



August 15, 2020

REPORT TO THE VERMONT GENERAL ASSEMBLY ON CORONAVIRUS RELIEF FUNDS

“With challenge comes opportunity, and the magnitude of this investment will go a long way toward improving and adding to Vermont’s inventory of housing solutions that help homeless households get back on their feet. These funds will allow us to effectively transform Vermont’s shelters to better provide safe and decent housing and to create new housing with support services for those who need it most.”

—AHS Department for Children and Families Commissioner, Sean Brown

STATUTORY REFERENCES

Act 115 of 2020 (S.350) appropriated \$23 million and Act 137 (H.966) appropriated \$9 million for a total of \$32 million *“to the Vermont Housing and Conservation Board, which the Board shall use, in part through grants to nonprofit housing partners and service organizations, for housing and facilities necessary to provide safe shelter and assistance for persons who are, or are at risk of, experiencing homelessness, or who have suffered economic harm due to the COVID-19 crisis, in order to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.”*

VHCB submits this report to the House and Senate Appropriations Committees and to the House General, Housing, & Military Affairs Committee and Senate Economic Development, Housing and General Affairs Committee as required by Act 137. The report also includes the status of the funding appropriated in Act 115.

SUMMARY FINANCIAL INFORMATION

Appropriations Enacted on June 19, 2020 (Act 115) and July 2, 2020 (Act 137): \$32 million

Committed to Housing and Facilities Projects by VHCB on August 6, 2020: \$30,027,197

Funding for:

- 17 communities statewide

- New apartments and emergency beds to be created for 212 households in areas of greatest need
- 13 homeless shelters that together provide 251 beds will receive support for improvements and expansion to meet current public health protocols

Remaining: \$9 million from Act 137 fully committed

\$1,972,803 of \$23,000,000 from Act 115 uncommitted

PROJECTS FUNDED BY Act 137

\$9 million from Act 137 has been committed to the following emergency shelter and housing projects.

Project Name	Sponsor	Town	units/beds new	units/beds existing	
54 So Main	Groundworks	Brattleboro	20		
81 Royal Road	Groundworks	Brattleboro	4	12	
966 Main Street	Bennington Coalition	Bennington	-	16	
Barre Tiny Home	Downstreet	Barre	1		
Charter House	Charter House Coalition	Middlebury	-	30	
Clarina HN Center	Clarina HN Center	Morrisville	1	13	
COTS	COTS	Burlington	-	47	
Good Sam Shelter	Good Sam Shelter	Barre	-	15	
Motel Conversion	CHT	Essex	68		<i>Partial</i>
NewStory Center	NewStory Center	Rutland	-	6	
Safe Haven	Clara Martin Center	Randolph	-	6	
Shelter Upgrades	John Graham	Vergennes	-	14	
Women's Shelter	CHT	Colchester	21		
ZEMs	John Graham	Bristol	3		
The Refuge	Samaritan House	St. Albans	15		
Tim's House	Samaritan House	St Albans	2	6	
Upper Valley Haven	Upper Valley Haven	Hartford	-	62	
Veterans, Inc.	Veterans, Inc.	Bradford	4	17	
Women's Freedom Center	Women's Freedom Center	Windham County	-	7	
		TOTAL	139	251	

PROJECTS FUNDED BY ACT 115

\$21,027,197 of \$23,000,000 from Act 115 has been committed to eight projects creating or securing 141 affordable apartments and homes. (One project will receive partial funding from the Act 115 and partial funding from the Act 137 appropriation.)

Due to the compressed timeline for application submission, VHCB staff review, and Board awards, several of the grantees are still negotiating the details of acquisition. Project names and property locations will be confidential until these real estate deals are finalized, expected within the next two

weeks. At that time, VHCB can provide a complete list of the 26 projects funded pursuant to Acts 115 and 137.

Plan for awarding remaining available funding by December 20, 2020:

VHCB staff anticipates additional applications from areas of high need within the next few weeks and the Board will consider these applications on September 16, 2020 or at a specially scheduled meeting. It is anticipated that the remaining total CRF funding amount will be committed or projects.

Plan for monitoring expenditure of funds and construction progress:

Grantees are required to submit monthly status reports to VHCB and staff will be monitoring grantees' progress on a weekly basis to ensure projects are proceeding as planned. VHCB staff and consultants are assisting grantees with regulatory reviews, construction management and technical assistance to help ensure completion by the CRF deadline. All disbursements of funds will be subject to VHCB's standard financial procedures requiring documentation of expenses and site visits by VHCB staff. Grant agreements require that expenditures to be covered by CRF funds must be incurred by December 20, 2020. VHCB will decommit funding as necessary from projects that are delayed for any reason and appear unlikely to be completed by December 20, 2020. It is hoped that Congress may extend the current deadline in the coming months.

BACKGROUND INFORMATION

CRF Funding from the CARES Act is intended to cover extraordinary and necessary expenses incurred by the State as a result of COVID-19 from March through December of 2020. CRF appropriations were made to VHCB to meet the immediate needs of vulnerable Vermonters during the public health emergency in a way that also strengthens Vermont's capacity over the long-term to address housing needs due to the pandemic and related economic fallout. VHCB is administering the funds to secure housing and safe shelter for homeless households, to make improvements to shelters statewide to enable compliance with current public health protocols, and to create new housing in areas of greatest need, as determined in consultation with the Agency of Human Services.

The pandemic exposed vulnerabilities for economically distressed households in a dramatic way. In January, the annual Point in Time counted about 1,100 homeless Vermonters. By the end of May, the state was providing motel rooms and shelter for 2,084 Vermonters experiencing homelessness— a doubling of the number of known households experiencing homelessness. Due to public health considerations, the State of Vermont has provided funding to house approximately 2,000 individuals experiencing homelessness, including more than 200 families with children, in motels and hotels. Many of these households had been staying in shelters or temporary housing and others were un-housed. It is anticipated that the State's ability to fund this temporary housing solution will end over the next several months.

VHCB's CRF Housing Program is part of a unified response to rehouse and safely shelter those experiencing homelessness during the pandemic and to prevent additional Vermonters from becoming homeless. VHCB's program is targeted towards securing and rehabilitating apartments in parts of the

State with high numbers of homeless in motels and shelters and low numbers of available homes and also to make improvements to existing emergency shelters to assure compliance with CDC and Vermont Department of Health COVID-19 guidance.

As part of its review of CRF programs, the Administration's consultant (Guidehouse) identified the risks associated with using CRF for capital. VHCB modified the program, eliminating the highest risk elements such funding replacement reserves with CRF and units that would not come online until after December 30. VHCB also identified others states, including California, that are using CRF for capital expenses and built in mechanisms for redirecting the funds if it appears a project cannot proceed or meet the December 30 deadline. VHCB will be closely monitoring project performance, and evaluating risk regularly. VHCB and the Agency of Administration are also aware that extending the December 30, 2020 deadline is under active consideration by Congress. With these changes and assurances from legislative leaders that they understand and accept the risk and want the program to go forward, the Agency of Administration cleared the program and asked the Board to be mindful of highest risks in awarding funds.

SUMMARY OF PROCESS AND GUIDELINES

As required by Act 115, VHCB adopted guidelines and procedures for the administration of the CRF funding. In consultation with the Agency of Human Services, the Agency of Commerce and Community Development, the Vermont State Housing Authority, affordable housing developers and providers, shelters, advocacy groups and service agencies, VHCB established guidelines for the use of funds to cover capital expenses for two purposes:

- I. To help secure and/or rehabilitate housing for 150-200 households. Funds be targeted to areas of highest need based on data from the Agency of Human Services and to areas with a lack of available housing. The top priority of the Agency of Human Services is to house families with children.
- II. To assist existing shelters to make building modifications necessary to comply with CDC guidance related to preventing the spread of COVID-19 in congregate housing.

[Process and Guidelines Document Adopted August 8, 2020](#)

APPLICATION PROCEDURE

With a deadline of June 23, VHCB staff invited Letters of Interest from nonprofit housing developers, shelters, and service providers and received \$56 million in proposals to create and improve housing and shelters around the state. On June 30, VHCB invited 29 project sponsors to submit a full application to VHCB. These projects proposed \$39 million in CRF investment. Thirteen projects involved investment in existing shelters and the balance were for new units of housing.

VHCB reserved the right to accept additional funding applications after the initial deadline if the projects in-hand will not fully commit the available CRF funds and if it seeks a proposal from areas of high unmet need in the state.

These projects invited to apply were selected based on (1) the extent that they meet project selection criteria, (2) VHCB's staff assessment of the likelihood that CRF funds would be expended by December 30, 2020 resulting in a successfully completed project, and (3) the quality and completeness of the application. Of the 29 applications received, 26 were awarded funding at a meeting of the Board on August 8, 2020.

OVERVIEW OF HOUSING DEVELOPMENT AND SHELTER IMPROVEMENTS FUNDED

To date, the Board has committed \$30,027,197 in CRF funding to secure and rehabilitate housing for homeless households in 17 communities around the state. New apartments and emergency beds will be created for 212 households statewide in areas of greatest need. Thirteen homeless shelters that together provide 251 beds will receive support for improvements that will reduce the risk of spreading coronavirus and enable compliance with current public health protocols. Upgrades to shelters include improved ventilation systems, room dividers, additions, or reconfiguration of interiors to facilitate social distancing, no-touch faucets and soap dispensers, and automatic door openers. Project scopes were developed in consultation with the Vermont Department of Health.

Three existing motels and three other properties will be converted to create new housing. In other areas, apartments that are vacant or in need of renovation will be brought back into service and reserved for homeless households. Partnerships between affordable housing developers, shelters, and social service agencies will facilitate transitions for households from temporary stays in motel rooms and shelters to more permanent housing. Support services and rental assistance will be provided working with the Agency of Human Services, social service providers, housing developers, and state and local housing authorities in a coordinated effort as a critical element of the State's overall response to the housing needs of communities across Vermont.

The CRF funds will create new housing and improve housing for residents that have been relying on the State's motel voucher system over the past months, during a time when shelters were unable to safely house them. Partnerships at the State and local levels will provide the complementary resources of housing, rental subsidies, and social services that together will provide a foundation for these families to move to from emergency, temporary housing to more permanent housing situations.

EXAMPLE PROFILES OF FUNDED PROJECTS

Bennington: Shires Housing will rehabilitate 15 vacant apartments at Applegate Apartments and rent them to homeless households that are especially vulnerable during the pandemic. With support from the Agency of Human Services, they will expand their partnership with the Sunrise Family Resource Center to provide supportive services for these families. The Agency of Human Services has been housing 25 families in area motels since June and it is estimated by the local Continuum of Care that over 100 families are located in motels currently.

Vergennes: The John Graham Shelter in Vergennes will make improvements to two shelters, improving ventilation, replacing flooring and kitchen counter tops with easy-to-clean surfaces, installing touchless

faucets and soap dispensers, and adding two bathrooms to increase social distancing and keep their clients healthy during this pandemic.

St. Johnsbury: RuralEdge will renovate three buildings and set aside five apartments to house families moving from homelessness. Upgrades to vacant apartments will address mechanical and key building systems, improve safety and energy efficiency. RuralEdge will partner with NEKCA on this project to ensure supportive services are available to help the residents succeed in their new homes.

Lamoille County: The Clarina Howard Nichols Center will make health and safety improvements to a shelter for victims of domestic and sexual violence allowing it to restore capacity to serve individuals and families. In response to COVID-19 and in consultation with the Vermont Department of Health, capacity had been cut in half to allow for distancing and reduce possible spread of the virus.

Rutland: The Rutland Housing Authority will create nine new apartments in a vacant commercial building on Woodstock Avenue and improve ten dilapidated apartments on Pine Street. These apartments will be rented to homeless households with support services and rental assistance provided to help families and individuals stabilize their lives before moving to permanent housing.

Other communities to be served by CRF grants creating housing or improving shelters are St. Albans, Brattleboro, Middlebury, Randolph, Barre, Burlington, Hartford, Bradford, Colchester, Essex, and Bristol.

Contact us:

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