

TO: Chair Scheu, Chair and Members
House Appropriations Committee

FROM: Marc Mihaly, Chair and Members
House General and Housing Committee

DATE: January 23, 2025

RE: Housing Priorities for the 2025 Budget Adjustment Act

The House General and Housing Committee submits this letter to reflect its priorities in connection with the Budget Adjustment Act (BAA).

We set forth a series of expenditures and priorities below. However, one issue of special urgency which is not formally prioritized here is BAA funding for the Human Rights Commission which is so staff-constrained that it is no longer fulfilling its legal obligation to accept and hear cases brought to it. Their FY26 budget request will ask for six new full-time positions and two part-time additions to staff. However, to partially relieve their inability to serve the public at this time, they have also made a request that the BAA contain funding for the remainder of this fiscal year for two positions: a full-time intake specialist and a staff attorney in a total amount of \$62,000. We realize that this implicates the need for continuing funding in the FY26 budget, but nonetheless support the request because of the urgency of the situation.

The General and Housing Committee furthermore sets forth recommendations for funding in the following priorities:

1. For the Vermont Housing and Conservation Board
above its base statutory allocation: \$25 million
2. For the Vermont Housing Finance Agency for the
Middle Income-Homeownership Development
Program and the Vermont Revolving Loan
Fund (subject to below): \$20 million
3. For DAIL for funding for the third Pilot of the
Developmentally Disabled Housing Initiative
to be undertaken by the Champlain Housing
Trust: \$2.8 million

An important caveat to this priority: We have just received today an indication that the two VHFA programs listed above as well as VHIP may well be included in the Governor's budget such that inclusion in the BAA in the full amount may not necessary. If that should be the case, we would suggest two things:

- (1) Reducing the VHFA allocation to an amount sufficient to assure that their programs have the necessary pipeline to insure continued funding for the remainder of the fiscal year. This may be for example \$5 million.
- (2) We would in that event also recommend raising the VHFA allocation above base to \$35 to \$40 million, the latter being an amount which reflects the average of the several prior year's budget allocations in excess of base.

In addition to the above recommended funding allocation, the Housing and General Committee recommends inclusion of the following language with respect to the Rental Revolving Loan Fund (part of the HOME Act) administered by VHFA as amended by the underlined language:

§38(b)(7)(B) during the affordability period determined pursuant to subdivision (A) of this subdivision (7), the annual increase in rent for a subsidized unit does not exceed three percent, or an amount otherwise authorized by the Agency.

Finally, we consider that funding for transportation and the GA program may affect housing. We have not had an opportunity to review BAA requests from the Transportation or Human Services Committees if any. If that review reveals requests we wish to second and support, we will do so in a supplemental correspondence.

Thank to you and the Appropriations Committee for your consideration of these priority funding and language options.