



STATE OF VERMONT
OFFICE OF LEGISLATIVE COUNSEL

MEMORANDUM

From: Office of Legislative Counsel and Joint Fiscal Office
Date: July 15, 2020
Subject: Rationales for broadband connectivity-, housing-, and economic relief-related appropriations from the Coronavirus Relief Fund in Act 137 (H.966)

Act 137 (H.966), An act relating to COVID-19 funding and assistance for broadband connectivity, housing, and economic relief, appropriated \$213,200,000.00 from the Coronavirus Relief Fund for necessary expenses incurred due to, or as a result of, the COVID-19 public health emergency. This memorandum details how each appropriation from the Fund complies with the requirements of Section 5001(d)(1) of the CARES Act, Pub. L. No. 116-136, and related federal guidance. The rationales are based on legislative determinations developed throughout the legislative process. The material to be reported pursuant to the U.S. Department of the Treasury, Office of Inspector General's July 2, 2020 [memorandum](#) regarding reporting and record retention requirements for Coronavirus Relief Fund recipients will also provide information regarding the grantees' and subgrantees' compliance with the CARES Act provisions and related guidance.

Sec. 6. COVID-19; ECONOMIC SUPPORT FOR BUSINESSES AND INDIVIDUALS

Sec. 6 appropriated amounts available from the CARES Act through the Coronavirus Relief Fund to provide economic support to businesses and individuals that have suffered economic harm due to the COVID-19 public health emergency and economic crisis. The General Assembly determined that the expenditure of these funds was necessary to address significant economic risks to businesses caused by COVID-19.

Unless otherwise specified in the act, to be eligible for a grant under any of the programs in Sec. 6, a business must meet the guidelines established by the Agency of Commerce and Community Development and Department of Taxes pursuant to Act 115 (S.350); must be domiciled or have its primary place of business in Vermont and have one or more employees; must be a nonpublic entity organized for profit, or a nonprofit; must be in operation on or before February 15, 2020; must be either open for business or closed due to COVID-19 with a good faith plan to reopen; and must use grant funds for a purpose permitted under the CARES Act to assist the business in addressing the costs of business interruption due to the COVID-19 public health emergency.

For grants through Act 115, a business must demonstrate that it has suffered a 75% or greater loss revenue in any monthly period from March to September 2020, as compared to the same period in 2019. For grants through H.966, the threshold for revenue loss is reduced to a 50% loss in any monthly or quarterly period from March to September 2020, as compared to 2019.

Subsection (a) appropriates funding to named recipients to provide direct grants to eligible businesses that are in need of economic assistance due to the COVID-19 crisis:

(1) \$82,000,000.00 for additional emergency economic recovery grants pursuant to 2020 Acts and Resolves No. 115 (S.350), Secs. 2–3, as follows:

(A) \$56,000,000.00 to the Agency of Commerce and Community Development.

(B) \$26,000,000.00 to the Department of Taxes.

Subdivision (1) provides necessary funding to the Agency of Commerce and Community Development and to the Department of Taxes for emergency economic recovery grants pursuant to Act 115 (S.350), as enacted on June 19, 2020, to provide grants to businesses. Grants through the Department of Taxes are available to businesses that are monthly or quarterly filers of sales and use tax, or of rooms and meals tax. Grants through the Agency of Commerce and Community Development are available to all other eligible businesses.

(2) \$2,500,000.00 to the Agency of Commerce and Community Development to grant to the Working Lands Enterprise Fund for grants to businesses within the agricultural, food and forest, and wood products industries:

(A) for economic loss; or

(B) to assist a business in adapting its products to changes in available markets or supply chains that are caused by the COVID-19 public health emergency and economic crisis, provided that such assistance is clearly necessary to ensure the continued viability of the business due to COVID-19.

Subdivision (2) provides necessary funding to the Working Lands Enterprise Fund, which the Working Lands Enterprise Board will use to provide grants to businesses in the agricultural, food and forest, and wood products industries. The Board may provide grants to businesses that have suffered economic loss due to the COVID-19 public health emergency and economic crisis. It may also provide grants to assist a business to adapt its products to changes in available markets or supply chains if those changes to the markets or supply chains are caused by the COVID-19 crisis and if the assistance is clearly necessary to ensure the continued viability of the business due to COVID-19.

(3)(A) \$5,000,000.00 to the Agency of Commerce and Community Development to grant to the Vermont Community Loan Fund, working in collaboration with the Vermont Commission on Women and other appropriate partners, for grants to businesses that have from zero to five employees and are at least 51 percent woman-owned or at least 51-percent minority-owned;

(B) The Fund shall reserve an allocation of \$2,500,000 for awards to businesses in each of the two groups until September 1, 2020, after which the Fund may re-allocate the funds if applications from either group are less than half.

Subdivision (3) appropriates funds for grants through the Vermont Community Loan Fund to woman-owned and minority-owned businesses. These grants are available to businesses with zero to five employees, including sole proprietors without employees.

(4) \$1,500,000.00 to the Agency of Natural Resources for grants to outdoor recreation businesses for costs or expenses necessary to comply with or implement COVID-19 public health precautions, including:

(A) cleaning, disinfection, and personal protection services and equipment;

(B) symptom monitoring or diagnosis for customers or participants;

(C) signage or informational material concerning public health precautions;

(D) temporary staff housing necessary to maintain public health precautions; and

(E) maintenance or repair of trails where damage is caused by increased usage during the declared COVID-19 public health emergency.

Subdivision (4) provides necessary funding to the Agency of Natural Resources to provide grants to outdoor recreation businesses for costs or expenses necessary to comply with or implement COVID-19 public health precautions.

(5) \$5,000,000.00 to the Agency of Commerce and Community Development to grant to the Vermont Arts Council for grants to nonprofit arts and cultural organizations. For purposes of calculating reduction in revenue under this subdivision, "revenue" does not include tax-deductible charitable contributions.

Subdivision (5) provides necessary funding for grants through the Vermont Arts Council to nonprofit arts and cultural organizations. Like other grant applicants, these organizations must demonstrate a 50% or greater reduction in revenue in any monthly or quarterly period from March to September 2020, as compared to the same period in 2019. For purposes of calculating revenue loss, a nonprofit organization's revenue does not include tax-deductible charitable donations.

Subsection (b) provides necessary funding to named recipients to provide assistance to, and for the direct benefit of, businesses and individuals that have suffered economic harm due to the COVID-19 crisis:

(1)(A) \$2,500,000.00 to the Department of Tourism and Marketing to create a Restart Vermont marketing program to encourage visitation and consumer spending in Vermont to support businesses that have suffered economic harm due to the COVID-19 public health emergency.

(B) Eligible uses for the funds appropriated in subdivision (A) of this subdivision (1) include:

(i) marketing activities to promote travel to and within Vermont to increase consumer spending at tourism, hospitality, retail, and related businesses; and

(ii) statewide or regional consumer stimulus programs or consumer purchasing incentives that maximize the effect of local consumer spending, including at restaurants, lodging establishments, retail stores, and tourism attractions.

(C)(i) The Department shall investigate:

(I) the feasibility of establishing a consumer incentive program to provide to front-line workers who receive hazard pay through the Front-Line Employees Hazard Pay Grant Program with meaningful discounts or other incentives by and at participating Vermont restaurants and to promote restaurants participating in the program through distinctive signage and other means;

(II) the potential of:

(aa) issuing a simple identification card for use at participating restaurants; or

(bb) working with a third-party vendor to offer employers the option to allow eligible employees to elect to receive hazard pay on a distinctive payroll card that will entitle the employees to a discount with participating restaurants.

(ii) If the Agency determines that such a program is feasible, it is authorized, in its discretion, to implement the program in conjunction with the Front-Line Employees Hazard Pay Grant Program, provided that:

(I) participation in the program by employers, eligible employees, and restaurants shall be voluntary; and

(II) administrative costs associated with the program shall be paid by any combination of the following:

(aa) participating restaurants;

(bb) participating employees; or

(cc) to the extent permitted pursuant to Sec. 5001 of the CARES Act, as may be amended, and any guidance issued pursuant to that section, from the amount allocated in subdivision (A) of this subdivision (b)(1).

Subdivision (1) provides necessary funding to the Department of Tourism in Marketing to create a Restart Vermont marketing program. The program will encourage visitation and consumer spending in Vermont to support businesses that have suffered economic harm due to the COVID-19 public health emergency. The Department may use the appropriated funds for marketing activities to promote travel to and within Vermont to increase consumer spending at tourism, hospitality, retail, and related businesses; and, for statewide or regional consumer stimulus programs or consumer purchasing incentives that maximize the effect of local consumer spending, including at restaurants, lodging establishments, retail stores, and tourism attractions. The Department may also create a consumer incentive program to provide to front-line workers who receive hazard pay through the Front-Line Employees Hazard Pay Grant Program meaningful discounts or other incentives by and at participating Vermont restaurants and to promote restaurants participating in the program through distinctive signage and other means.

(2) \$2,500,000.00 to the Agency of Commerce and Community Development to create a Restart Vermont business assistance program, through which the Agency shall make available to businesses professional and technical assistance through qualified Recovery Navigators, including:

- (A) business operations, financial management, and grant writing;
- (B) digital strategies;
- (C) architecture and physical space design;
- (D) reconfiguring manufacturing equipment and processes and incorporating safety measures;
- (E) technology and software consulting; and
- (F) legal and other professional services.

Subdivision (2) provides necessary funding to the Agency of Commerce and Community Development to create a Restart Vermont business assistance program. The program will provide businesses that have suffered economic harm with technical and professional assistance.

(3) \$5,000,000.00 to the Agency of Commerce and Community Development to grant to Southeastern Vermont Community Action to act as fiscal agent for a statewide program, Restaurants and Farmers Feeding the Hungry, the purpose of which is to provide assistance to Vermonters who are food insecure due to the COVID-19 public health emergency by engaging Vermont restaurants that have suffered economic harm due to the COVID-19 public health emergency to prepare meals using foodstuffs purchased from Vermont farms and food producers.

(A) SEVCA shall collaborate with State and nonprofit partners throughout Vermont, including the Agency of Commerce and Community Development; the Agency of Agriculture, Food and Markets; the Agency of Human Services; the Department of Public Safety; the Community Action Agencies; the Vermont Food Bank; Hunger Free Vermont; the Vermont Hunger Council; the Sustainable Jobs Fund/Farm to Plate; the Vermont Community Foundation; the Downtown Brattleboro Alliance; Shiftmeals; Mama Sezz; the Vermont Hospitality Coalition; and others.

- (B) Under the Program, SEVCA and partners shall:
- (i) establish multiple community-scale hubs across Vermont to coordinate restaurant engagement and distribution of not fewer than 15,000 meals per week;
 - (ii) engage a broad range of restaurants of various sizes to produce meals;
 - (iii) on average, purchase not less than 10 percent of ingredients from local farms and producers; and
 - (iv) augment the existing food distribution network to meet the increased food insecurity of residents.

Subdivision (3) provides necessary funding to Southeastern Vermont Community Action, working with a multitude of State and private partners, to provide meals to Vermonters experiencing food insecurity due to the COVID-19 crisis through Vermont restaurants and farms that have suffered economic harm due to the COVID-19 crisis.

(c) Eligibility. To be eligible for a grant under subsection (a) or (b) of this section, a business must meet the eligibility criteria and comply with the guidelines adopted pursuant to 2020 Acts and Resolves No. 115 (S.350) unless otherwise provided in this section, except that a business must demonstrate that it suffered a 50 percent or greater reduction in revenue due to the COVID-19 public health emergency and economic crisis in a monthly or

quarterly period from March 1, 2020 to September 1, 2020 as compared to the same period in 2019.

Subsection (c) specifies the eligibility criteria for eligible businesses to receive a grant from the Coronavirus Relief Fund through this act.

(d) Administration of funds. A recipient or subrecipient authorized to administer funds appropriated in this section to provide grants or assistance to eligible businesses:

(1) shall coordinate directly with, and is subject to the guidelines and procedures adopted by, the Agency of Commerce and Community Development to ensure consistency and to avoid duplication of efforts and awards among Coronavirus Relief Fund-related programs;

(2) may use funds for administrative expenses, provided that the expenses represent an increase over previously budgeted amounts and are limited to what is necessary; and

(3) shall transfer any grant funds appropriated under subsection (a) of this section that remain unencumbered as of November 15, 2020 to the Agency of Commerce and Community Development, which the Agency shall use to make additional emergency economic recovery grants pursuant to this section.

Subsection (d) requires entities administering appropriated funds to coordinate with the Agency of Commerce and Community Development; permits, consistent with CARES Act guidance, an entity to use funds for administrative expenses; and requires the entity to transfer unencumbered funds to the Agency.

(e) Prohibition on multiple sources of funding.

(1) A business may not receive a grant of Coronavirus Relief Fund monies from more than one source, except that a business in the dairy sector may apply for a grant under subdivision (a)(2)(B) of this section, provided that the award is not for the same purpose covered under other assistance from the Fund.

(2) The Agency of Commerce and Community Development, the Department of Taxes, and entities that administer funds appropriated pursuant to this section shall provide businesses with guidance and support to help identify the appropriate programs for which the business may be eligible for a grant and other assistance.

Subsection (e) prohibits a business from receiving a grant from more than one CRF source, except that a dairy business may apply for a grant from the Working Lands Enterprise Board subject to subdivision (a)(2)(B) of this act if the grant is not for the same purpose covered under other assistance from the Fund; and, directs fund administrators to help businesses identify appropriate programs for which they may be eligible.

(f) Public records; confidentiality.

(1) The name of a business that receives an award under this section and the amount of the award are public records subject to inspection and copying under the Public Records Act.

(2) Any application documents of a business containing federal identification numbers and sales amounts are subject to the confidentiality provisions of 32 V.S.A. § 3102 and are return information under that section.

(3) Data submitted by a business under this section to demonstrate costs or expenses shall be a trade secret exempt from public inspection and copying under 1 V.S.A. § 317(c)(9), provided that submitted information may be used and disclosed in summary or aggregated form that does not directly or indirectly identify a business.

Subsection (f) specifies what business applicant information is available to the public and which information is confidential.

(g) Emergency economic recovery grant funds; transfer. If any funds appropriated to Agency of Commerce and Community Development and the Department of Taxes in 2020 Acts and Resolves No. 115 (S.350) remain both unencumbered and unspent as of August 1, 2020, the Agency and Department shall combine and administer those funds with the amounts made available to them in this section, subject to the standards and criteria established in this section.

Subsection (g) provides that any funds appropriated to the Agency of Community and Development and to the Department of Taxes in S.350 that are unencumbered as of August 1 will be combined with funds in this act and will be subject to the lower revenue-loss threshold of 50%.

Secs. 7-10. COVID-19 EXPENSE REIMBURSEMENT; LOCAL GOVERNMENT

Sec. 7 appropriated \$13,000,000.00 to the Agency of Administration for the purpose of issuing grants to units of local government to reimburse eligible COVID-19 expenses incurred on or before December 30, 2020, including hazard pay, supplies and equipment, sanitation, facility alterations, overtime compensation, redirection of staff for first-response needs, and any other eligible COVID-19 expenses not covered by other funding sources, including funding provided by the Federal Emergency Management Agency. Sec. 7 allocated the appropriation to the following units of local government:

- 1) \$12,650,000.00 in grants up to \$750,000.00 for reimbursement of eligible COVID-19 expenses to counties, up to \$1.00 per person as determined from the 2019 town census data, and to Vermont cities, towns, unorganized towns or gores, and any of the unified towns and gores of Essex County, including those incurred by incorporated villages, fire districts, consolidated water districts, and consolidated sewer districts therein, up to \$25.00 per person as determined from 2019 town census data and \$25,000.00 in total expenses, with a minimum payment of \$25,000.00.
- 2) \$200,000.00 to solid waste management districts in grants for reimbursement of eligible COVID-19 expenses.

- 3) Up to \$150,000.00 to contract with one or more regional planning commissions for technical assistance to be provided to units of local government in identifying and documenting eligible COVID-19 expenses.

Grants awarded under Sec. 7 may be prorated. If funds are available after November 15, 2020, the Secretary may award grants to towns on a prorated basis above the \$750,000.00 cap.

Sec. 9 appropriated \$2,000,000.00 to the Agency of Administration to provide grants to eligible municipalities (meaning a city, town, or incorporated village) for the purpose of assisting those municipalities in digitizing land records for online public access during municipal office closures due to the COVID-19 public health emergency.

Secs. 8 and 10 provide definitions, require publication of guidelines, and impose reporting requirements on the Agency of Administration for the implementation and administration of the digitization grant program.

Sec. 11. COVID-19 RESPONSE; HOUSING

Sec. 11 appropriated available funds from the CARES Act through the Coronavirus Relief Fund to the named recipients to provide grants and other housing-related assistance to individuals and businesses that have suffered economic harm due to the COVID-19 public health emergency and economic crisis. The General Assembly determined that the expenditure of these funds was necessary to address the significant housing-related public health risks and economic harm caused by COVID-19.

(1) Legal and counseling services.

(A) \$550,000.00 to the Agency of Human Services for a grant to Vermont Legal Aid to provide legal and counseling services to persons who are, or are at risk of, experiencing homelessness, or who have suffered economic harm due to the COVID-19 crisis.

(B) \$250,000.00 to the Department of Housing and Community Development for grants to organizations that provide counseling and assistance to landlords concerning tenancy, rental assistance, and related issues arising due to the COVID-19 crisis.

Subdivision (1) provides necessary funding to provide for legal and counseling services to both tenants and landlords affected by the COVID-19 crisis. Currently, a moratorium on foreclosures and evictions enacted by the State of Vermont provides protection against homelessness and related risks. However, the General Assembly anticipated that once the moratorium is lifted, a significant number of Vermonters would require economic assistance to maintain stable housing. Additionally, a significant number of landlords are foregoing rent payments and, as businesses, are at risk of economic harm. The funding provided in this section provides legal and counseling services to tenants and landlords to assist them in identifying sources of economic and other aid to address these risks caused by COVID-19.

(2) Housing and facilities. \$9,000,000.00 to the Vermont Housing and Conservation Board, which the Board shall use, in part through grants to nonprofit housing partners and service organizations, for housing and facilities necessary to provide safe shelter and assistance for persons who are, or are at risk of, experiencing homelessness, or who have suffered economic harm due to the COVID-19 crisis, in order to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.

Subdivision (2) provides necessary funding to the Vermont Housing and Conservation Board to supplement the amounts appropriated in Act 115 (S.350). The General Assembly determined that the Board was the appropriate entity to administer this funding, in coordination with housing partners, to provide safe shelter and assistance to Vermonters who are homeless, or who are at risk of homelessness, or have suffered economic harm due to COVID-19. Currently, there are several thousand Vermonters receiving State assistance, including through motel vouchers, rental assistance, and other support. This model is necessary to provide safe housing for homeless and at-risk Vermonters in order to enable them to comply with the “stay home, stay safe” public health mandate. However, due to cost and other logistical considerations, this model cannot continue indefinitely. The funding provided in this section allows VHCB and partners to identify, acquire, rehabilitate, and otherwise make available perpetual housing for Vermonters at significant risk of housing insecurity due to the COVID-19 crisis.

(3) Foreclosure protection. \$5,000,000.00 to the Department of Housing and Community Development for a grant to the Vermont Housing Finance Agency to provide financial and technical assistance to stabilize low- and moderate-income homeowners and prevent home foreclosures for Vermont families.

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

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

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

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

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

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

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

Subdivision (3) provides necessary funding for foreclosure protection through the Vermont Housing Finance Agency. Currently, a moratorium on foreclosures enacted by the State of Vermont provides protection against homelessness and related risks. However, the General Assembly anticipated that once the moratorium is lifted, a significant number of

Vermonters would require economic assistance to maintain their housing. The funding provided in this section provides direct economic assistance to Vermonters who are at risk of foreclosure due to the COVID-19 crisis.

(4) Rental assistance; eviction protection. \$25,000,000.00 to the Department of Housing and Community Development for a grant to the Vermont State Housing Authority, which shall administer the distribution of funds to landlords on behalf of tenants in need of rental arrearage assistance.

(A) In developing the program, the Authority shall coordinate with the Agency of Human Services and statewide and regional housing and homelessness authorities to provide additional support services and better promote upstream homelessness prevention and housing stability.

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

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

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

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

(I) certification of rent arrears;

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

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

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

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

(ii) Other requirements.

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

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

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

(IV) The Authority shall adopt limitations on assistance granted that shall not exceed the actual liability or those number of months due calculated at Vermont State

Housing Payment level, whichever is less. This restriction shall include a reapplication process that provides that if there are remaining program funds if the tenant is in arrears at a later date, the tenant may reapply for assistance.

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

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

Subdivision (4) provides necessary funding for rental assistance and eviction protection through the Vermont State Housing Authority. Currently, a moratorium on evictions enacted by the State of Vermont provides protection against homelessness and related risks. However, the General Assembly anticipated that once the moratorium is lifted, a significant number of Vermonters would require economic assistance to maintain stable housing. Additionally, a significant number of landlords are foregoing rent payments and, as businesses, are at risk of economic harm. The funding provided in this section provides direct economic assistance to landlords on behalf of tenants to secure tenants' stable housing and to mitigate landlords' economic harm caused by COVID-19.

(5) Rehousing investments.

(A) Creation of Program. The amount of \$6,200,000.00 is appropriated to the Department of Housing and Community Development to design and implement a Rehousing Recovery Program to provide funding to statewide and regional housing partner organizations for grants 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

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

(C) Grant requirements.

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

(I) A property owner may apply for a grant of up to \$30,000.00 per unit.

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

(ii) A property owner shall:

(I) match at least 10 percent of the value of the grant; and
(II) comply with applicable permit requirements and rental housing health and safety laws.

(iii) The Department shall use one or more legally binding mechanisms to ensure that:

(I) renovated units are made available to persons who require economic assistance due to the COVID-19 crisis;

(II) the rent charged remains at or below annually published HUD Fair Market Rent for the County or Metropolitan Statistical Area for at least five years; and

(III) if a property owner sells or transfers a property improved with grant funds within five years of receiving the funds, the property continues to remain affordable for the remainder of the five-year period.

(D) The Department shall develop requirements regarding the following:

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

(ii) limitations on the number of units for which an individual owner may receive grant funds.

(E) Definitions. As used in this section:

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

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

Subdivision (5) provides necessary funding to the Department of Housing and Community Development to ensure an adequate supply of stable housing for Vermonters who are, or who are at risk of, homelessness due to the COVID-19 crisis. The General Assembly determined that the Department was the appropriate entity to administer this funding, in coordination with housing partners, to provide safe shelter and assistance to Vermonters who are homeless, or who are at risk of homelessness, or have suffered economic harm due to COVID-19. Currently, there are several thousand Vermonters receiving State assistance, including through motel vouchers, rental assistance, and other support. This model is necessary to provide safe housing for homeless and at-risk Vermonters in order to enable them to comply with the “stay home, stay safe” public health mandate. However, due to cost and other logistical considerations, this model cannot continue indefinitely. The funding provided in this section allows the Department to provide grants to property owners in order to ensure an adequate supply of safe, stable housing for Vermonters who are, or at risk of becoming, homeless due to the COVID-19 crisis.

(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.

Subsection (b) authorizes the Department of Housing and Community Development to assess the allocation of housing resources and re-allocate funds necessary to address housing-related risks caused by the COVID-19 crisis.

Sec. 12. DEPARTMENT FOR CHILDREN AND FAMILIES; HOUSING FOR HOUSEHOLDS EXPERIENCING HOMELESSNESS

Sec. 12 appropriated \$16,000,000.00 to the Department for Children and Families to fund programs and services that support safe, stable housing opportunities for Vermont households experiencing homelessness as a result of the COVID-19 public health emergency and related administrative costs. The General Assembly determined that the expenditure of monies from the Coronavirus Relief Fund as set forth in this section was necessary to secure safe, stable housing opportunities for Vermont households experiencing homelessness, many of whom have been disproportionately impacted by unemployment, business closures, or business interruptions as a result of the COVID-19 public health emergency. The number of households living in State-supported motels or hotels grew from approximately 300 to 1,400 over the course of two months. The COVID-19 pandemic has rendered housing in shelters incompatible with maintaining public health; increased the number of households experiencing homelessness and in need of housing supports to obtain or maintain safe, stable housing; and created a demand for diverse social services to safely house these vulnerable Vermonters.

Sec. 13. COVID-RESPONSE ACCELERATED BROADBAND CONNECTIVITY PROGRAM

Sec. 13 appropriated \$17,433,500.00 to the Department of Public Service to administer the COVID-Response Accelerated Broadband Connectivity Program.

The COVID-19 public health emergency and the required social distancing it has engendered have served as an accelerant to the socioeconomic disparities between the connected and the unconnected in our State. Vermonters who cannot access or cannot afford broadband connectivity, many of whom are geographically isolated, face challenges with respect to distance learning; remote working; accessing telehealth services; accessing government programs and services, including our institutions of democracy, such as the court system; and otherwise trying to maintain some form of social connection and civic engagement in these trying times. The public health emergency has highlighted the extent to which robust and resilient broadband networks are critical to our economic future and provide a foundation for our educational, health care, public health and safety, and democratic institutions.

Data collected by the Department of Public Service underscore the magnitude of the State's connectivity needs. Of the 308,082 addresses in our State:

- 6.8 percent (20,978 addresses) do not have access to broadband that meets a minimum speed of 4/1 Mbps.
- 23 percent (69,899 addresses) do not have access to broadband that meets the FCC's benchmark of 25/3 Mbps.

- 82.5 percent (254,000 addresses) do not have access to broadband that meets a minimum speed of 100/100 Mbps.

Last year, the General Assembly took steps to close the digital divide. Through Act 79, an act relating to broadband deployment throughout Vermont, it not only provided financial incentives and streamlined processes for broadband deployment, it also supported numerous innovative approaches to shore up community efforts to design and implement community broadband solutions.

In response to the COVID-19 public health emergency and the critical need for access to broadband connectivity, the General Assembly enacted this legislation to support broadband solutions that will significantly increase rural broadband capacity for distance learning, remote working, telehealth, and other critical services during the public health emergency in a manner that is consistent with the criteria for use of monies from the Coronavirus Relief Fund.

Sec. 14. COVID-RESPONSE CONNECTED COMMUNITY RESILIENCE PROGRAM

Sec. 14 appropriated \$800,000.00 to the Department of Public Service to administer the COVID-Response Connected Community Resilience Program. In response to the COVID-19 public health emergency and the critical need for access to broadband connectivity, the General Assembly enacted this legislation to support rapid response recovery planning at the community level that will support broadband solutions to significantly increase rural broadband capacity for distance learning, remote working, telehealth, and other critical services during the public health emergency in a manner that is consistent with the criteria for use of monies from the Coronavirus Relief Fund.

Sec. 15. COVID-RESPONSE TELECOMMUNICATIONS RECOVERY PLAN

Sec. 15 appropriated \$500,000.00 to the Commissioner of Public Service to retain a consultant to assist with preparation of a COVID-Response Telecommunications Recovery Plan. In response to the COVID-19 public health emergency and the critical need for access to broadband connectivity, the General Assembly enacted this legislation to support rapid response recovery planning at the State level that will support broadband solutions to significantly increase rural broadband capacity for distance learning, remote working, telehealth, and other critical services during the public health emergency in a manner that is consistent with the criteria for use of monies from the Coronavirus Relief Fund.

Sec. 17. COVID-RESPONSE TELEHEALTH CONNECTIVITY PROGRAM

Sec. 17 appropriated \$800,000.00 to the Department of Health for the COVID-Response Telehealth Connectivity Program administered by the Vermont Program for Quality in Health Care, Inc. (VPQHC).

Since the onset of COVID-19, telehealth utilization in Vermont has increased exponentially. During this public health emergency, telehealth has become an essential

tool to minimize the spread of COVID-19 and provide clinicians the tools they need to treat patients. According to recent survey data, a significant majority of health care providers indicated that lack of patient access to a smartphone or video capability was a barrier to accessing telehealth services, and similarly indicated that a patient's inability to operate digital equipment was a barrier.

The COVID-Response Telehealth Connectivity Program will support equitable access to telehealth services by providing outreach and educational opportunities that improve digital literacy skills of patients and providers as well as equipment needed to support telehealth needs during the COVID-19 public health emergency, particularly in areas that are digitally and medically underserved.

Sec. 18. PEG ACCESS FUNDING

Sec. 18 appropriated \$466,500.00 to the Department of Public Service to be disbursed, in consultation with the Vermont Access Network, among the State's access media organizations. The General Assembly enacted this legislation to support the State's access media organizations with respect to their staffing and operational costs incurred due to unbudgeted and unplanned coverage of public meetings and events in response to the COVID-19 public health emergency, as well as for unplanned and unbudgeted expenditures related to increased production and technical support for live-streaming government and community-based organizations.

Sec. 20. UTILITY RATEPAYER ARRERAGES

Sec. 20 appropriated \$8,000,000.00 to the Department of Public Service to administer a program designed to provide financial support to utility ratepayers for their account arrearages if they are likely to face disconnection when the Public Utility Commission's moratorium on involuntary disconnections ends. The General Assembly determined that these are necessary expenditures from the Coronavirus Relief Fund to assist individuals facing economic hardship, which will allow them to pay their utility expenses and thereby continue to receive essential services.

Sec. 21. AGENCY OF DIGITAL SERVICES; CYBERSECURITY

Sec. 21 appropriated \$2,000,000.00 to the Agency of Digital Services to conduct a cybersecurity risk assessment and establish a risk management program. The General Assembly determined that these are necessary expenditures from the Coronavirus Relief Fund to identify, remediate, and mitigate cybersecurity risks as State employees increase remote work due to the COVID-19 public health emergency.

Sec. 21a. E-911 FUNDING

Sec. 21a appropriated \$200,000.00 to the E-911 Fund for necessary expenses incurred due to unbudgeted and unplanned critical public health and safety activities and services directly caused by or provided in response to the COVID-19 public health emergency.

