

January 23, 2025

Dear Members of the House Committee on Appropriations,

As your committee works on your recommendations for the FY25 Budget Adjustment Act, we urge you to include the following, which would support necessary tools to mitigate Vermont's Housing and Homelessness crisis.

- Provide \$2.3 million to extend the emergency winter housing policy to June 30, 2025. It is currently set to expire on March 31, 2025.¹
- Provide \$30 million to the Vermont Housing and Conservation Board (VHCB).
- Provide \$2.8 million for the Developmental Disabilities Housing Initiative.
- Provide \$25 million to the Department of Housing and Community Development for a grant to the Vermont Housing Finance Agency (VHFA).

Extend the Emergency Winter Housing Policy

The emergency winter housing policy ensures that unhoused people who the legislature has defined as vulnerable² can access emergency shelter through the General Assistance Emergency Housing Program between December 1, 2024 and March 31, 2025.³ During the winter housing policy period, eligible Vermonters can access the GA Program regardless of caps that exist around access to the GA Program during non-emergency winter housing periods.⁴

Under current law, at least 457 households, including 590 adults and 160 children, will lose access to the General Assistance Emergency Housing program when the emergency winter housing policy expires on March 31, 2025.⁵ The urgency of this matter cannot be overstated. Vermont has no plan or capacity to shelter these vulnerable Vermonters if they are evicted. Vermont's current statewide shelter capacity is 585 households, and

¹ Act 113, Sec. E.32, (b)(3).

² Eligibility is limited to: (1) is 65 years of age or older; (2) has a disability that can be documented by: (A) receipt of Supplemental Security Income or Social Security Disability Insurance; or (B) a form developed by the Department as a means of documenting a qualifying disability or health condition that requires: (i) the applicant's name, date of birth, and the last four digits of the applicant's Social Security number or other identifying number; (ii) a description of the applicant's disability or health condition; (iii) a description of the risk posed to the applicant's health, safety, or welfare if temporary emergency housing is not authorized pursuant to this section; and (iv) a certification of a health care provider, as defined in 18 V.S.A. § 9481, that includes the provider's credentials, credential number, address, and phone number; (3) is a child 19 years of age or under; (4) is pregnant; (5) has experienced the death of a spouse, domestic partner, or minor child that caused the household to lose its housing; (6) has experienced a natural disaster, such as a flood, fire, or hurricane; (7) is under a court-ordered eviction or constructive eviction due to circumstances over which the household has no control; or (8) is experiencing domestic violence, dating violence, sexual assault, stalking, human trafficking, hate violence, or other dangerous or life threatening conditions that relate to violence against the individual or a household member that caused the household to lose its housing.

³ Act 113, Sec. E.32, (b)(3).

⁴ See, Act 113, Sec. E.32, (b)(1-2).

⁵ See, Vermont Dept. of Children and Families, December 31st Housing Report, p. 7, Jan. 2, 2025, available at <https://legislature.vermont.gov/assets/Legislative-Reports/Act-113-Monthly-Housing-Reporting-12.31.2024.pdf>. This number will also likely increase as more individuals would reach their maximum eligible days in the GA program after the emergency winter housing policy expires.

all are already full.⁶ The 1388 vulnerable households, including 1756 adults and 414 children, currently sheltered through the GA Program are in addition to the state's 585 household shelter capacity.⁷ There is literally no safe place for potentially thousands of vulnerable Vermonters to go.

Without an extension of the emergency winter housing policy, this crisis will impact all areas of Vermont. According to the most recent state data, vulnerable unhoused Vermonters are sheltered through the GA Program in every Vermont Agency of Human Services district area, including the Barre, Bennington, Brattleboro, Hartford, Middlebury, Morrisville, Newport, Rutland, Springfield, St Albans, and St Johnsbury District Offices.⁸

In addition to protecting vulnerable unhoused Vermonters, extending the emergency winter housing policy to June 30, 2025 would also provide the legislature with time to develop a short- and long-term strategy for addressing Vermont's homelessness crisis, including by considering the recommendations of the General Assistance Emergency Housing Task Force, which were provided to the legislature on January 15, 2025.

Provide Funding for Affordable Housing Production (via VHCB)

Direct \$30 million to create and preserve permanently affordable homes and address the housing need for Vermont's communities. This request of \$30 million for VHCB would enable VHCB to make up for the loss of the equivalent amount of American Rescue Plan replacement dollars that this legislature had included for VHCB in the FY25 budget, but which is no longer available. This funding would enable our state to add up to 300 permanently affordable homes.

VHCB estimates that it will receive approximately \$50 million in project requests during the remainder of FY25. Without this additional funding, we will see a decrease in the development and preservation of much needed affordable homes in Vermont.

Provide Funding for the Developmental Disabilities Housing Initiative

Vermont established the Developmental Disabilities Housing Initiative in 2022 and awarded three planning grants to develop supportive housing models for adults who have an intellectual and/or developmental disability diagnosis. Two of the projects are underway and being built. The third project, which would create housing for 10 residents who can live semi-independently, has a \$2.8M gap in funding. This requested appropriation would ensure that Vermont follows through after the planning grants. The Champlain Housing Trust is assembling a financing package with several sources, but still has a gap. Including this amount in the BAA could help get the development of this needed housing going by this summer.

Provide funding for VHFA

VHFA awarded all of the available funds for both the Middle-Income Homeownership Development (MIHDP) and Rental Revolving Loan Fund programs in calendar years 2023 and 2024. This requested appropriation of \$25M in the FY25 BAA would allow VHFA to open these programs back up to finance additional homes.

The MIHDP, which was launched in 2023, provided funding to housing developers for up to 35% of the cost to increase the supply of moderately priced, newly constructed homes. VHFA awarded \$24M to developers, who are building 125 homes at an average purchase price of just under \$195k, with an average subsidy of just over

⁶ Because Vermont is a shelter first state, these 585 beds are all filled before someone is offered General Assistance Emergency Housing. See., Vermont Dept. of Children and Families, December 31st Housing Report, p. 15, Jan. 2, 2025, available at <https://legislature.vermont.gov/assets/Legislative-Reports/Act-113-Monthly-Housing-Reporting-12.31.2024.pdf>.

⁷ Agency of Human Services, Department for Children and Families, GA Emergency Housing Program as of January 20, 2025, available at <https://dcf.vermont.gov/Addressing-and-Preventing-Unsheltered-Homelessness>.

⁸ Agency of Human Services, Department for Children and Families, GA Emergency Housing Program as of January 20, 2025, available at <https://dcf.vermont.gov/Addressing-and-Preventing-Unsheltered-Homelessness>.

\$130k. 55% of funds awarded went to Shared Equity homes, offered by Vermont's nonprofit housing organizations.

The Rental Revolving Loan Fund provides low/no interest loans to rental housing developers up to 35% of the cost to meet the housing needs of moderate-income households earning between 65-150% AMI. It brings together new and emerging developers, municipalities, and employers to support a community's housing ecosystem. In 2024, VHFA awarded just under \$10M and will create 292 apartments (259 affordable). This program also leveraged \$21M in municipal and employer investments.

Thank you for considering our request.

Sincerely,

A handwritten signature in black ink, appearing to read 'Frank Knaack', written in a cursive style.

Frank Knaack
Executive Director