

**Testimony of Capstone Community Action  
Before the House Human Services Committee  
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**1. Overview**

Since 1965, Capstone Community Action has served the low-income residents of Washington, Lamoille, and Orange Counties. Our mission is dedicated to lifting Vermonters out of poverty with access to food, fuel, connection to housing, early childhood education for at risk families, financial coaching, and programs to reduce energy impact and costs.

Our services for unsheltered Vermonters include case management for prevention and homeless services, a Landlord Liaison program to work with private landlords to open apartments and prevent evictions, a transitional housing program for at risk families as well as support and case management for motel guests. All of our housing work is in coalition and collaboration with a host of partner agencies, including: shelter providers, designated mental health agencies and health care facilities, parent-child centers and the faith community.

The demand for housing services, particularly for supporting unhoused individuals and families, has grown dramatically since 2020. In the last year alone (between June 2022 to July 2023), Capstone staff have fielded 3,598 calls from Vermonters seeking support to find safe, secure housing in our region, and have supported over 2,000 Vermonters with some type of housing service. Significantly, since the beginning of COVID, Capstone staff in both Lamoille and Washington counties, working together with community partners, have also continued to support motel guests with case management services.

The need for affordable housing in Capstone's service area remains at a critical level. At the end of September in Washington County there were 875 individuals on the Coordinated Entry system (the state system of all unhoused individuals as assessed by housing service providers) as well as 348 in the Orange/Windsor region and 250 in Lamoille County. Washington County's homeless population has grown rapidly over this time and is now close to that of Chittenden County. Indeed, on a per capita basis, the Washington County homeless population is nearly triple that of Chittenden County according to an analysis by Good Samaritan Haven (with 5.3 homeless individuals per 1,000 residents in Chittenden County and 14 homeless individuals per 1000 residents in Washington County).

The impact of extreme flooding in July throughout our region has exacerbated the housing challenge. The squeeze on supply with a rapid increase in demand has compounded the challenges of supporting the needs of those previously unhoused. In Barre City alone – the city with the highest level of poverty and homelessness-- officials estimate that 10% of the housing stock was damaged, destroyed, or in high flood hazard areas. We now find ourselves in a race against time as our case managers work with landlords, tenants, and community leaders to help

get housing safely back online, compliant, and free from the ravages of the flood. These needs become more urgent as winter arrives, with many people living in homes that no longer have heating systems, and in some cases lack water or power.

Despite these growing complexities, our dedicated staff continue to persevere. And there is also some positive news to report: Over the past year, we have helped 93 households obtain safe and affordable housing. We helped another 40 households avoid eviction. In Lamoille, we have placed four unsheltered Vermonters in brand new affordable apartment units. In Barre, we are finding private landlords who want to work with us as they bring new apartments online. The march is slow; but they are lights of hope as we see legislative investments come to life for the Vermonters we serve.

## 2. Reflections on Current Status

### **The unhoused people we serve are increasingly an ageing population and with medically complex conditions in need of specialized services.**

It is very important to realize that the demographic make-up of those who are unhoused is changing. Therefore, moving forward, our solutions must be tailored to these needs.

- In Washington County, 19% of individuals engaged in Coordinated Entry are 55 and over. 129 of all clients were over 65.
- Of the total 2,074 services we provided last year in housing, 403 were providing services to clients with some kind of disability.
- Not only are people aging, but the medical complexities are deeply concerning. Physical disability, mental illness, substance use disorder and significant histories of trauma are all consistent problems, and part of the systemic challenges we must address.
- Despite the high numbers of aging clients and those with disabilities, our clients face big challenges finding beds with nursing homes or assisted living facilities. While the rise in the Medicaid rates was strategic and welcome, we haven't yet seen a lot of movement from this change. Nursing homes and assisted living facilities have wait lists, and clients we serve may have histories that place them low on the priority list. We had one client who passed away who exemplified this. He was wheelchair bound, with a history of cocaine use, but was testing clean. In and out of the hospital, he was always discharged to homelessness. Nursing homes would not take him because of his substance use history. He died at a friend's house. **Our systems are not built to care for such complex needs and hospitals continue to be relied upon for such clients – the most expensive place for them to reside.** In our last meeting with the Central Vermont Medical Center, we learned they had 14 boarders on their daily census.

- **We feel strongly that a robust medical respite program, designed in concert with local medical facilities, is essential to address the complex cases of unhoused Vermonters.**

**Our current motel program faces many challenges and needs improvements.**

In terms of the motel program, availability is extremely limited, and many rooms are in very poor condition. There is no consistent oversight or monitoring of the rooms and management of the hotel guests. This situation leads to additional challenges and behaviors that sometime lead to public safety risks. **The GA / Hotel program needs greater oversight, comprehensive services, and coordination with state partners – including health and mental health agencies.**

- **Many guests require specialized wrap around services.** Housing is critical for substance use recovery support, and while we have certainly seen people discharged to the street directly from rehabilitation, the setting of the motel is not conducive to recovery. Just as we see the need for specialized nursing home support, there is a great need for specialized housing support for substance use.
- **Case management works, but the complexity of the clients demands longer term case management.** Our current housing grants are geared towards short term cases which is out of alignment with the severity of the housing crisis and the complexity of clients. The state is moving forward with plans to develop a Medicaid reimbursement model for permanent supportive housing programs. We need this now. It is best practice and critical for ongoing retention of housing for Vermonters facing barriers to successful tenancy.

**Ongoing and improved collaboration and coordination between state and community service providers is needed.**

When guests were “exited” from the hotels early this summer, the service provider community was not provided adequate information about guests with medical needs. And these providers were the people who were present at the hotels working to support those who were being exited. No one was prepared; it was a very stressful and difficult situation that no one wants to repeat. A plan of action for each hotel guest must be in place before April 2024 and a strategy should be shared between state and local service providers.

Over the course of the last three years, our staff have sometimes discovered residents in unsafe situations and very sick (and in some cases dead) in hotel rooms. We have requested the state share the medical information they have gathered for the next major transition and better coordinate planning. We are heartened that the Governor’s Council on Housing and Homelessness has now begun to meet and hope that this process will recommend solutions and strategies to avoid any uncoordinated mass exit in the future.

### 3. Goals moving forward.

#### Increase housing stock through a variety of strategies.

Affordable housing investments are essential, and the state's historic investments are making a difference. But we cannot keep pace with the increase in demand without a parallel increase in privately owned affordable housing stock. The cost of acquiring and developing new property has skyrocketed. New affordable housing is not the only solution. Increasing affordable private rental housing stock must be an ongoing strategy. Partnering and supporting private landlords (including sharing the financial risk) must be an ongoing strategy.

In Barre, a housing developer wanted to purchase one of the local motels, but the owners, who are full every night with our clients, put the cost of purchase well above appraised value. We are in a catch-22 where the program that currently houses our clients is also competing with more affordable solutions and limiting the number of units that might be brought online.

- **Programs to support private landlords who rent to our clients and to increase affordable rental stock are working and need ongoing focus.** Private landlords are critical part of the housing solution and need strategic focus. Our Landlord Liaison program has become an increasingly valuable way to appropriately match tenants with landlords, support the need for responsible tenancy, and assist with potential disputes. State programs should enhance the landlord liaison model along with high-quality, long-term case management support and the risk pool program.
- **Risk Pool for private landlords,** funded by the state, can help reduce the very real concerns that landlords have around renting to tenants with difficult histories.
- **A master leasing program** for nonprofits (like Capstone), with a risk pool supported by the state, and funding to provide case management services will help provide more housing opportunities from private housing stock.
- **Take advantage of any positive opportunity from the flood recovery.** The introduction of manufactured homes, supported by FEMA (currently under review for Montpelier and Barre) may also provide infrastructure for additional modular units, PODS or other options.

#### Vouchers must be sustained and flexible.

Clients lose their vouchers when they cannot find housing, even if the problem is there is no housing available. Payment standards are below the rental rates and people can't afford to make up the difference. This creates a cycle of homelessness and sometimes despair (for both clients and service providers). At the same time there is significant displacement in the unwinding of the VERAP program as many tenants, who have successfully been housed through a receiving subsidy, can no longer afford rents and are facing eviction. Vouchers/ subsidies should be considered for tenants, in agreement with landlords, to avoid eviction.

### **Commit to prevention strategies along with new housing solutions.**

Data from the HMIS system demonstrate that even as we continue to find housing solutions for some of those facing homelessness, new people also fall into homelessness. At this point there are more people entering homelessness than are exiting the system. And this is why prevention strategies are critically important. Keeping current tenants housed is an important strategy for reducing homelessness. This may involve intensive work with tenants, and support for landlords. Prevention efforts must also cross many sectors. Corrections, health care and hospital systems, mental health systems can work together to ensure treatment doesn't end the minute a Vermonter leaves their care. Discharging people to the street negates treatment, rehabilitation and negatively impacts our communities.

### **Services must be an ongoing and dependable part of the housing solution.**

The complexity of the conditions of those facing homelessness underscores the essential role that services play in both working to find appropriate housing for clients, and in ensuring their wellbeing and success as tenants/ residents. In many cases these services must be longer term and tailored to the clients that need support. In many cases, these are specialized services, including clinically trained providers which also require higher compensation and workforce development and training.

#### **4. Concluding thoughts**

As we approach the next phase of policy and budgeting to address our unhoused population, we also need to widen the lens. Vermont is not alone. The increase in displacement and homelessness is a growing problem across the country and around the world. It is a reflection of economic disparity and dislocation, urbanization, and the impact of our changing climate. Just as our July flooding has displaced hundreds of Vermonters, so has extreme weather displaced hundreds of thousands at our southern border and millions around the world. The co-occurring epidemic of addiction and substance use disorder, combined with social isolation and mental health instability continues to undermine social order and well being and the ability for families and communities to thrive. And the generational trauma of poverty, disease and dislocation is pervasive around the world.

We must realize there is no simple solution or quick fix to the challenges we face in trying to ensure all Vermonters are housed and cared for. The problems are complex and multi-faceted. However, progress is being made and we must continue to work together and be committed to a long-term strategy and not an annual budgeting exercise. It will take resources, innovation and sustained commitment. And it must be embraced at the community, regional and state level.

Thank you for your time and dedication to working to support our most vulnerable Vermonters together.