

# **Housing Recovery Working Group**

Vermont Department of Housing and Community Development  
Vermont Department of Children and Families  
Vermont Housing & Conservation Board  
Vermont Housing Finance Agency  
Vermont State Housing Authority

April 30, 2021

House and Senate Appropriations Committees  
Vermont General Assembly  
Statehouse  
Montpelier, VT 05602

Dear Chairs Hooper and Kitchel:

First, thank you for your committees' support and focused interest in both challenging us to meet the housing needs of Vermonters and greatly enhancing support for us to meet those needs. As you know, when the Governor introduced the FY22 budget, he proposed \$20 million of one-time funding for VHCB and funding for VHIP to advance housing creation and improvement.

The House said that was not enough, doubling the one-time funding and adding \$10 million to H.315 for fast-track housing which also included \$5 million for immediate mortgage relief. As the budget leaves the Senate, the total funding for housing and shelter has been increased by another \$22 million and a \$5 million allocation has been made to enhance VHIP.

These resources together more than double what was directed to housing through the Housing Revenue Bond. Thank you!

As you know, H.439 as passed the House called for a Housing Recovery Working Group to be led by DCF and DHCD to pull together a plan to best use available federal resources with an interim report due on April 30. It is this group that writes to you today.

The work you have already done in support of housing is ground-breaking. As you complete work on the state budget, we respectfully ask that you consider enhancing what is in H.439 by appropriating more ARPA resources as proposed by the Governor to help move the more than 30 unfunded projects in our current housing pipeline to meet immediate and urgent needs and reduce pressure on the emergency housing program.

Since the budget left the House, DCF, DHCD, VHCB, VHFA and VSHA have met weekly to outline a coordinated plan that can meet housing needs of vulnerable Vermonters and maximize resources available from the last two federal recovery acts which have included an extraordinary amount of rental assistance, utility relief and now mortgage assistance to Vermont. We are also following the President's jobs and infrastructure plan and other legislative initiatives that may bring resources to Vermont next year.

Unfortunately, the federal government has not yet provided guidance for the use of ARPA. In anticipation, the Governor put forth a broad plan to make major investments to meet Vermont's housing needs. The lack of guidance limits the Working Group's ability to give you a detailed plan, but progress is still being made:

- ✓ VSHA has hired a contractor to help move and utilize the two pots of federal emergency rental assistance
- ✓ DCF has extended the current motel program through June 1<sup>st</sup> (July 1<sup>st</sup> for current recipients), continues to rely on FEMA resources to cover its cost and this week put forth a new proposal regarding the GA program which will shift funding to the Emergency Rental Assistance Program.
- ✓ VHCB has received \$27.5 million in requests for the \$10 million available from H.315 to quickly establish housing and additional shelter capacity for about 140 Vermonters experiencing homelessness.
- ✓ VSHA has received the excellent news from HUD that they will receive additional Section 8 Housing Choice Voucher funding to support 534 new vouchers (as compared to previous years when it received little or no new funding.)
- ✓ VHFA is reopening its mortgage assistance program on May 3 and has mapped the availability and uses of federal resources
- ✓ DCF and DHCD have identified ways to utilize more than \$14 million for services in the coming year
- ✓ The Working Group is developing strategies to maximize the state and federal resources and target them to highest needs
- ✓ The agencies are also discussing a joint RFP to provide capital, rental assistance and services for projects that include permanent homes for Vermonters experiencing homelessness.
- ✓ Finally, earlier this week we held a listening session with over 70 attendees comprising both the Council to End Homelessness, the Vermont Housing Council and other interested parties. They expressed excitement at the prospect of launching a moon shot to change and rebalance the availability of affordable homes in Vermont and the idea of making homelessness a much more rare occurrence in our state.

We agree with the policy goal expressed by Senator Kitchel last week that we want to integrate Vermonters who have experienced homelessness into mixed income settings to the maximum extent possible. To that end, we urge you to allow flexibility in the appropriating language between increasing shelter capacity and permanent homes for the homeless, which is the outcome we all prefer.

We make this request for the following fundamental reasons. First, we must do more and quickly to move folks out of motels into permanent housing and reduce pressure on the emergency housing budget. Second, the allocation of more resources will send an important signal to the development community that the effort Vermont will undertake will be substantial and continue over several years. Third, we have a large number of project opportunities that we do not want to put off until next year. Fourth, the rental market cannot be rebalanced without beginning to

create more opportunities for builders to provide starter homes - something the market currently does not produce on its own. And, finally, we will not be able to make the best use of federal resources for rental assistance and vouchers without bringing more units online in the short term.

We will continue work together to integrate capital, rental assistance and services (the three legs of the stool necessary to support vulnerable households) while assisting the housing, shelter and service providers that do this incredibly important work at the community level. The legs of the stool will never be perfectly even, but we believe using more ARPA for housing capital as the Governor proposed, will put them in balance sooner and better allow us to serve Vermonters.

Sincerely,

Commissioner Josh Hanford  
VT Department of Housing and Community Development

Commissioner Sean Brown  
VT Department of Children and Families

Executive Director Gus Seelig  
Vermont Housing & Conservation Board

Executive Director Maura Collins  
Vermont Housing Finance Agency

Executive Director Richard Williams  
Vermont State Housing Authority