

February 28, 2023

To: Senate Appropriations and House Appropriations

Vermont's housing crisis has been decades in the making. Even before the pandemic, we were hearing from members of the Vermont Affordable Housing Coalition (VAHC) about long wait lists for their apartments. And from my own personal experience searching for an apartment in Central Vermont a few months ago, I can tell you that it is a race to be the first person to contact a landlord when an apartment becomes available, a game of hitting the refresh button on your web browser every 15 minutes as you search Craig's List.

Well-intentioned legislation and local zoning regulations with unintended consequences, paired with consistent under-investment of public dollars, have contributed to the issue. And the ongoing negative impacts are most detrimental to community members with the least power to make change. People with low incomes; Black, Indigenous, and People of Color; older community members, and people with disabilities are disproportionately impacted by the current shortage of housing.

Just as it has taken us decades to get to this point, it will take us years to make things right. But there's an easy place to start, and that's by following a statute that's been on Vermont's books for 35 years and funding the Vermont Housing & Conservation Trust Fund with the full 50 percent of the property transfer tax revenue at \$27.8 million in the FY24 budget. It's estimated that if the Vermont Housing & Conservation Board (VHCB) had been fully funded over the last decade, it would have resulted in the creation of another 1,000 units of affordable housing.

Fully funding VHCB won't be enough. We must continue investing at accelerated rates to create the housing necessary to fix what the market will not correct on its own. Substantial capital investments in emergency shelters, new affordable housing, and the preservation of existing affordable housing is essential. VAHC calls for substantial capital investment for the creation of affordable housing and emergency shelter between the Budget Adjustment Act and the FY24 budget. We are requesting a \$175 million investment in affordable housing that would fund housing development, renovation, and affordability programs that would improve the housing situation of approximately 1600 Vermont families. We also are requesting \$40 million to create alternatives to the motel-based emergency shelter system created as an immediate response to the pandemic. This investment would help provide a less expensive bridge to permanent housing for families and individuals experiencing homelessness while permanent homes are being created.

We have serious concerns about what the future holds for the 2,800 people currently living in hotels through the GA Emergency Housing Program. The Governor's FY24 budget funds the program at \$26 million, far short of the amount needed to keep a roof over the heads of these families and individuals. It is estimated that this level of funding would only continue to house 146 of the 1800 households currently in hotels. Taking housing away from more than 1600 households is not only inhumane, it will also increase the level of unhoused homelessness that

our cities and towns are experiencing, intensify the burden on our already overtaxed social service network and municipal resources, and result in long-lasting and costly negative impacts on those who are displaced as well as our communities. We must provide a bridge as other housing options are brought online by funding the GA Emergency Housing program at \$72 million in the FY24 budget. We also support increasing funding for rental assistance programs including the Vermont Rental Subsidy program and the HOME Voucher program, as well as funding to expand both the SASH For All program and the Family Supportive Housing program. I encourage you to read the recently released [Bridges to Housing](#) proposal for more details.

Thank you all for your dedication and the hard work that you are doing on behalf of Vermonters.

Michelle Kersey
Chair, Vermont Affordable Housing Coalition