

## MEMORANDUM

To: Rep. Diane Lanpher, Chair, House Committee on Appropriations  
From: Rep. Tom Stevens, Chair, House Committee on General and Housing  
Date: February 26, 2024  
Subject: Provisions in the Governor's Proposed FY 2025 Budget

Thank you for the opportunity to review the provisions of the Governor's Proposed FY 2025 State Budget that relate to this Committee's subject areas.

### \* \* \* Act 47 Upstream Eviction Prevention Funding\* \* \*

The Committee strongly urges the Appropriations Committee to reinstate the approximately \$3.9M excised from the Budget Adjustment Act to the three provisions enacted in Act 47 of 2023 which were unfunded. This is of the highest priority as 1) the policy put in place will prevent up to 345 evictions due to nonpayment of rent and 2) possibly more with the pilot program offering tenants full representation in eviction court in two counties.

### \* \* \* Truth and Reconciliation Commission\* \* \*

It is our understanding from testimony by Rep. Bluemle that the lack of funding in the Governor's Proposed FY25 Budget was an oversight. The Committee is relieved to hear that, and looks forward to seeing the fully requested funding of \$1.1M in the House version of the budget in the coming weeks.

### \* \* \* \* Land Access Opportunity Board\* \* \*

The Committee is supportive of the budget request made by the LAOB. This board was created in 2022 and was tasked with planning for the future of the board, and what it will take to fulfill the goals outlined in their report, which is available on our website. The LAOB has successfully grown its board and staff, recently hiring two directors, and visited the Committee to discuss their next iteration of growth and with that, their budget request of \$1.97M. The Committee expressed strong support for their programming and their budget request, as it will continue the important equity work for which it was formed.

### \* \* \* Vermont Housing and Conservation Trust Fund\* \* \*

The Property Transfer Tax is the primary source of funding for the Vermont Housing and Conservation Trust Fund. Pursuant to 10 V.S.A. § 312, the Fund should be comprised of 50 percent of the revenues from that Tax. However, in many years, a percentage of that allocation is redirected to other uses, resulting in the Housing and Conservation Trust Fund being underfunded. This in turn results in fewer affordable housing units being created, which is contrary to the stated goals of recent administrations to alleviate homelessness and create more middle-income housing.

For FY 2025, the Governor's proposed budget includes \$22M from the Property Transfer Tax and \$3.8M from the Capital Fund to the Vermont Housing and Conservation Trust Fund. This amount, while approaching a greater percentage of the statutory appropriation, does not reach the full statutory amount, and continues to include payments on the 2017 Housing Bond, further diluting its buying power. The General & Housing Committee supports funding the Housing and Conservation Trust Fund via Property Transfer Tax at the full statutory amount.

\* \* \* Vermont Housing Improvement Program \* \* \*

VHIP is a recently developed program that rehabilitates vacant or substandard rental properties to bring additional apartments online. It has been used for the creation of Accessory Dwelling Units and we are considering the expansion of the program to support single family homes in rural communities, shared living homes and other possible scenarios.

This year, VHIP is expected to use all General Fund dollars. They currently have \$18M in GF funds ready to be used in VHIP 2.0. The Committee supports the \$6M appropriation for FY25.

\* \* \* VHFA Homeownership Grants \* \* \*

VHFA's First Time Homeownership Program grants money to qualified first time homebuyers. The program has important social equity components and has been a success. The Committee supports a further appropriation of \$1,000,000 for this program.

\* \* \* Manufactured Home Improvement and Replacement Program \* \* \*

The MHIR Program has previously been funded with ARPA dollars, and has been successful in improving the health and safety of older manufactured homes that meet a certain criteria. The Committee supports the appropriation of \$2M.

\* \* \* Healthy Homes Program \* \* \*

The Healthy Homes Program provides needed supports for infrastructure (water, sewer, site work) primarily for manufactured home communities, and in the right situations may support rural neighborhoods as well.

The proposed appropriation in the Governor's FY25 budget is \$4M. The Committee supports this appropriation.

\* \* \* Middle Income Homeownership Program \* \* \*

This program was funded in FY23 with ARPA to encourage development of homes to purchase for middle income people, with the proviso that at least a third must be through a permanently affordable/shared equity program, and the remaining homes must retain subsidy over time. The program can buy down the cost of a home for purchasers of particular income demographics, and help developers build homes that appraise for less than the cost to build

While the Governor's budget proposal for FY25 did not include funding for this program, the Committee feels it was successful enough to support with another one-time appropriation of \$25M.

\* \* \* Vermont Housing & Conservation Board \* \* \*

Due to the recent success of using both GF and federal dollars to accelerate the development of permanently affordable rental units and investments in homeownership the Committee supports continued investment of one-time funds to the Vermont Housing and Conservation Board. An allocation above and beyond what is in the Governor's budget proposal will allow for further preservation or acquisition of affordable housing, permanent supportive housing, recovery residences, farmworker housing, support for new shelter beds, and other emerging needs such as employer-supported initiatives or housing for adults with developmental disabilities.

The Committee supports a budget request of XXX.

\* \* \* Other Items \* \* \*

1. **SASH for All:** The Committee supports the expansion of the programming considered by Cathedral Square and others for SASH for All. Originally funded by a federal grant, the request is for a one-year appropriation of \$300,000, which will be matched with a \$150,000 grant from a bank. This is the last year of a three year pilot originally funded with federal dollars, and in out years, Cathedral Square will be seeking funding through the same sources as for SASH.. Committee members remained supportive of the program overall as a way to provide essential services to residents and families who live in affordable housing and who tend to have fewer resources when trying to access the services.
2. [**Pilot Programs for Developmentally Disabled.** The Committee heard from a number of advocates and witnesses on the funding of the pilot projects created in 2022. The Committee heard of the pressure to focus on the creation of over 600 units in the coming years to accommodate the aging of family members who have developmental disabilities and their need for care. The Committee supports the appropriation of \$10.2M for these projects.]
3. **Pathways:** The Committee strongly supports the budget requests made by Pathways to both expand their program statewide. Using the Housing First model, Pathways programming, when available, provides integral services in our constant desire to diminish the number of Vermonters experiencing homelessness. [They are currently offering services in nine counties, and their request for \$XXXM would allow them to expand statewide].
4. **Habitat for Humanity:** The Committee heard testimony from a number of the regional directors of Habitat for Humanity. Their budget request for \$300,000 over three years would allow them to fund a statewide director, which would allow them to plan for their annual projects in a more efficient way. The Committee supports an appropriation of \$100,000 a year for three years to fund a statewide director.

\* \* \* Conclusion \* \* \*

This memorandum is necessarily incomplete, as potential budget requests cannot be made quite yet. Policy is still being developed and may be contained in bills coming over from the Senate. We are still working on study committees and other bills that we are looking to pass prior to crossover, and we will keep you up-to-date on their progress.

With respect,

Rep. Tom Stevens  
Chair, General & Housing