

February 26, 2026

To: Members of the House and Senate Appropriations Committees  
Vermont General Assembly

Re: Support for Incorporating VHIP into the FY27 Base Budget

Dear Chair and Members of the Committees:

On behalf of Vermont's five NeighborWorks organizations — Champlain Housing Trust, Downstreet Housing & Community Development, Cornerstone Housing Partners, RuralEdge, and Windham & Windsor Housing Trust — we write to express our strong support for incorporating the Vermont Housing Improvement Program (VHIP) into the FY27 Base Budget.

Collectively, our organizations serve communities across the entire state of Vermont. Through shared equity homeownership, affordable rental housing, resident services, property rehabilitation, and housing preservation, we work every day to ensure that Vermonters have access to safe, stable, and affordable homes. VHIP has become an essential and highly effective tool in that work.

Since its launch, VHIP has managed the creation of 844 affordable housing units, with an additional 328 units underway, helping bring homes back into service across Vermont by rehabilitating existing housing stock and creating new rental units through forgivable loans and grants. More than \$46 million in federal and state funding has supported these homes, averaging approximately \$40,000 of public investment per unit — a highly cost-effective investment that supports private owners, who in turn contribute personal funds to return vacant units to active use. In fact, these public dollars have leveraged at least an additional \$45 million in private property owner investment through the program.

We continue this work by offering up to \$50,000 per unit in VHIP forgivable loans to help property owners rehabilitate or create safe, affordable rental homes. These investments expand housing opportunity quickly while preserving Vermont's existing housing stock and improving health and safety conditions.

However, the program's reliance on one-time funding has created significant planning challenges for DHCD, housing organizations, and VHIP administrators. The unpredictability of annual appropriations makes long-term planning difficult and limits the program's ability to operate at full scale. Incorporating VHIP into the FY27 Base Budget at the proposed \$4 million appropriation, with a 3 percent annual growth factor, would provide the stability necessary to ensure the program's long-term success.

Base funding would also allow the Department of Housing and Community Development to establish permanent staffing for VHIP, strengthening oversight, consistency, and

statewide impact. A stable administrative structure is critical to maintaining the program's efficiency and responsiveness and to supporting our organizations' ability to plan and scale VHIP projects meaningfully.

We have seen firsthand the impact of VHIP investments in our communities. The program has enabled property owners to bring units up to code, supported the creation and preservation of affordable homes, and helped meet urgent housing needs in both rural and urban areas, in many instances providing permanent housing for those formerly unhoused. These investments align with broader state housing goals, complement other housing development tools, and strengthen community stability and economic resilience.

We respectfully urge the Committees to incorporate VHIP into the FY27 Base Budget and provide the permanent appropriation necessary to sustain and strengthen this vital program.

Thank you for your continued leadership in addressing Vermont's housing challenges and for your consideration of this request.

Sincerely,

Michael Monte



Chief Executive Officer  
Champlain Housing Trust

Patrick Shattuck



Executive Director  
RuralEdge

Angie Harbin



Executive Director  
Downstreet Housing & Community  
Development

Elizabeth Bridgewater



Executive Director  
Windham & Windsor Housing Trust

Mary Cohen



Mary Cohen (Feb 25, 2026 16:23:20 EST)

Chief Executive Officer  
Cornerstone Housing Partners