



Memorandum

TO: Senator Jane Kitchel, Chair, Senate Appropriations Committee

FROM: Gus Seelig, Executive Director

DATE: May 18, 2020

RE: COVID-19 Response and the Coronavirus Relief Fund

CC: Senate President Pro Tempore Tim Ashe, Agriculture Committee Chair Bobby Starr, Senate Economic Development, Housing and General Affairs Chair Michael Sirotkin, Senate Health and Welfare Chair Ginny Lyons, VHCB Board Chair Neil Mickenberg, VHCB Policy Director Jen Hollar

Like you and so many others, VHCB is singularly focused on how we can help Vermonters and communities stay safe and healthy during the pandemic and best position themselves for recovery. Our authorizing statute directs us to respond to unique circumstances and opportunities. Over the years, VHCB has helped the state respond to many disasters from downtown fires to Tropical Storm Irene. A generation ago, we worked closely with AHS to close the Brandon Training School. We now plan to work in partnership with the Legislature and Administration during both the response and the recovery from the public health crisis and economic fallout. We are in communication with your committees on agriculture and economic development. We hope that when Congress passes an economic recovery package that we will be able to help at that time as well.

In the near term, we propose using Coronavirus Relief Funds for two essential purposes: 1) to secure safe and stable housing for homeless households that are temporarily located in motels or modified emergency shelters, and 2) to expand rapid response technical assistance and advising to farm, food and forestry sector businesses.

Housing for the Homeless

AHS recently reported that about 2000 Vermonters, including more than 200 children, are living temporarily in motels and shelters. As the economy reopens, they will be displaced but cannot

return to crowded homeless and overflow facilities or encampments and follow public health guidelines for their safety and their neighbors. With support, some will be able to move into existing housing. In areas with the greatest numbers of homeless including many families with children, however, there is an underlying lack of available housing units. We and our partners are identifying properties that can be secured or rehabilitated to provide safe shelter during the pandemic and facilitate the transition to permanent housing. As you know, guidance on use of CRF funds continues to evolve and last week it was made clear that facilities to address homelessness are eligible. Most of these individuals and families have few resources and many needs. In addition to housing, they will require rental assistance and support services. We have been in active discussions with AHS about whether they can provide these. Another possibility is to explore the CRF eligibility of pre-capitalizing reserves for these expenses similar to other reserves typically required of housing projects.

In order to meet the CRF expenditure deadline and secure housing for the homeless in motels as soon as possible, VHCB and housing partners need a signal almost immediately that the resources will be available. This could be the first step in reinventing our emergency to permanent housing system in a manner that is safer, more humane and more effective with cost savings for the state's health care, corrections and mental health systems.

VHCB proposes a CRF appropriation to provide safe shelter and facilitate transitions to permanent housing for 200 households.

\$21,700,000 to cover capital expenses necessary to secure housing for homeless populations in order to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.

Because these units will be targeted to the homeless households with greatest needs, they will also need supportive services and rental subsidies. We estimate the need for \$2.2 million for services and \$8.2 million for rental subsidies, or a total of \$10.4 million over five years. We propose increasing the CRF appropriation to \$32.1 million to pre-capitalize reserves for this purpose. If it is determined that AHS, future federal recovery funding such as through the Emergency Solutions Grant Program or existing resources can be targeted to these units for

services and subsidies, that amount can be redirected to other CRF uses. Once secured, these new units can serve additional Vermonters who may become homeless through future waves of COVID-19 and until the economy recovers.

Rapid Response Business Coaching for Farm, Forest and Food Businesses

We also propose using CRF to provide technical assistance and advising to land-based businesses directly impacted by the economic dislocation caused by COVID-19. VHCB's Farm & Forest Viability Program has redirected staff and activity to this purpose. It is currently offering Rapid Response Business Coaching to help these businesses navigate both federal assistance programs and to reposition in light of changing markets. These enterprises are not typically served by traditional business assistance programs. As recently described to the Senate Agriculture Committee, this is insufficient to the need and the Viability program is poised to ramp up this activity. The committee is considering referring farmers to the program as part of the farm aid bill it is developing. VHCB seeks to use CRF funds to expand these services through the end of the calendar year. A detailed description is enclosed.

\$192,000 for expenditures related to the provision of technical assistance and business advising through the Vermont Farm & Forest Viability Program to farm, food and forestry sector businesses impacted by business interruption and loss of markets due to required closures and economic dislocation caused by COVID-19.

We appreciate both the tremendous demand on the CRF as well as its eligibility and timing constraints. VHCB believes these proposals fall squarely within the intent of the CARES Act, address critical needs and will help Vermonters stay safe and businesses recover. We are happy to work with your staff to answer any questions.