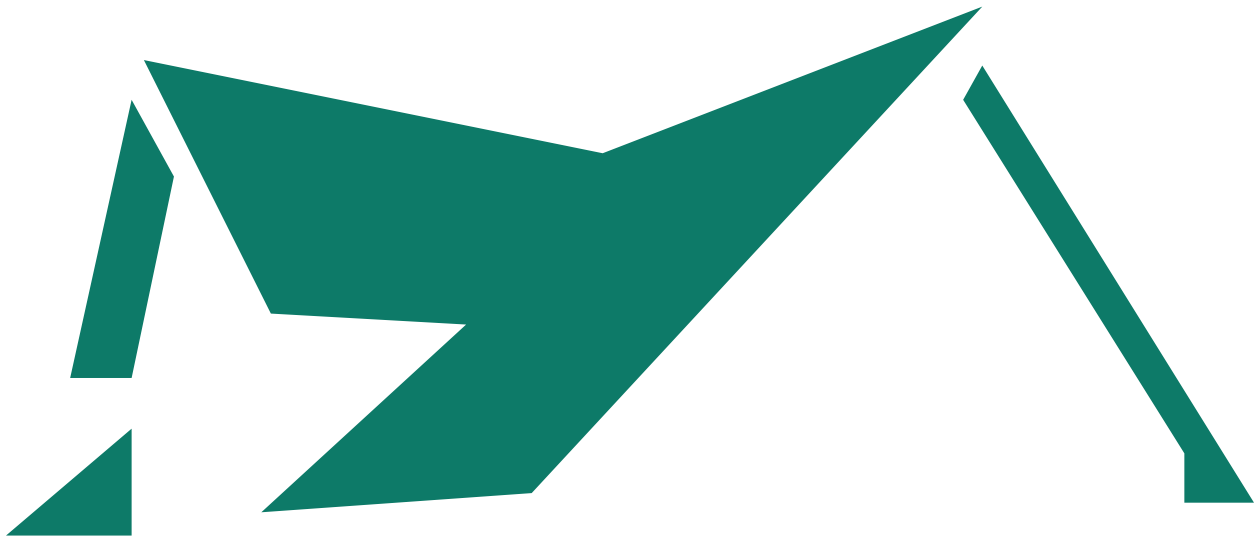


# Housing Policy Paper



Background to the current housing crisis and  
recommendations for a way forward in 2023

## The Housing Crisis

By almost any measure, housing is a crisis in Vermont. During the past few years, homelessness has increased, available housing is in very short supply and the number of households living in insecure housing is too large and increasing. As bad as the crisis is currently, the trends for the future are even more alarming. The cost of this crisis to Vermont is enormous: funds spent on emergency services for the homeless or those in danger of homelessness are vast; without safe and affordable housing, the Vermont work force is badly hobbled and will remain static at best; health care costs are rapidly inflated by conditions stemming from homelessness and the risk of undergoing a housing crisis; and finally, the harsh weather conditions make homelessness in Vermont truly matter of life and death.

Just a quick look at some of the measures gives a great deal of insight into Vermont's housing crisis. In the few years prior to the onset of the pandemic, there were between 1,000 and 1,500 people on any average day who could be counted as literally homeless, without a regular and fixed safe and adequate residence. The pandemic expanded this number rapidly, and during the past two years the annual "point in time" count (an annual survey of those in shelters, those found living outdoors, but not always counting those not found outdoors or living "doubled up with friends or family) has recorded over 2,500 homeless Vermonters. In addition to those who are literally homeless, there are many lower income Vermonters who depend on subsidies and other forms of assistance to pay for their rent. Currently, there are about 12,000 households statewide enrolled in the VERAP (Vermont Emergency Rental Assistance Program) that depend on rental assistance to stay housed. A large percentage of the rental assistance programs are limited Federal funds which will expire in the next few months. Finally, over the past few years vacant rental properties have shown a steady decrease. Recently it was reported that Vermont has the second lowest rental vacancy rate in the nation, at 2.4% for the second quarter of this year. As the report noted, "an extremely low rental vacancy rate can signal a scarcity of affordable housing options."<sup>1</sup> These factors and

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<sup>1</sup><https://vermontbiz.com/news/2022/august/17/study-vermont-has-2nd-lowest-rental-vacancy-rate>

others are at the root of the housing crisis in Vermont.

Perhaps the deepest meaning of the housing crisis that we face in Vermont is the effect it has on the lives of Vermonters. Two examples show the depth of this housing crisis:

Recently, at a press conference held by Vermont Interfaith Action on September 12, 2022 in Montpelier, Bridget Mientka spoke of the ordeal she and her family face because of rising rents. Both she and her husband, an Army veteran, work full-time jobs. She said that they, “received word from their landlord earlier this summer that they and their two children would be evicted, for no cause, within 30 days from their two-bedroom Colchester home. Their landlord also planned to start charging \$2,200 monthly for the apartment they had paid \$1,500 a month to occupy. After much pleading, their landlord agreed to let them stay until the end of the school year, Mientka said, and to increase the rent a lower but nevertheless steep amount — to \$1,900. ‘We don't have another \$400 a month for rent. If we did, we would live in a three-bedroom apartment where our son and daughter could have their own room... The feeling of helplessness to provide stable housing for our children has sent us into a spiral of anxiety and depression.’ ”<sup>2</sup> This example, and countless others, describe the true cost of the housing crisis in Vermont.

Since the summer of 2022, Hedding Methodist Church in Barre has provided shelter for a homeless working family. Jennie and Mike M. and their three children, ages, 14, 10 and 7 lost their housing after the rent increased and their automobile needed repairs. Mike is a Navy veteran and both he and his wife Jennie work full-time in low wage jobs. Ironically, early in the Covid pandemic they both worked at a motel they helped to keep open for homeless people. As Jennie noted, there are just no real options for working families as rent increases and inflation takes its toll. She feels very blessed that the Hedding congregation has shown them such a great deal of love and care during this housing crisis and that this is “meant to be” as she and her husband work hard to get their family life stabilized again so that her children can have a bright future.

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<sup>2</sup><https://vtdigger.org/2022/09/12/as-pandemic-era-housing-assistance-ramps-down-advocates-call-on-scott-to-redo-housing-plan/>

## Roots of the Vermont Housing Crisis

The housing crisis in Vermont has been in the making for many years. As the Rev. Deacon Beth Ann Maier has written,

For more than three decades, we have made decisions that resulted in insufficient housing for all our neighbors. We made decisions that resulted in insufficient wages to meet basic needs. We made decisions that didn't support the needs of local housing developers or community members with rental property. We made decisions that facilitated moving housing into the hands of investors. We all own the consequences of these decisions and share accountability and responsibility for finding a path forward.<sup>3</sup>

Housing is a complex, multi-faceted and expensive issue. Over the last three decades Federal, state and local programs were developed to take on this challenge. Notably, there are in Vermont a vast number of local and community efforts as well that have targeted our housing needs and worked diligently to find solutions to the challenges we face. Despite these commendable efforts, the housing crisis is now acute and threatens the future of our state and the lives of thousands of our Vermont neighbors. As a recent report from the Vermont State Auditor concludes:

Vermont policymakers we spoke with in the course of this research used different words to ask similar questions: What will it take for Vermont to have the infrastructure in place, both services and housing, to “end homelessness”? Is there a target number of shelter beds? Of new permanent affordable units?

One year from now, Vermont will have exceeded half a billion in spending in seven years to address homelessness. While these investments benefited the many Vermonters who received shelter, services, financial support, and/or new housing, it is not

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<sup>3</sup>The Rev. Deacon Beth Ann Maier, “Ending Emergency Rental Assistance,” Press Conference, Sept. 12, 2022

clear that there is a unified vision of what a steady state system to address homelessness should look like. We recommend that the Executive and Legislative branches, working with organizations that work with homeless households, establish a definition of “success” so progress can be tracked. Homelessness is a complicated public problem, and the pandemic has added to the intensity of it. Nonetheless, without establishing measurable goals Vermont could easily continue on the current path without knowing whether the combined efforts described in this report have reduced the number of homeless Vermonters at any moment in time.<sup>4</sup>

This conclusion is in accord with the findings of the Vermont Interfaith Action Housing and Homelessness Organizing Committee that despite the efforts and funds spent toward the goal of ending homelessness the intensity of our housing crisis has increased. Part of the root of this problem is that there is not a single agency in Vermont government with the task of increasing housing and ending homelessness. These goals are split between a myriad of state agencies and programs. Without a comprehensive approach, the “unified vision” recommended in the Vermont State Auditor’s report is difficult, if not impossible, to achieve.

## VIA recommendations

Vermont Interfaith Action’s Affordable Housing and Homelessness Organizing Committee proposes a “6 Step Ladder” to lift every Vermonter who desires to be housed into safe, decent, and affordable housing.

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<sup>4</sup>“Vermont’s Commitment to End Homelessness: Spending and Homeless Totals FY17 to FY22” Douglas R. Hoffer, Vermont State Auditor, July 28, 2022; Investigative Report 22-02. The report finds that, “We conclude that Vermont has spent more than \$455 million in the last six years. Annual spending jumped considerably in the heavily COVID-impacted FY21 and FY22 budgets.” Page 3.

## **Step 1**

### **Plan for an overall strategy in Vermont to shelter people now and move them into permanent housing.**

Because the housing programs currently operating in Vermont are undertaken by several different agencies, the Agency for Human Services, the Agency of Commerce and Community Development, the Vermont Housing and Conservation Board, the Vermont Housing Finance Agency and the Vermont State Housing Authority, there is a great need for coordination of efforts and planning that involves listening to those who are directly affected by the housing crisis and those who work with them. We support the new Director of Housing Policy and Planning position to provide better coordination of efforts and a comprehensive plan. We also support listening sessions with community providers, but only if there is opportunity for true input into a planning process that emphasizes a long-term strategy.

## **Step 2**

### **Compile and base decisions on accurate data regarding both private housing stock and public housing options to keep the cost of housing (home ownership and rental) at 30% of the median income in a region, and the rental vacancy rate at 4% in each region.**

There is a great and urgent need for accurate information about private housing stock and public housing options. Since 85% of the housing available to Vermonters comes through the private market, efforts like VHIP (Vermont Housing Improvement Program) are useful, but a lack of coordination between the public and private options prevents a comprehensive set of affordable options for those seeking housing. Furthermore, the state could be doing more to assist municipalities with regulations that will provide incentives to private developers to build more affordable housing and to create developments that partner with not-for-profit developers. Also within this step we recommend that accurate data about the effects of unregulated short-term rental properties be taken into consideration to evaluate their impact on permanent housing.

### **Step 3**

**Put in place a statewide rental registry and inspection system to make it easier to identify and sustain rentals that are affordable, safe and decent for all Vermonters.**

This much-needed registry, to ensure that those seeking housing know what is available in the areas in which they want to live, has been on the priority list for all advocates of affordable housing for many years. It is time for the administration to work out any differences with the legislature on this measure and make it a reality.

### **Step 4**

**Support and expand the “Housing First” model to ensure that those who need services can obtain them along with decent housing.**

It is imperative that there is full funding for the supportive services needed by those who come into the housing first programs. While it will be an impossible goal to avoid a housing emergency for every single Vermonter, the goal should be to make these housing emergencies preventable (through enhanced eviction prevention programs), short term duration (with adequate and available temporary shelter services) and then a “one time only” event through employing housing first and supportive services as needed and desired to make housing permanent.

### **Step 5**

**Explore and quickly develop and implement innovative housing alternatives.**

These housing alternatives include pods (currently under development in Burlington); pallet homes; tiny homes (already used successfully in a few Vermont communities); accessory dwelling units (or ADUs, currently under development in Brattleboro and suitable for many other localities), mobile homes, and modular homes. Also, there are some

innovative ideas about converting existing state-owned structures that are no longer needed for their original purposes into housing, as well as converting motels to temporary or semi-permanent housing (models of this type of development already exist in Shelburne, operated by the Champlain Housing Trust, and in Central Vermont, operated by the Good Samaritan Haven).

## **Step 6**

**Mitigate the number of evictions and increase housing retention through “just cause eviction” and “right to counsel” requirements.**

Tenants need to have protections, once they find affordable rental housing, to be able to retain it. While landlords are due a reasonable rent to cover their costs, they should not be allowed to evict tenants simply to raise the rent and attract wealthier tenants. Tenants who are put in this or other difficult situations should be able to call upon legal representation and advisors to reach a fair settlement with their landlords.