

2021 State Legislative Priorities

Safe, stable, and affordable housing is the foundation on which successful, independent lives are built. Without appropriate housing, children have difficulty learning in school; elders and people with disabilities live less independently and face greater health challenges; homeless Vermonters remain homeless; single parents on public assistance cannot become self-sufficient; and working families have difficulty holding onto jobs, let alone moving up the economic ladder. Housing investments avoid costs throughout the human services budget. Investments in housing create good-paying jobs, stimulate spending in regional economies, and increase state and local revenues. Insufficient supply of affordable homes affects employers' ability to attract and retain qualified employees. Energy-efficient housing lowers our carbon footprint and is a climate crisis solution.

The importance of housing has become even clearer during the scourge of the COVID-19 pandemic, which has laid bare our long standing systemic deficiencies and inequalities. COVID made the unseen seen. We've known for years that housing IS health care, that housing is, indeed, a health care "vaccine." ***No one can stay safe at home unless they have a home to stay safe in.*** As more and more people work at home, the whole nature of housing and what it delivers has changed because of COVID. Housing investments have been at the forefront of Vermont's pandemic response, thanks in large part to the unprecedented investment of federal CARES Act funding. With Coronavirus Relief Funds extended for a year and new federal relief on the way, ***our highest priority is to continue housing programs that keep low-income Vermonters and those with special needs safe during the ongoing pandemic.***

To alleviate chronic and substantial housing needs—especially considering the impacts of the pandemic and how important housing is to health care—Vermont must adequately fund all three legs of the three-legged stool of affordable housing investments:

1. **Capital investments** to create more permanently affordable housing,
2. **Housing-related financial assistance** that fills the affordability gap for low-wage working families or those living on fixed incomes, and
3. **Supportive services** for those with the greatest challenges to finding and maintaining housing.

CAPITAL INVESTMENTS

Increase the quantity and quality of affordable housing through capital investments and tax credits. Members of both coalitions most often identified the need for additional affordable housing as their top priority.

- **Vermont Housing and Conservation Board** – Major new investments in VHCB are needed to address the state's substantial and chronic housing needs. We **support full statutory funding for VHCB at \$22.7 million** (level funding would be approximately \$17.2 million). Increased investments could come through VHCB's annual appropriation or a second housing bond, or a combination of the two. With major new federal relief funding for rental assistance and supportive services, the state needs to emphasize bricks and mortar funding.
- **Mobile Home Parks** – Mobile Home Parks are a critical component of Vermont's existing affordable housing stock. Their affordability must be preserved and conditions improved. Park needs include major infrastructure improvements; removal of abandoned, and replacement of substandard homes; debt refinancing and forgiveness; project management resources; and co-op/nonprofit buy-outs. **Capital needs over the next 3 - 5 years are estimated at \$31.75 million, with a \$9.7 million funding gap.** Brattleboro's Tri-Park, the largest in the state, has an estimated gap of \$3.55 million alone. One-time state investments are needed to address the most urgent needs. Additional VHCB funding will address the rest over time, increasing park sustainability. Further park needs, exacerbated by the pandemic, include Internet access; support and services for isolated, higher risk residents; rental and mortgage arrearage assistance; and costly additional COVID-related water chlorination.
- **Rental Housing Rehabilitation** – Vermont's aging, often substandard and energy inefficient rental housing needs upgrading. We can bring unsafe, blighted, and vacant rental units up to code and back online. The coalitions support creation of a statewide program to help private, for-profit landlords upgrade substandard

properties, along the lines of the Rental Housing Repair Program created with CARES Act funding or the Administration's proposed Vermont Housing Improvement Program (VHIP).

- **Home Access Improvements** – VCIL's statewide Home Access Program enables Vermonters living with disabilities to live more independently and avoid the higher expense of living in a nursing home. The program has a perennially long waiting list and needs additional funding to address demand. It receives its funding through VHCB and DAIL. DAIL has not increased its contribution in many years.
- **Housing Related Tax Credits** – Protect and preserve Vermont's tax credits that support affordable rental housing and homeownership. Support increases wherever possible, including expanding the Downtown credit to include Neighborhood Development Areas to incentivize housing production and rehabilitation.

HOUSING-RELATED FINANCIAL ASSISTANCE

All Vermonters deserve a place to call home. Support low-income and vulnerable Vermonters by closing the affordability gap for renters and homeowners. In conjunction with federal COVID relief funding, seek increases to proven state programs that have been essential components of the state's pandemic response:

- **Housing Opportunity Program** – HOP funds a variety of housing-related financial supports, including back rent assistance to prevent evictions, short-term rental and utility assistance, security deposits, moving expenses, and the essential cost of shelter operations. During the pandemic it has become an even more essential conduit for assistance to some of our most vulnerable citizens. **We ask for a \$1 million increase** to fund additional back rent assistance, landlord/tenant mediation, and continuation of the Money to Move Program.
- **State Rental Assistance** – People on fixed income cannot afford housing anywhere in Vermont without a rental subsidy. The **Vermont Rental Subsidy** and **DMH's Subsidy+Care Program** enable homeless families on Reach Up and people with mental illness to afford their housing. **Increase annual funding for these programs to \$2 million each**, to serve approximately 250 additional households. At a minimum, restore \$200,000 in cuts to each of these programs over the last several years and index them for inflation. **All families on Reach Up and people on SSI should automatically receive rental assistance so they can afford housing.**
- **General Assistance Emergency Housing** – The motel voucher program has been THE essential housing safety net for homeless Vermonters during the pandemic, providing them with a home to stay safe in. The State must maintain its responsibility for funding the program adequately and **provide at least level funding at \$6.2million**. As proposals for program restructuring are considered, strong consideration should be given to start date and program redesign due to the pandemic.
- **AHS Central Office Direct Service & Service Coordination Grants** – CARES Act Rapid Resolution Funds have proven the need for one-time/short-term flexible financial assistance to help reduce and prevent homelessness. Vermont used to have just such a program. Its funding has been reduced to almost nothing over the years. **AHS "flex" funds should be restored to \$600,000.**
- **Corrections Transitional Housing** – This program reduces recidivism and saves the State money by providing a variety of housing options for people returning to the community from incarceration, or for people supervised in the community who are at risk of re-incarceration due to instable housing. **Increase by \$400,000 to restore funding to \$7.2 million level.**
- **Foreclosure Prevention** – Provide **\$1 million in new funding** to continue VHFA's COVID Emergency Mortgage Assistance Program into the New Year to help Vermonters with lost income keep their homes.

SUPPORTIVE HOUSING & SERVICES

Fully fund unfunded service needs for those with the greatest challenges. Increase funding for AHS housing programs, which have been key to the State's pandemic response, and find new ways to harness Medicaid, including the following:

- **Family Supportive Housing** -- FSH provides intensive case management, service coordination and affordable housing to homeless families with children. Additional funding in FY 21 enabled expansion from 7 AHS districts to 10, as well as program enhancement in already-served areas. Total capacity increased to up to 285 families statewide. **Increase by \$400,000 to expand to two unserved districts.**
- **Housing First** – Pathways Vermont's Housing First program is an evidence-based practice that provides housing and services to chronically homeless Vermonters with severe and persistent mental illness and/or co-occurring substance use disorder. **Increase funding by \$2.5 million to expand Housing First statewide.**

- **Permanent Supportive Housing** – PSH is an evidence-based housing intervention for people experiencing homelessness and others with disabilities. It pairs non-time-limited housing assistance with case management and supportive services. The 2017 Roadmap to End Homelessness recommended creating 368 homes over five years. ***Vermont must expand Medicaid to help fund these homes.***
- **Home-Sharing** – Serving the seven Northwest and Central Vermont counties, HomeShare Vermont provides comprehensive screening and matching services to people of all ages and incomes who have a home to share or are looking for a place to live. ***Support level funding at \$280,000 in the DAIL budget.***
- **Support & Services at Home** – SASH is a nationally recognized, team-based program of care coordination shown to improve health, save Medicare dollars, and help people stay (or become) healthy so they can remain living at home. ***Ensure at least level funding for SASH and continue to monitor its transition to OneCare. Support new funding for a family SASH pilot.***
- **Assistive Community Services** – ACCS provides services to eligible Vermonters who live in Licensed Level III Residential Care Homes or Assisted Living Residences, helping them to avoid higher cost nursing home care. Even with a \$5 per person per day increase in FY 20, providers like Cathedral Square are still far short of breaking even. ***Further funding increases are needed to cover provider operating costs.***

RENTAL HOUSING SAFETY

Vermont has some of the oldest housing stock in the nation, with many substandard rentals in need of basic health and safety upgrades. Vermont needs a statewide professional code enforcement system to help tenants who often live in deplorable conditions. Outside of the few towns that have their own housing inspectors, Vermont relies on unpaid volunteer Town Health Officers who are often ill-equipped to do rental housing inspections. Long term rentals convert to largely unregulated short-term rentals, exacerbating the state's housing shortage. The Rental Housing Advisory Board recommends passage of H.739, introduced last session, which would:

- Relieve Town Health Officers of most of their responsibilities regarding rental housing inspections
- Move the responsibility for the enforcement of the Rental Housing Health Code from municipalities to the Department of Fire Safety (without affecting towns with their own programs)
- Establish a registry, and greater regulation, of both long and short-term rental housing units
- Fund this complaint-driven inspection program through a modest annual per unit fee of \$35
- Create a state rental housing rehabilitation program for privately owned apartments that are offline or otherwise in need of repair
- Fund increased back rent assistance and training and technical assistance for landlords and tenants

LAND USE PLANNING, PERMIT REFORM, & COMMUNITY INVESTMENTS

Duplicative project review, restrictive zoning, and outdated land-use regulations can suppress housing supply, drive up housing costs, and widen racial and economic disparities. We support inclusive housing measures like those originally included in last session's S.237/Act179, which remove exclusionary zoning barriers to housing development. We support eliminating Act 250 jurisdiction in State Designated Downtowns & Neighborhood Development Areas, so long as provisions ensuring inclusive, affordable housing are included. We also call for ***full, statutory funding for the Municipal and Regional Planning Fund*** to increase local and regional capacity to plan for affordable and inclusive housing.

NEW REVENUES FOR HOUSING & HOMELESSNESS

The State must tap sustainable and equitable new revenue sources to help fund Vermont's emergency and ongoing housing and homelessness needs. Rising residential real estate values and increased sales due to "COVID refugees" moving to Vermont will further price Vermonters out of the market.

- Institute a ***"Mansion Tax"*** for high priced homes, as has been done in a number of other states. A 1% surcharge on property transfers above \$1 million could provide additional resources to help create more affordable housing and alleviate homelessness.
- Vermont has the second highest rate of second-home ownership in the country, behind Maine. The coalitions call on lawmakers to research the feasibility of a potential ***tax on luxury second-homes.***

ECONOMIC AND SOCIAL JUSTICE

Housing investments are not the only way to close the affordability gap for low-income working Vermonters and those living on fixed incomes. Improving economic and social conditions and the safety net are essential, too:

- **Homeless Bill of Rights** -- Protect the constitutional rights of Vermonters without housing by passing last year's H.492. Similar legislation has been passed in several other states. This would help prevent discrimination based on homeless status, reduce efforts to criminalize behavior often associated with homelessness, like panhandling or sleeping in cars, and create greater respect for the possessions of the homeless. Towns would have guidelines helping them to avoid enacting ordinances that target the homeless and the litigation that could ensue, for instance, when possessions are discarded illegally.
- **Just Cause Eviction** – The coalitions support Burlington's proposed charter change protecting tenants from eviction without "just cause," where just cause includes (a) a tenant's material breach of a written lease, (b) violation of state statutes regulating tenant obligations, (c) non-payment of rent, and (d) refusal to accept reasonable, good faith changes to lease terms. As long as a tenant abides by the rules, their lease would automatically renew, providing the security a homeowner has. Reasonable exemptions would be included.
- **Child Care Subsidies** -- Vermont must continue to strengthen the Child Care Financial Assistance Program. CCFAP is a critical resource that helps Vermont families afford child care. The level of financial assistance offered by the program should reflect the current cost of child care in Vermont.
- **Family and medical leave** -- Pass a strong, universal, and inclusive bill, as supported by the FaMLI Coalition, to support the health, well-being, and economic security of children and families.
- **Education Finance and Tax Reform** – Preserve income sensitivity and ensure that low-income renters and affordable housing are not adversely affected by tax reform efforts.
- **Reach Up** -- Increase the Reach Up cash grant to children and families until it meets 100% of the basic needs of participants, with automatic inflation indexing going forward. Restore full benefits to Reach Up families receiving adult Supplemental Security Income (SSI). Provide rental assistance to all Reach Up families and address benefit cliffs that disincentivize increased work hours and higher pay.
- **LIHEAP & Crisis Fuel** -- Ensure at least level funding for these essential safety net programs.
- **Legal Services** -- Increase low-income people's access to representation, especially in eviction situations.
- **Matched Savings Accounts** -- Provide greater incentives for low-income Vermonters to save for major essential needs and life goals by increasing program investments.
- **Micro Business Development** -- Help low-income Vermonters start small businesses and achieve greater economic self-sufficiency by increasing access to capital and technical assistance.

ADDRESSING THE CLIMATE CRISIS

Heating and cooling buildings is the second largest contributor to the state's carbon footprint. By maximizing thermal efficiency, affordable housing investments lower these costs, making buildings less costly to operate and more sustainable over the long term while also lowering our carbon footprint and helping the state make progress on its climate change goals. Recognizing the urgent need to address the climate crisis with bold measures, the VAHC joins colleagues in the Climate Action Coalition to support:

- **Weatherization** -- We have failed to mobilize the funds required to invest in weatherization at scale to meet our greenhouse gas reduction goals. Bringing weatherization to scale will involve retrofitting 100,000 low- and moderate-income homes over the next decade, reducing energy burdens for rural and marginalized communities, improving health outcomes, and putting Vermonters to work in good-paying energy jobs. The funding plan includes: green bonds funded by a "pay as you save" approach and backed by a thermal fuels efficiency fee, among others.
- **Transportation Climate Initiative** – TCI will foster regional collaboration to cap emissions from cars and trucks, with proceeds to be invested in clean transportation alternatives, like subsidies for installing electric vehicle chargers in multi-family developments.
- **Renewable Energy Standard** – As we move to electrify and decarbonize our heating and transportation energy needs, we must simultaneously expand deployment of clean, local renewable power to control energy costs and meet our climate commitments. Introduced last session, ***S.267 would require that the state's total renewable energy increase to 100 percent by 2030***, and that distributed renewable generation (near point of use) increase to 20 percent by 2032.