwise show proof of a demonstrable need for
19 rental assistance.

20 (III) The Authority shall require that landlords delay or cease
21 eviction proceedings, or both, for a period of time as a condition of receiving

1 assistance; provided that an exception may be made if a landlord applies and
2 the tenant has not paid rent nor certified need, in which case the landlord may
3 receive partial payment of arrears and retain right to evict.

4 (IV) The Authority shall adopt limitations on assistance granted
5 that shall not exceed the actual liability or those number of months due
6 calculated at Vermont State Housing Payment level, whichever is less. This
7 restriction shall include a re-application process that provides that if there are
8 remaining Program funds if the tenant is in arrears at a later date, the tenant
9 may re-apply for assistance.

10 (V) For tenants in unsustainable tenancies and households that
11 received emergency housing benefits from Department for Children and
12 Families' General Assistance Program since March 1, 2020, funds may be used
13 for first and last months' rent and security deposit, and, where necessary, rent
14 payments through December 30, 2020. To obtain these benefits, a landlord
15 must certify that the individual or family will be accepted as a tenant; that the
16 landlord will not evict the tenant for non-payment of rent before January 1,
17 2021; and, if the tenant leaves the unit prior to January 1, 2021, the landlord
18 will refund to the Authority the rental amount previously received for any
19 rental period after which the tenant left and for the security deposit if
20 reimbursement is appropriate.

1 (E) Not later than August 10, 2020 and thereafter upon request from a
2 legislative committee, the Authority shall issue a report to the legislature
3 detailing the number and amount of grants awarded in each category by
4 county.

5 (5) Rehousing investments.

6 (A) Creation of program. The amount of \$6,200,000 is appropriated
7 to the Department of Housing and Community Development to design and
8 implement a Re-housing Recovery Program to provide funding to statewide
9 and regional housing partner organizations for grants to eligible applicants.

10 (B) Administration. The Department shall require any statewide or
11 regional housing partner organization that receives funding under the Program
12 to develop:

13 (i) a standard application form that describes the application
14 process and includes clear instructions and examples to help property owners
15 apply;

16 (ii) a selection process that ensures equitable selection of property
17 owners; and

18 (iii) a grants management system that ensures accountability for
19 funds awarded to property owners.

20 (C) Grant requirements.

1 (i) The Department shall ensure each grant complies with the
2 following requirements:

3 (I) A property owner may apply for a grant of up to \$30,000 per
4 unit.

5 (II) To be eligible a unit must be blighted, vacant, or otherwise
6 not comply with applicable rental housing health and safety laws.

7 (ii) A property owner shall:

8 (I) match at least 10% of the value of the grant; and

9 (II) comply with applicable permit requirements, rental housing
10 health and safety laws, and the Vermont Residential Building Energy
11 Standards stretch code adopted pursuant to 30 V.S.A. § 51.

12 (iii) The Department shall use one or more legally binding
13 mechanisms to ensure that renovated units are made available to persons who
14 require economic assistance due to the COVID-19 crisis and that the rent
15 charged remains at or below annually published HUD Fair Market Rent for the
16 County or Metropolitan Statistical Area for at least five years.

17 (D) If a property owner sells or transfers a property improved with
18 grant funds within 5 years of receiving the funds, the property owner shall:

19 (i) repay the amount of the funds upon sale or transfer; or

20 (ii) ensure that the property continues to remain affordable for the
21 remainder of the five-year period required in subdivision (4) of this subsection.

1 (E) The Department shall develop requirements regarding the
2 following:

3 (i) encouraging and incentivizing Statewide and regional housing
4 partner organizations and property owners to work with local continua of care
5 organizations; and

6 (ii) limitations on the number of units that any one individual
7 owner may receive funds towards.

8 (E) Definitions. As used in this section:

9 (i) “Blighted” means that a rental unit is not fit for human
10 habitation and does not comply with the requirements of applicable building,
11 housing, and health regulations.

12 (ii) “Vacant” means that a rental unit has not been leased or
13 occupied for at least 90 days prior to the date on which a property owner
14 submits an application and the unit remains unoccupied at the time of the
15 award.

16 (b) On or after September 1, 2020, the Department of Housing and
17 Community Development, in consultation with the funding recipients named in
18 this section, shall assess the allocation and expenditure of funds made in this
19 section and may re-allocate funds as the Department determines is necessary to
20 most effectively provide necessary housing-related assistance to Vermonters
21 affected by the COVID-19 crisis.