

## Memorandum

To: House Appropriations Committee *Kathleen Berk*  
From: Kathleen Berk, Executive Director, Vermont State Housing Authority  
Date: April 16, 2025  
Subject: Testimony – Federal Funding for Rental Assistance

One of the biggest barriers to economic prosperity for America's lowest-income families is the lack of decent, accessible, affordable homes. Research shows that when people have a stable, decent, and accessible home that they can afford, they are better able to find employment, achieve economic mobility, age in place, perform better in school, and maintain improved health.<sup>1</sup>

The Vermont State Housing Authority (VSHA) currently manages approximately \$80.8 million in federal funds that support various rental assistance and supportive housing programs, assisting approximately 8500 households. See Appendix 1 for program details.

According to the Center on Budget and Policy Priorities<sup>2</sup>, in 2023, Vermont received 132 million in federal rental assistance programs, supporting 13,000 households.

### **Fiscal Year 2025 Funding**

The Continuing Resolution (CR), enacted in mid-March, provides stable funding based on Fiscal Year 2024 appropriations and includes some increase for both the tenant-based rental assistance accounts and the project-based rental assistance accounts.

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<sup>1</sup> Weiss, E. (2017). *A Place to Call Home*. The Campaign for Housing and Community Development Funding.

<sup>2</sup> Center on Budget and Policy Priorities, Vermont Federal Rental Assistance Fact Sheet

Housing and Urban Development (HUD) has communicated that they anticipate that the increase allocated for the Housing Assistance Payments account will cover all voucher renewals (vouchers in use as of 3/14/25) and fully fund existing Project-Based Rental Assistance Contracts administered by VSHA under the Agency's Performance-Based Contract Administration Contract.

- The CR passed mid-March was a best-case scenario
  - Fully funds Project-Based Rental Assistance Contracts covering 120 properties (3281 units)
  - Funds vouchers in use as of 3/14/25; however, reduced enrollment from the prior year by an estimated 319 households and 759 households below allocation.
  - Await confirmation of the final budget
    - Commitments for Project-Based Vouchers (PBVs) to affordable housing developers are uncertain
      - *During the Fiscal Year 2024, 101 PBVs were committed to 10 unique new developments.*
        - *valued at approximately \$1,112,616/year rental operating income*
        - *94 units are reserved for homeless households*
          - *159 units leverage grant-funded HUD Continuum of Care funds for services and case management*

**Many programs that VSHA administers leverage state and federal dollars, which require supportive service partnerships to be successful.**

- We administer \$4,533,496 in HUD-funded grants that support housing and services for households with disabling conditions who are exiting long-term homelessness.
  - Administered in partnership with affordable housing providers and homeless service organizations

- Grants are funded from prior federal appropriations and have a term of 1-3 years.
- Funds leverage affordable housing units (PBVs)
- Funds leverage Medicaid dollars for services as required match
- Reductions in vouchers and Medicaid put these programs at risk

## **Fiscal Year (FY) 2026 Federal Budget**

- The White House is expected to release its FY 2026 budget request to Congress in mid-May, with an outline (a “skinny budget”) expected later this month
  - Provide details on how the Administration proposes to fund individual federal programs.
- During President Trump’s first term, the Administration called for massive cuts to HUD Programs
  - Anticipate the same
- The previous Trump Administration also pushed Congress to enact policies that would increase barriers to accessing housing assistance, including work requirements, time limits, and minimum rent increases on HUD-assisted households.

## **Disruptions /reductions in federal housing assistance will:**

- Forced Agency Actions, such as rescinding vouchers from those already receiving them, to comply with budget cuts
- Negatively impact our housing delivery system and development goals
  - Increasing costs
  - challenge our ability to assist the most vulnerable Vermonters
- Increase homelessness and housing instability
- Have serious consequences on providers' ability to provide crucial support services necessary for housing retention, crucial for helping voucher holders successfully secure and maintain housing.

## Appendix 1

### Federally Funded Programs:

**HUD Continuum of Care Programs (CoC)** – serve households with disabling conditions who are exiting long-term homelessness. Grants operate 1-2 years behind (based on prior years' appropriations/awards), so the funds are already obligated and assumed safe from federal cuts through 2026.

Permanent Supportive Housing (PSH)- "A Way Home" Program (2 grants), Combined Grant Award= \$1,314,050 annually, primarily funds supportive services with a reliance on Project-Based rental assistance as match  
Ability to serve up to 140 households per year

Permanent Supportive Housing- "Shelter Plus Care" Program (2 grants), Combined Grant Award = \$2,577,083 annually, primarily funds rental assistance, with a reliance on (predominantly Medicaid funded) supportive services as match  
Ability to serve up to 150 households per year

**HUD HOPWA Program**- Housing Opportunities for People with AIDS (VHCB subgrantee), three-year grant funded through February 2027.

Grant Award = \$642,363 over three years for rental assistance and program administration  
Serves an average of 18 households per year  
Services provided by state and federally funded Aids Service Organizations (ASO)

**HUD Emergency Housing Vouchers** - households fleeing domestic violence.

Projected Annual Housing Assistance Payments = \$900,000+  
Currently, there are 60 active households  
Funds are likely to end in 2026; may need to absorb families into the HCV program

**Housing Choice Vouchers (HCV)**- 4,067 vouchers funded at \$36,831,385 in CY2024 for housing assistance payments, including the following Special Purpose Vouchers:

Project-Based Vouchers (PBV)- supports housing development by partnering with owners/agents, generally through a 20-year commitment of rental assistance payments.

Family Unification Vouchers (FUP)- 359 vouchers for families/youths who lack adequate housing and are involved with the Vermont Department for Children and Families (DCF)- relies on case management services provided by DCF and other community partners (some of which are funded by Medicaid).

Foster Youth to Independence (FYI)- 30 vouchers for youth exiting foster care who lack adequate housing- required case management services funded by the Youth Development Program, which is comprised of a mix of federal and state dollars, including Medicaid.

Veterans Affairs Supportive Housing Program (VASH)- 213 vouchers for Veterans who lack adequate housing- the Veterans Administration provides the required case management.

Stability Vouchers (SV)- 22 vouchers for formerly homeless households paired with services funded by A Way Home (HUD CoC).

Vouchers for Non-Elderly Disabled households (NED)- 275 vouchers for families whose head of household (or co-head/spouse) is non-elderly and disabled; many of these families rely on Medicaid/Medicare

**Mainstream Vouchers (MS)**- 428 vouchers funded at \$3,848,178 in CY2024 for housing assistance payments for families that contain a non-elderly disabled member; many of these families rely on Medicaid/Medicare.

### **State Funded Programs:**

**DMH Housing Subsidy Plus Care** – serves households exiting institutions or at-risk of institutional care.

Total Grant = \$1,040,000 for rental assistance and program administration

Serves an average of 87 households per year

Participants receive services from HHS-PATH (federal) and DMH Medicaid (state/federal) funded providers

### **VDH HOPWA Bridge**

Total Grant = \$200,000 for rental assistance and program administration

Serves an average of 16 households per year as they wait for a HOPWA subsidy to become available.

Federal funds (Ryan White) that flow through the Vermont Department of Health