

Vermont Affordable Housing Coalition FY 2010 STATE BUDGET PRIORITIES

Vermont's budget shortfalls should not be solved by cutting funding to programs critical to the well-being of the neediest, most vulnerable Vermonters. The state should use ALL means at its disposal to maintain the safety net and prevent job losses, including federal economic recovery funds, rainy day funds, raising revenues and creating the state's own economic stimulus package.

Further program cuts and position reductions at the state level will undermine economic stability and reduce access to necessary services for low-income Vermonters. Instead of focusing on harmful and short-sighted cuts, the Douglas administration and the Legislature should work together on a sustainable fiscal policy that supports the work of state government and its non-governmental partners to serve the needs of all Vermonters.

Vermont Housing & Conservation Board – The Governor has proposed a drastic, \$9.3 million cut to VHCB -- a 70% reduction from this year's funding level – and complete elimination of conservation grants for one year. This comes after a 13% rescission in the current year's appropriation and is a dramatic shift in state priorities, not just belt-tightening in tough economic times. These cuts come on top of eight years of under-funding, during which VHCB has lost over \$30 million because the Legislature did not follow the statutory formula that dedicates just under 50% of the property transfer tax to VHCB. The cumulative lost opportunities are enormous: we could have built 900 affordable homes, saved 55-60 farms and completed 55-60 community conservation projects.

The Legislature should restore the Governor's proposed cut. VHCB funding should not go below \$13.1 million, the adjusted FY 2009 figure. This is a fair and reasonable appropriation that enables VHCB to carry out its housing and conservation mandates. The state's fiscal situation may be tight, but the proven need is great. *We cannot afford to keep diverting money from VHCB,* while Vermont faces a serious, well-documented and protracted affordable housing crisis.

Now more than ever, both housing AND conservation investments are critical for the Vermont economy. In 2006, \$3 million in VHCB funds invested in Housing Vermont projects leveraged \$24 million in construction activity, yielding \$48 million in additional economic activity and creating 860 jobs. We call on the Legislature to include money for additional VHCB investments in the state's own economic recovery package because of their proven job creation and economic stimulus effect. The Legislature should also ensure VHCB administration of Vermont's share of any new federal housing capital dollars. Finally, VHCB must be able to continue providing organizational operating support for non-profit housing and homeless service providers.

Homeless shelters & services – *Support the Homeless Coalition's request for a \$100,000 increase to the Office of Economic Opportunity's Emergency Shelter Grant Program. At a minimum, restore the FY 09 base funding level of \$792,000.* The Governor's proposed \$37,000, 4% cut makes no sense coming at a time when homeless shelters just received a special one-time \$250,000 increase to deal with this winter's emergency overflow needs. Many shelters and homeless service providers across the state are strained beyond capacity and report dramatic increases in the number of first-time homeless, especially families. A rise in evictions and foreclosures has contributed to this increase. The length of shelter stays has also grown as it becomes more difficult for Vermonters to find and pay for affordable housing.

Even before this winter's emergency, the Homeless Coalition long identified a need for \$1 million in total annual state funding. We appreciate the \$250,000 increase awarded by the Legislature over the last two years, bringing the base up to \$792,000. Previously, state support for shelters and homeless services had remained stagnant for many years. An additional \$100,000 would bring shelters and service providers halfway towards that goal, so that they can:

- Cover the rising cost of rents, utilities, and other operating costs,
- Offer comprehensive supportive services and case management for homeless families with children and people with mental health disabilities,
- Provide emergency assistance with rent, security deposits and utility expenses, and
- Provide adequate transitional housing.

General & Emergency Assistance – *Support a \$1.9 million increase in GA/EA, Back Rent and Temporary Housing* in the FY 09 Budget Adjustment to address the huge increase in demand for emergency housing resulting from the shelter and homelessness crisis. This would bring the total appropriation up to \$6.3 million for FY 09. Adequately fund the program in FY 2010 to address additional emergency needs resulting from the economic downturn. We fully support continued expansion of GA flexibility so that, over time, the program is transformed into a more flexible, comprehensive homelessness prevention and anti-poverty program. In doing so, the state must make sure that GA has sufficient funds for the basic emergency needs of the lowest-income Vermonters. Economic Services Division should continue to convene the GA advisory group periodically to monitor progress and receive feedback from outside stakeholders.

Home Access Program – *Support level funding from all three major funding sources: \$100,000 through DAIL, \$435,000 through VHCB, and \$100,000 in VT Community Development Program funds* through the HomeOwnership Center network. The HAP Program helps people with disabilities make accessibility modifications to their homes, allowing them to live more independently and avoid the higher expense of living in a nursing home, which costs the state approximately \$60,000 per year. HAP helped 42 individuals live more independently in 2008, at an average cost of \$10,000 per household. There are approximately 222 households on the waiting list, with 7-10 new applicants every month. The average wait is three years, and the program's overall current shortfall is \$2 million, not including the 7-10 new applications HAP receives every month. The Governor's drastic 70% cut to VHCB would do irreparable harm to HAP. By cutting VHCB, people who are on the waiting list may end up in nursing homes. We also oppose the Governor's 4% cut to the DAIL grant.

Assistive Community Care Services Program – *Restore the 4% cut proposed by the Governor; support continued increases to the ACCS rate until providers reach 100% reimbursement.* ACCS helps elders and people with mental health and physical disabilities live in more independent settings in assisted living and residential care homes, saving the state money on higher cost nursing home care. We are thankful that the Legislature has increased funding incrementally every year for a number of years and resisted administration efforts to rescind FY 09 funds. BUT providers have never been reimbursed for the full cost of their services, causing an untenable situation. The FY 09 increase of \$2 *per diem* still left providers over \$11 short. The current daily rate of reimbursement for 24/7 care is \$36.25 a day. The actual cost in 2009 is estimated at \$47.27 a day or \$11.02 more than the reimbursement. Given the budget crisis, we request a modest increase of 3%, or \$1.08 a day. This would bring the reimbursement rate up to \$37.33 a day, still well below actual costs. At a minimum, we request level funding.

“First Stop” Funding for CVOEO Mobile Home Project – *Oppose elimination of the Champlain Valley Office of Economic Opportunity's statewide Mobile Home Project (MHP). Restore full program funding at approximately \$60,000 annually.* For many years, the state has funded this critical project through the Department of Housing and Community Affairs (DHCA). The MHP works closely with DHCA staff to make the state's mobile home park laws really work. Program managers only recently learned that the governor's budget would eliminate all state funding for First Stop grant. State funding has enabled CVOEO to leverage two federal sources to keep the program working, including Community Services Block Grant funds, CVOEO's core funding (about \$15,000), and HUD Housing Counseling funds (\$19,000).

The MHP is the starting point for residents looking for information and education on lot rent increases, park closings, health and safety issues, predatory lending practices and mobile home

financing opportunities. Mobile homes constitute about 8% of Vermont's total housing and approximately 8% of Vermont's population lives in mobile homes. Many residents live in one of the approximately 250 mobile home parks scattered throughout the state. Through training, distribution of information, counseling, advocacy, park owner/resident mediation and resident organizing, CVOEO's MHP has been a needed and valuable resource for thousands of residents, mostly low and moderate income, throughout the state. Without this service, an already at-risk population would be further threatened.

Supportive Housing – Supportive housing is a proven, effective means of integrating families and individuals with multiple barriers to independent living into the community by addressing their basic needs for housing and on-going support. Barriers range from mental illness, chemical dependency, and chronic health challenges to domestic violence, poor life skills, lack of marketable job skills, bad credit, and bad references. Supportive housing is a solution to homelessness because it addresses these barriers. It is also an alternative to the high cost of institutionalization in a nursing home for seniors and younger adults with long term care needs.

- **Senior Supportive Housing Demonstration Project** – *Request \$100,000 for the second year of a three-year program.* Working with partners around the state, lead agency Cathedral Square Corporation will establish several sites to demonstrate the “Flex Model” for a sustainable, home-centered long term care system. \$300,000 in state funds over three years will leverage a total of \$3 million in foundation and other national funding.
- **Local Housing Partnerships** -- Level fund proven local partnerships like Brattleboro's Pathways to Housing and Burlington's Rental Resource Center, and provide funding to other communities to replicate these models or develop their own solutions.

HomeShare Vermont – *Support level funding at \$192,545, including a \$50,000 enhancement received last fall* through a Food and Fuel Partnership initiative. HomeShare Vermont and Home Share of Central Vermont arrange and assist home sharing matches for vulnerable populations. Older and disabled Vermonters who need help to remain at home are paired with people who agree to help out in exchange for affordable housing. These effective, low-cost programs save the state money on high cost nursing home care while helping older and disabled Vermonters sustain their independence. Founded 26 years ago, HomeShare Vermont serves Chittenden, Grand Isle and Addison Counties through two programs: live-in home sharing and care-giving. Established in 2003, Home Share of Central Vermont serves Washington, Lamoille and Orange counties. Both agencies have experienced a surge in demand over the last six months, with an increase of just under 70% in participants compared to 2007.

Housing and Supportive Services Program – *Oppose the Governor's proposed \$15,000, 4% cut to HASS, restoring the General Fund contribution to \$375,000 and holding harmless its funding through Choices for Care.* HASS provides essential services to elders and individuals with disabilities living in subsidized housing. Last year, HASS funds assisted over 1,100 seniors at 23 sites around the state to live more independently, avoiding higher cost institutional care. In collaboration with the HASS providers, DAIL should examine how program beneficiaries and services have been affected by moving some of the funding into the Choices for Care Waiver a few years back and recommend ways to restore lost services.

Housing Recovery and Mental Health Housing Contingency Funds – *Support at least level funding for the Housing Recovery fund at \$495,000, and for Housing Contingency at \$390,000, for a combined total of \$885,000.* Each of these funds helps cover apartment set-up costs and provides rental subsidies for people with severe and persistent mental illnesses, the latter for community rehabilitation treatment (CRT) clients and the former for people coming out of Vermont State Hospital or another institutional setting, or at risk of institutionalization.

Transitional housing for ex-offenders – *Support a total appropriation of \$2,334,000, consisting of \$1,134,000 in FY 09 base funding plus an anticipated \$1,200,000 from the 2008*

Justice Reinvestment bill, H.859; oppose the administration's proposed \$49,000 cut to the base. DOC funds a variety of programs and facilities around the state that provide the housing and community-based supports offenders need to succeed once they leave prison. Without these supports, offenders re-entering society often return to jail, at far greater cost to the state. In cooperation with state and local housing authorities, DOC should substantially increase its use of these funds for rental assistance, coupled with supportive services.

Additional recommendations include:

- Fund capital projects with new resources, not existing, oversubscribed housing funds.
- Funds should be administered by entities with extensive experience in underwriting housing development.
- Corrections must make long-term commitments to help fund supportive services and other operating costs necessary for the success of transitional housing facilities.
- Increase funding for re-entry housing specialists.
- Expand the availability of transitional bed units in correctional facilities.
- Provide comprehensive re-entry planning and supportive programming.
- Enhance collaboration between Corrections, communities and service providers.
- Increase community notification and information sharing.

AHS Field Services Division Direct Service Funds (Flex Funds) – Support level funding at \$240,000, including a \$140,000 enhancement received last fall through the Food and Fuel Partnership. The AHS Field Service Directors use these funds to help individuals and families through short-term interventions needed to avert a crisis or to help them through a transition for which no other funding sources are available. Relatively small amounts of these state dollars usually help avoid the expenditure of far greater amounts.

Planning – Support full funding for the Municipal and Regional Planning Fund at the statutory level, projected to be approximately \$4,460,000 for FY 2010. Approximately \$853,000 (20%) was rescinded from the FY 09 planning appropriation. Like VHCB, planning is supposed to receive a statutory share of the property transfer tax (17%), yet every year it is shortchanged. Full funding would better enable municipalities to plan for affordable housing, train volunteer board members and provide more timely review of affordable housing proposals.

Economic Justice Issues – Support the following VLIAC priorities:

- Support efforts of the VT Childhood Poverty Council to reduce childhood poverty by 50% in ten years.
- Restore Micro-Business Development to its FY 09 funding level of \$368,000
- Oppose elimination of Individual Development Accounts and restore to the FY 09 funding level of \$159,000.
- Restore Legal Aid funding. FY 09 rescissions cut \$85,000, losing federal matching funds for a total loss of \$170,000. These dramatic cuts will affect more than 300 Vermonters in desperate need of legal assistance at a time when need has risen over 20%. This includes victims of domestic violence and their children seeking court protection, seniors denied fuel assistance, and people with disabilities trying to preserve SSI benefits.
- Fully fund the Weatherization program and expanded services to rental units. Support the Trust Fund's integrity, ensuring that it is used exclusively to weatherize low-income homes.
- Support expansion of eligibility for LIHEAP benefits. At 125% of federal poverty level, Vermont continues to be at the lowest level of eligibility.
- Protect full access to health care and prescription drug programs for low-income Vermonters.
- Protect Reach-Up benefits, restore cuts in program funding and oppose new sanctions.
- Protect funding for Aid to the Aged, Blind and Disabled, including the federal COLA cut in the administration's budget. Maintain funding for childcare, youth in transition, community mental health programs, and transportation for vulnerable Vermonters.
- Continue to work towards a livable wage standard for all working Vermonters.