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April 30, 2020

To: Rep. Tom Stevens, Chair
House Committee on General, Housing and Military Affairs

From: Jean Murray, Staff Attorney

Re: LaClair Proposed Amendment to S. 333

Thank you for the opportunity to comment on the proposed amendment.

The LaClair amendment would assure that numerous Vermonters would lose their homes as soon as the Court is able to hear the cases. This would increase expense and loss for landlords.

The timing of federal rental assistance. S. 333 was drafted in a way that anticipated two facts: 1) that during the State of Emergency,¹ some tenants would get behind on rent, and 2) federal Coronavirus Relief money, including rental assistance, was on the way. Most importantly, Vermont agencies have confirmed in your committee and in Senate Economic Development that they plan to use federal money for rental assistance. However, the agencies must set up systems to disburse rental assistance money. Those are not set up yet. For example, some rental assistance money will come through DHCD, and Josh Hanford testified that money will not be disbursed until at least July.

S. 333 as drafted provided a 30-day grace period before non-payment cases could proceed, and an additional 45 days of temporary conditions for calculating rent escrow. These time periods are needed to set up access to rental assistance money for back rent. Time is needed for tenants to return to work help generate the funds to pay rent. Time is needed to get the funds to make landlords whole. The LaClair amendment takes away this time, to the detriment of tenants and landlords.

Timing of resumption of eviction cases. Right now, the court has suspended hearings pursuant to AO 49 until May 31st. The Court has not yet decided the sequence of cases to be scheduled and conditions necessary to maintain social distance, but will do that soon. If the Governor Executive Order is not extended, it is possible evictions could be heard in some counties in June, before rental assistance relief money is available. Without money to pay the rent, those tenants will be evicted, homeless with no place to go, and the public health will be implicated.

S. 333 as drafted saves landlords money, because it costs landlords over \$300 just to file a case, more if the landlord hires a lawyer. With money from relief funds and tenants' return to work,

¹ The Executive Order is currently written to expire May 15, 2020.

many landlords and tenants will be able to make payment plans to make landlords whole. Conversely, evictions prompt tenants to walk away with back rent unpaid, and are more expensive for landlord than using the grace period to obtain funds, and make payment plans, and eventually, hopefully, make the landlord whole.

The LaClair amendment would make tenants homeless, and could threaten public health if the Executive Order is lifted before COVID-19 is eradicated, and might well increase costs to a landlord who took advantage of the amendment.