

Vermont Housing & Conservation Board Coronavirus Relief Fund: Vermont's Statewide Initiative

WRITTEN BY MARY TINGERTHAL FOR THE NATIONAL ALLIANCE TO END HOMELESSNESS

BRIEF DESCRIPTION OF THE PROGRAM

In June 2020, as the pandemic drove a surge of homelessness, the Vermont Legislature turned to the Vermont Housing & Conservation Board (VHCB) to manage \$33 million in federal CARES Act Coronavirus Relief Funds (CRF). The goal was to keep people safe while also securing and rehabilitating permanent housing for households experiencing homelessness, and to make virus-protecting improvements in existing homeless shelters.

By April 2020 there were more than 2,000 Vermonters reported as homeless, but most traditional shelters had temporarily closed because they were unable to meet Centers for Disease Control and Prevention (CDC) safety protocols. As with many other states and localities, Vermont's Agency of Human Services quickly began using federal emergency relief funds to lease space in hotels and motels to provide safe emergency shelter.

Non-profit housing developers and service providers in Vermont had already tested the idea of converting hotel and motel properties into supportive housing before the start of the pandemic. They had learned that buying hotels and converting them into housing, supported by payments from the State and from hospitals, was more cost effective than leasing hotel rooms, especially for medical recovery purposes. With this experience, VHCB quickly worked with these non-profit partners to develop a proposal to the State Legislature to use Coronavirus Relief Funds to create permanent housing for those who had none and to improve existing congregate shelters to comply with CDC COVID-19 guidelines.



Legislation passed in support of the proposal on June 19, 2020. Within six weeks, VHCB had committed \$30 million in CRF to shelters and to Vermont's network of nonprofit housing developers, with the remaining \$3 million awarded to projects by September. By the end of 2020, work was being completed and people were moving into new homes across the state. Shelter operators used the funds to make a wide range of safeguarding and capacity improvements at 12 shelter locations. These improvements added or upgraded bathrooms, laundry facilities, ventilation systems, touchless doors and faucets, Plexiglass barriers, new flooring, countertops, dishwashers; and/or expanded interior space and improved outdoor social areas to increase social distancing. Non-profit housing developers purchased hotels and motels, converted commercial buildings, and placed manufactured homes on empty lots to create 247 new permanent homes, most with supportive services. Every project is subject to a housing subsidy covenant ensuring the homes remain permanently affordable. In addition, one motel was acquired and lightly rehabilitated to serve as an isolation and quarantine site for those without homes to help address and prevent the spread of COVID-19 in Vermont.

KEY PROGRAM FACTS

Program service area and population

This is a statewide program, and the population of Vermont in 2020 was 643,077. VHCB invited proposals from non-profit housing providers and municipalities from all over the State.

Number of units produced

The program acquired and/or rehabilitated 247 units to become permanent affordable housing. Projects ranged in size from a single tiny home in Barre, VT (pop. 9,052), to 20 vacant apartments brought back online with funding for rehabilitation, to a 68-unit permanent supportive housing development in Essex Junction, VT (pop. 11,600). Funds were awarded to 26 properties in 20 towns throughout the State.

In addition, 12 emergency shelters with 250 shelter beds performed health and safety improvements that put them in compliance with CDC guidelines.

Amounts and sources of funding

The State provided the program with \$32.9 million in Federal Coronavirus Relief Funds for grants to shelters and non-profit housing organizations to acquire and rehabilitate properties, as well as VHCB program administration. The Vermont Agency for Human Services provided shelter operating support, emergency housing vouchers and housing navigation support. The Vermont Housing Finance Agency and local public housing authorities provided rental assistance and some project-based vouchers. Housing developers contracted with local nonprofit agencies to provide supportive services to households transitioning from homelessness.



Administrative/operational approach

As a statewide funder of affordable housing, VHCB utilized its existing project review and administrative capacity to implement the program. It invited letters of interest followed by full applications for the CRF Funds. VHCB staff reviewed applications, underwrote the projects, and made funding recommendations to the Vermont Housing & Conservation Board, which approved the project awards. Staff then supported the project developers through the completion of the projects.



KEY PLAYERS AND THEIR ROLES

Vermont Housing and Conservation Board (VHCB)

VHCB served as the overall administrator of the program, working with other state and local agencies, including:

- Vermont Agency of Human Services, which provided feedback on project proposals, operating support for shelters, CARES Act emergency vouchers, and housing navigation supports;
- Community-based service providers, which entered into Memorandums of Understanding (MOUs) with the non-profit housing providers;
- The state and local housing authorities, which provided tenant- and project-based rental assistance; and
- Local Continuums of Care, which provided referrals and supports through coordinated entry.

Non-profit Housing Providers

Vermont relies on a robust network of regional and statewide non-profit housing providers to own, manage, and operate deeply affordable housing. These organizations were invited to submit letters of interest for projects that would meet the criteria of the program. Those that met the threshold requirements were invited to submit full proposals to demonstrate the feasibility of the projects. They were also responsible for direct oversight and completion of the development projects.

Project Timeline

VHCB requests letters of interest from potential applicants	May 2020
Legislation creating program signed into law	June 19, 2020
VHCB invites full applications	June 30, 2020
VHCB announces awards	August - October 2020
Work completed on most projects	December 30, 2020



PROJECT SELECTION AND DEVELOPMENT PROCESS

VHCB published a formal request for letters of interest from local housing providers, asking them to provide a brief description of the project, potential amount and sources of funding, and a statement regarding how the project was likely to meet the program criteria.

Those providers that met the threshold criteria were invited to submit full applications. VHCB staff provided technical assistance to applicants as they completed their full applications.

Awards were made based on the following project selection criteria, and were announced in two funding rounds in August and September of 2020:

Threshold Criteria

- The project sponsor must demonstrate that the project is a response to COVID-19.
- There must be a demonstrated plan and commitment for coordination/partnership between developers, Continuums of Care, local housing authorities (if any), and social service providers who work with the target homeless population.
- The project must be located in an area of the state shown by data to have a number of homeless households and a lack of affordable housing units.

Selection Priorities

- Experience and capacity of the project sponsor(s) to successfully complete the project and demonstrate compliance with CARES Act requirements.
- Evidence of project readiness to proceed with an achievable timeline, including

site control, level of support from municipality, and capacity of related development partners.

- Ability to complete projects by Dec 30, 2020, with evaluation based on the relative amount of total development cost that would be incurred by then.
- Percentage of the proposed number of units that would be available for occupancy by December 30, 2020, with highest priority given to projects that could make units available sooner.
- Reasonable per unit capital cost for homeless households housed, as compared with new construction or substantial rehabilitation projects.
- Ability of the project to proceed without CRF funds being dedicated to reserves for resident services and/or rental subsidy.
- Projects which met threshold requirements and also responded to urgent housing needs.
- Geographic distribution of funds to the extent practicable and within the strict CRF timelines.



KEY SUCCESS FACTORS

- A robust, existing network of housing non-profits that were ready and able to develop, own and manage the new housing.
- Non-profit developers that were community-based and were able to quickly identify potential properties.
- Local service providers with existing relationships with housing non-profits, and were already working with households that were temporarily in motels.
- Close coordination and consistent messaging by and among state agencies.
- VHCB's ability to provide centralized environmental review, construction management support, coordinated historic preservation reviews, etc. and assistance with permitting issues.

BARRIERS AND LESSONS LEARNED

- The need for completion within the original 6-month timeframe prevented some worthy projects from being considered because there was not enough time to negotiate Purchase and Sale Agreements, secure permits, etc.
- The overall shortage of housing units in Vermont meant that non-profits with new units were presented with the choice of renting to homeless households with permanent, rather than short-term, rental assistance. As a result, individuals with emergency vouchers experienced greater difficulty in finding apartments to rent.
- Organizational capacity issues (and remote work) made it difficult for the state entity administering the emergency rental assistance program to also process project-based voucher inspections and applications in a timely manner. This resulted in delays in occupancy in some locations.
- The short timeframe for making the required expenditures did not allow for the level of property rehabilitation and energy efficiency work that would typically be required for VHCB-funded affordable housing projects.



Contact Information and Website Links

Jennifer Hollar, Policy Director, VHCB. 802-793-7346 or jennifer@vhcb.org

[VHCB Website - Housing Programs](#)

[VHCB Annual Report: See pages 10, 11 and 13 for CRF Overview and Complete List of Projects](#)

[VHCB Coronavirus Relief Funds: Awards to Grantees: Procedures and Guidance](#)

AWARDED PROJECTS: CREATING AND REHABILITATING HOUSING

Additionally, funding was provided for improvements to 12 shelters.

Project Sponsor	Town	Number of Units
Downstreet Housing & Community Development	Barre	1
Shires Housing	Bennington	15
Downstreet H&CD Whistlestop Mobile Home Park	Bradford	3
Addison County Community Trust	Bristol	3
ANEW Place	Burlington	33
Champlain Housing Trust/STEPS	Colchester	21
Champlain Housing Trust/Susan's Place	Essex Junction	68
Lamoille Housing Partnership	Hardwick	2
Evernorth/Weybridge Street Apartments	Middlebury	4
Rutland Housing Authority	Rutland	9
Rural Edge	St. Johnsbury	5
Champlain Housing Trust/Ho Hum Motel	South Burlington	34
Windham & Windsor Housing Trust/Dalem's Chalet	West Brattleboro	27

PHOTO COURTESY OF CAROLYN BATES

