

**Senate Committee on Economic Development,
Housing, and General Affairs Testimony
By Richard M. Williams, Executive Director
Vermont State Housing Authority**

ACCD/Department of Housing & Community Development Grant # 07110-21-03 CRF
VSHA Rental Housing Stabilization Program

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**Vermont State Housing Authority
Rental Housing Stabilization Program**

August 27, 2020

Pursuant to Legislative passage of Bill H.966, An act relating to the COVID-19 funding and assistance for broadband connectivity, housing, and economic relief and signed into law by Governor Scott on July 2, the Vermont State Housing Authority (VSHA) launched on Monday, July 13th the Rental Housing Stabilization Program (RHSP). This program funds landlords on behalf of tenants in need of rental arrearage assistance due to the COVID-19 pandemic. The RHSP will provide rental arrearage to the landlord for the actual amount owed by the tenant or the VSHA Payment Standard, whichever is less, per single household, if the unit meets eligibility criteria. The primary goal of this program is to keep Vermonters housed during this public health emergency by allowing them to keep their rented homes by granting back rent funds and avoiding terminations of tenancy, court evictions and homelessness. The secondary goal is to compensate landlords for some of their losses due to the CARES Act, judicial emergencies, and stay of evictions proceedings. Applications are currently processed on a first come first served basis. Units must be occupied and free from life safety hazards.

The RHSP has been active for 6 weeks and has paid out \$2,100,650 in back rent assistance (over \$70,000 per day and over \$350,000 per week) to 816 Vermont households reaching every county in the state. The tremendous need in our state was highlighted with a stream of applications that has remained constant since the first day of implementation. VSHA has deployed the resources of staff on an extended schedule including nights and weekends to meet this demand, also implementing a weekly check run, and there is no evidence of declining numbers.

While the pattern of applications has proven that many tenants have not been able to pay their rent during the current public health crisis, it has also demonstrated the continued need for affordable housing and shown that the most vulnerable populations were hit the hardest. Daily inquiries and pleas have come in from hardworking Vermonters saying they have used all their reserves to pay rent up to this point, but they are worried about how they will pay rent next

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month. VSHA is dedicated to the task at hand with the realization that this is a necessary public service for the physical, mental, and economic health of our communities, and while we are meeting a current need, it is certain that the need will continue.

VSHA has developed a streamlined application that is almost entirely digital but remains fluid enough to implement changes and adaptations as needed. This process, while designed for expedited review of applications, also puts a strong emphasis on quality control with a six-point process that focuses on the accuracy and integrity of each submittal.

VSHA outreach has ranged from digital paid ads on Front Porch Forum, to live radio spots around the state. Additionally, and especially leading up to the program launch, VSHA was actively participating in large group video conferences and webinars with community partners and service agencies and has maintained a call center with three phone lines for 12 hours a day, six days a week. As with all VSHA programs, the RHSP has interpretive and translation services available upon request.

With the additional federal unemployment money cut and then reduced in the month of August, VSHA expects to see an uptick in the number of landlords and tenants applying for the program. It is likely that many of these applicants will be new and will therefore have questions regarding the application process, which will increase the administrative burden to the program at an elevated level for the foreseeable future.

Our referrals from the program to partner organization Vermont Legal Aid have remained at a lower than expected level, with the majority of those being from landlords with recalcitrant tenants who applied under the Group 2 provision which allows for a 50% payment of back rent and the landlord retains the right to continue or initiate eviction proceedings once the State moratorium is lifted. Referrals for “life safety” or other legal matters have been less than 1% of applications to date.

The most important lesson learned for VSHA has been how to adapt on a daily level to the sheer volume of applications and inquiries. To meet this demand and to continue helping

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Vermonters in the most efficient and effective way possible, VSHA has hired additional staff to cover the call center and application processing and offered overtime to existing staff on a daily basis. This trend will continue and the administrative burden to keep the program running successfully will remain high.

Currently \$22,018,350 remains in the program for rent arrearage grants. VSHA has determined the need for temporary staff to process applications and to this end we have hired for new positions solely dedicated to the RHSP. Among other responsibilities these staff will be processing the large number of submittals returned to applicants for more information as those applications are now coming back, which has increased the workload. Additionally, VSHA is working to expand the facet of the program that will be to provide first, last, security and a temporary subsidy for tenants in new sustainable tenancies working with other State agencies for support and navigation services. VSHA is confident that our efforts now and moving forward will get program funds out to more Vermonters to help stabilize our fragile housing needs at this time of intense vulnerability for the state through December 2020.

Challenges:

- **Volume of applications**
- **Incomplete and/or conflicting applications**

Program Trends:

- **More applications for smaller amounts**
- **Applications with a more recent timeframe**
- **Tenants looking for first, last and security**
- **Better community understanding of the program**

Moving forward:

- **Program for 1st and last month's rent and security deposit**

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- **Referrals to the Rental Recovery Program (Rental Rehab) for units with life-safety or extensive maintenance issues**

- The RHSP has been active for 6 weeks
- Paid out \$2,100,650 in back rent assistance to date
 - **Over \$70,000 per day**
 - **Over \$350,000 per week**
- Next Check run will be \$1,267,371
- **Total spent by 9/4/20 - \$3,368,021**

- Households served to date – **816 households**
- Next check run – **710 households**
- Total served by 9/4/20 – **1348 households**
- Reaching every county in the state

- Number of households served
 - Group 1 = **703**
 - Group 2 = **113**
- Number of individual tenants served –

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- Group 1 = **1734**
- Amount of grant funds disbursed per household –
 - Group 1 = \$2,641.83 (Was \$2,621.72 on 8/10/20)
 - Group 2 = \$2,154.35 (Was \$1,976.80 on 8/10/20)
- Amount of grant funds disbursed per tenant –
 - Group 1 = \$1,059.71
- Average number of months of arrearage – **4 Months**
- Applications in process of completion – **970**
 - Totaling - \$2,561,770
- Total program payment earmark by 9/4/20 - **\$5,929,791**
- **Total Program payout by extension = \$19,449,714**

Group 1: Tenant Arrearages

| | Number of Grants | Amount of Grants |
|------------|-----------------------------|-----------------------------|
| Addison | 38 | \$ 109,371 |
| Bennington | 61 | \$ 133,476 |
| Caledonia | 19 | \$ 34,607 |
| Chittenden | 235 | \$ 621,073 |
| Essex | 1 | \$ 3,120 |
| Franklin | 71 | \$ 214,992 |

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| | | |
|-----------------------|------------|------------------|
| | | \$ |
| Grand Isle | 8 | 17,273 |
| | | \$ |
| Lamoille | 10 | 27,699 |
| | | \$ |
| Orange | 17 | 39,449 |
| | | \$ |
| Orleans | 36 | 96,585 |
| | | \$ |
| Rutland | 50 | 155,520 |
| | | \$ |
| Washington | 50 | 154,103 |
| | | \$ |
| Windham | 55 | 127,249 |
| | | \$ |
| Windsor | 44 | 103,022 |
| | | \$ |
| Totals Group 1 | 695 | 1,837,537 |

Group 2: Recalcitrant Tenant

| | Number of Grants | Amount of Grants |
|------------|-----------------------------|-----------------------------|
| | | \$ |
| Addison | 0 | - |
| | | \$ |
| Bennington | 11 | 19,467 |
| | | \$ |
| Caledonia | 10 | 10,303 |

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| | | |
|------------------------------------|------------|------------------|
| | | \$ |
| Chittenden | 35 | 74,645 |
| | | \$ |
| Essex | 2 | 2,330 |
| | | \$ |
| Franklin | 5 | 15,593 |
| | | \$ |
| Grand Isle | 4 | 10,350 |
| | | \$ |
| Lamoille | 6 | 8,449 |
| | | \$ |
| Orange | 10 | 17,871 |
| | | \$ |
| Orleans | 4 | 9,373 |
| | | \$ |
| Rutland | 6 | 12,024 |
| | | \$ |
| Washington | 4 | 11,100 |
| | | \$ |
| Windham | 5 | 12,848 |
| | | \$ |
| Windsor | 9 | 26,929 |
| | | \$ |
| Totals Group 2 | 111 | 231,283 |
| | | \$ |
| Total Grant funds disbursed | | 2,068,820 |