

1 Sec. 1. COVID-19 RESPONSE; HOUSING

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

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

8 (2) Housing and facilities. \$11,000,000 [to the Vermont Housing and
9 Conservation Board, which the Board shall use, in part through grants to
10 nonprofit housing partners and service organizations,] for housing and
11 facilities necessary to provide safe shelter and assistance for persons who are,
12 or are at risk of, experiencing homelessness, in order to mitigate COVID-19
13 effects and enable compliance with COVID-19 public health precautions.

14 (3) Foreclosure protection. \$6,000,000
15 [to the Department of Housing and Community Development to provide
16 foreclosure protection and prevention services, which program shall be
17 administered in partnership with a Vermont based, statewide organization with
18 expertise in financing and promoting affordable, safe, and decent housing
19 opportunities for low- and moderate-income Vermonters.]

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1 [to the Vermont Housing Finance Agency to provide financial and
2 technical assistance to stabilize low- and moderate-income homeowners and
3 prevent home foreclosures for Vermont families.

4 (A) The Agency shall design and implement a program to provide
5 funding to statewide and regional housing partner organizations who shall
6 administer the distribution of funds to homeowners in need of assistance and
7 provide technical assistance to homeowners in need.

8 (B)(i) The Agency shall require housing partner organizations that
9 receive funding to develop a standard application form for homeowners that
10 describes the application process and includes clear instructions and examples
11 to help homeowners apply.

12 (ii) The selection process shall ensure equitable approval of
13 applications and a distribution system that ensures accountability for both the
14 partner organizations and homeowners receiving the funds.

15 (C) The Agency shall develop eligibility requirements for housing
16 partners to implement to ensure the funds are applied towards homeowners
17 equitably, including:

18 (i) limitations for eligibility regarding the earned income of the
19 homeowners in comparison to the area median income.

20 (ii) forms and guidelines for homeowners to show proof of a
21 demonstrable need for assistance;

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

4 (iv) a re-application process that provides that if there are
5 remaining programmatic funds at the end of the three-month period, the
6 homeowner may re-apply for assistance.]

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8 (4) Rental assistance; eviction protection. [\$30,000,000 to the
9 Department of Housing and Community Development to provide rental
10 assistance to persons who have suffered economic harm due to the COVID-19
11 crisis, including for rental arrearages incurred since April 1, 2020 and for
12 security deposits and expenses to secure new rental housing, which program
13 the Department shall administer in partnership with a Vermont based,
14 statewide organization with expertise in partnering with private landlords,
15 nonprofits, other statewide agencies and municipalities, in promoting and
16 preserving affordable housing, and with prior experience in administering
17 federal rental assistance funds.]

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19 [(A)(i) The Department of Housing and Community Development
20 shall develop and implement a Rental Housing Stabilization Program to
21 provide funding to Vermont State Housing Authority to administer the

1 distribution of funds to landlords on behalf of tenants in need of rent arrearage
2 assistance.

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

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

11 (C)(i) The Authority shall ensure equitable approval of applications,
12 notice of grant decisions within 10 days, and decisions on appeals within in 10
13 days, and a distribution system that ensures accountability for the tenants, and
14 landlords ultimately receiving the funds.

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

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

1 (I) certification of rent arrears;

2 (II) waiver of termination of tenancy or eviction for a period of
3 time;

4 (III) waiver of late fees and rent in excess of Authority
5 payment standards;

6 (IV) compliance with Rental Housing Health Code within 30
7 days; and

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

9 (ii) Other requirements.

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

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

17 (III) The Authority shall require that landlords delay or cease
18 eviction proceedings, or both, for a period of time as a condition of receiving
19 assistance; provided that an exception may be made if a landlord applies and
20 the tenant has not paid rent nor certified need, in which case the landlord may
21 receive partial payment of arrears and retain right to evict.

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

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

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

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(5) Rehousing investments.

[\$6,000,000 to the Department of Housing and Community Development to assist landlords with the costs of renovations necessary to provide housing to persons who are, or who are at risk of, experiencing homelessness or who require re-housing due to the COVID-19 crisis.]

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

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

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

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

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

3 (C) Grant and forgivable loan requirements.

4 (i) The Department shall determine whether statewide and
5 regional housing partner organizations shall issue grants, forgivable loans, or
6 both.

7 (ii) The Department shall ensure each grant and forgivable loan
8 complies with the following requirements:

9 (I) A property owner may apply for a grant, forgivable loan, or
10 both of up to \$30,000 per unit.

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

13 (iii) A property owner shall:

14 (I) match at least 10% of the value of the grant or forgivable
15 loan; and

16 (II) comply with applicable permit requirements and rental
17 housing health and safety laws.

18 (iv) All affected units must be rented at or below annually
19 published HUD Fair Market Rent for the County or Metropolitan Statistical
20 Area for at least five years or be subject to loan interest penalties and
21 repayment requirements as to be determined and codified by the Department.

1 (D) If a property owner sells or transfers a property improved with
2 grant or forgivable loan funds within 5 years of receiving the funds, the
3 property owner shall:

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

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

7 (E) The Department shall develop requirements regarding the
8 following:

9 (i) encouraging and incentivizing Statewide and regional housing
10 partner organizations and property owners to work with local continua of care
11 organizations;

12 (ii) limitations on the number of units that any one individual
13 owner may receive funds towards;

14 (iii) incentivizing the goal that at least 50 percent of the
15 rehabilitated units serve a person exiting homelessness during the initial lease
16 upon completion of work;

17 (iv) requiring that a percentage of the program participant's units
18 must serve someone exiting homelessness at the initial lease upon completion
19 of work, and associated incentives; and

1 (v) requirements and incentives regarding statewide and regional
2 housing partner organizations and property owners working with local
3 continua of care organizations

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

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

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

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1 Sec. 2. CONTINGENT APPROPRIATIONS

2 The following amounts are appropriated from the Coronavirus Relief Fund
3 to the Department of Housing and Community Development for pass-through
4 grants for the purposes specified if such amounts are available and permissible,
5 and if demand is reflected, as determined by the Emergency Board on or
6 before September 1, 2020:

7 (1) \$15,500,000 in additional funding for rental assistance and eviction
8 protection;

9 (2) \$3,000,000 in additional funding for rehabilitation of homeless
10 shelters and other properties to ensure public health;

11 (3) \$3,000,000 for funding to private landlords for property
12 rehabilitation;

13 (4) \$3,000,000 for foreclosure protection;

14 (5) \$500,000 for development of statewide rental registry in order to
15 prepare for a statewide housing safety program;

16 (6) \$15,000,000 to provide wraparound services and rental subsidies;
17 and

18 (7) \$10,000,000 for services to provide food or other living expenses for
19 Vermonters who are experiencing homelessness during the COVID-19
20 emergency.