

Savings to AHS budget/emergency motel spending due to VHCB funding

Testimony from Chris Donnelly, Champlain Housing Trust, March 12, 2015

Harbor Place (\$265,000 VHCB grant to purchase and rehab)

AHS paid CHT approximately \$569,000 to for 13,869 nights at Harbor Place between November 1, 2013 and February 28, 2015. If the State had to pay for those nights in a motel at \$60/night, it would have cost \$832,000.

| | Nights | Avg room | Total Cost |
|-------------------|--------|----------|------------|
| Traditional Motel | 13,869 | \$60 | \$832,140 |
| Harbor Place | 13,689 | \$41 | \$568,829 |
| Savings | | | \$263,511 |

The initial support from VHCB (\$265,000) has essentially been recouped, just from the savings.

Of course, answering the question “Are we better off” yields a resounding “yes.” People are twice as likely to be housed, twice as likely to be working with case manager

Beacon Place/Ho Hum (request to VHCB for FY16 funding: \$500,000)

CHT received a contribution from AHS to partially fund operating reserves for Harbor Place (United Way and Fanny Allen also pitched in) to secure overall financing. Since we’ve been essentially fully occupied, we moving a portion of the reserve, along with a request to VHCB, to acquire another motel, this one the Ho Hum on Shelburne Road.

The plan is to convert this motel into permanent housing for chronically homeless adults with multiple medical and health vulnerabilities. Safe Harbor Clinic is providing 8 hours of daily services onsite. We have secured federal subsidy from the Burlington Housing Authority. Capital from VHCB is needed to convert the 24 room motel into 19 efficiencies and one bedroom apartments.

The easy to identify savings would be to the motel voucher program. Nineteen adults housed for 100 cold nights at \$60 a night is a cost of \$114,000. The harder part to quantify yet is the health savings of keeping these folks from circulating in and out of the emergency rooms, or other types of reduced services, such as public safety. The hospital, however, is confident enough that they are considering contributing to the cost of the services to create the savings

they anticipate seeing. Already the United Way and Fanny Allen have contributed to get it up and running.

Lastly

These are new initiatives that illustrate a invigorated focus on the part of housing and homeless organizations to tackle the hardest challenges. It's difficult work and we need the investment from VHCB to catalyze it – but it's a no brainer. Harbor Place paid for itself within 16 months. These are the types of innovations we want and need to pursue.

Perhaps it goes without saying, but we are also facing a significant shortage of housing in general and an increase in homelessness. We know that if we can't keep up the production and preservation of our affordable housing stock, there'll be more of a need for places like Harbor Place and Beacon Place within a year or two.

Thank you.