

## Memorandum

To: House Committee on General and Housing  
From: Kathleen Berk, Executive Director, Vermont State Housing Authority  
Date: April 8, 2025  
Subject: Testimony relating to "Federal Funding Cuts"

The Vermont State Housing Authority (VSHA) currently administers approximately \$80.8 million in federal funds that support various rental assistance programs across Vermont. The Continuing Resolution, signed into law in mid-March, provides level funding based on Fiscal Year 2024 appropriations and includes some level of increase for both the tenant-based rental assistance accounts and the project-based rental assistance account. Housing and Urban Development (HUD) *expects* the increase provided for the Housing Assistance Payments account will fund 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.

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

### **Federally Funded Programs:**

**HUD Continuum of Care Programs (CoC)** – serves 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

**\*Projection -- Impact of Level Funding on Voucher Programs**

	<b>HCV</b>	<b>MS</b>	<b>Total</b>
FY24 Funding Allocation	\$36,831,385	\$3,848,178	\$40,679,563
CY2025 Voucher Allocation	4067	428	4495
Actual CY24 Per Unit Cost (PUC)	\$843	\$779	
Max Families Served	3640	415	4055
Projected CY25 Per Unit Cost (PUC)**	\$918	\$833	
Max Families Served	3343	393	3736
Increase in PUC from CY24 to CY25	\$75	\$54	
Reduction in Families Served from CY24 to CY25	-297	-22	-319

\* HUD has 90 days to provide PHA's with their agency's final funding letter for FY25.

\*\*Average PUC varies based on household income, HUD Fair Market Rents (FMR), and PHA Voucher Payment Standards (VPS).

Reduced funding for the Housing Choice Voucher Program, also known as Section 8, will lead to:

- Increased homelessness and housing instability
- Longer waiting lists and unmet needs
- Increased rent burdens

- Difficulty in securing housing
- Lack of support services, which are crucial for helping voucher holders successfully secure and maintain housing.

On the horizon for Fiscal Year 2025 and beyond, *possible*:

- Forced Agency Actions, such as rescinding vouchers from those already receiving them, to comply with budget cuts
- Severe cuts in funding for housing vouchers, homelessness assistance, and other programs.
- Ending housing assistance for people who don't meet work requirements.
- Time limits for receipt of rental assistance
- Raising rents on tenants with low incomes.
- Eliminating "mixed status" family eligibility status.
- Eliminating 'Housing First' responses to homelessness. Housing First is a strategy that combines rental assistance with personalized supportive services, helping people become permanently housed.

# Vermont Federal Rental Assistance Fact Sheet

Federal rental assistance helps struggling seniors, people with disabilities, veterans, and working families keep a roof over their heads, often by helping them afford rental units they find in the private market. Ten million people in over 5 million low-income households receive federal rental assistance.

24,500

people in **13,000 Vermont** households use federal rental assistance to afford modest housing.

**77%** are seniors, children, or people with disabilities.



...but **4 in 10 low-income\*** people in Vermont are experiencing homelessness or pay over half their income for rent. Most don't receive federal rental assistance due to limited funding.



**26%**  
of assisted people are seniors

Rental assistance helps **6,400** of Vermont's seniors age in place.



**32%**  
of assisted people have a disability

Rental assistance helps **8,000** people with disabilities to live independently in Vermont.



**48%**  
of assisted people are in families with children

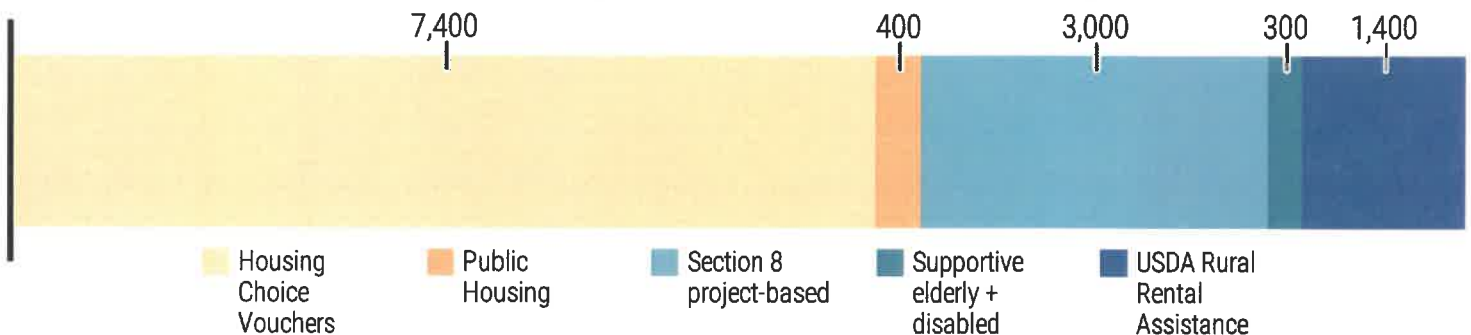
Rental assistance helps **11,600** people in families with children in Vermont avoid homelessness.

Rental assistance supports working families: **62%** of non-disabled, working-age Vermont households receiving Department of Housing and Urban Development rental assistance include at least one worker.

## Rental Assistance Supports All Types of Vermont Communities

Rental assistance helps 10,800 people in cities and suburbs, as well as 13,700 people in rural areas and small towns.

Number of Households Receiving Major Types of Federal Rental Assistance in Vermont



Federal rental assistance programs provided Vermont with **\$132 million** in 2023.

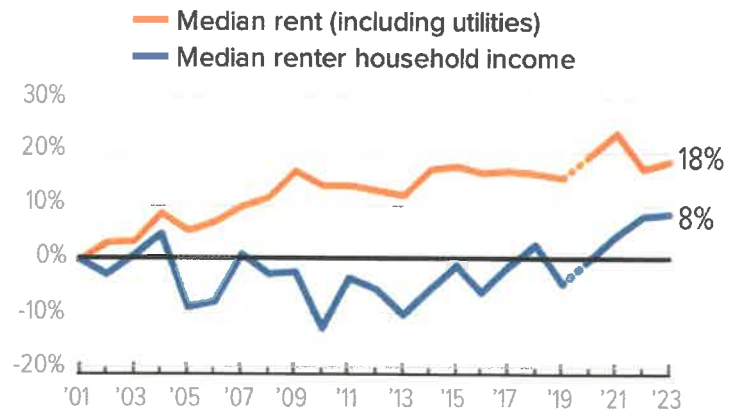
## Rental Costs Have Risen in Vermont

The median rent (including utilities) for an apartment in Vermont was **\$1,200/month** in 2023, a 18 percent increase since 2001.

But wages for many jobs have not caught up.

As a result, **31,100** people in **17,500** low-income Vermont households pay more than half their income for rent, often forgoing necessities, like food or medicine, to keep a roof over their heads. The federal government considers housing unaffordable if it costs more than 30 percent of a household's income.

Percent change since 2001, adjusted for inflation



Note: Dashed line indicates missing 2020 1-year data due to pandemic-related data collected issues.

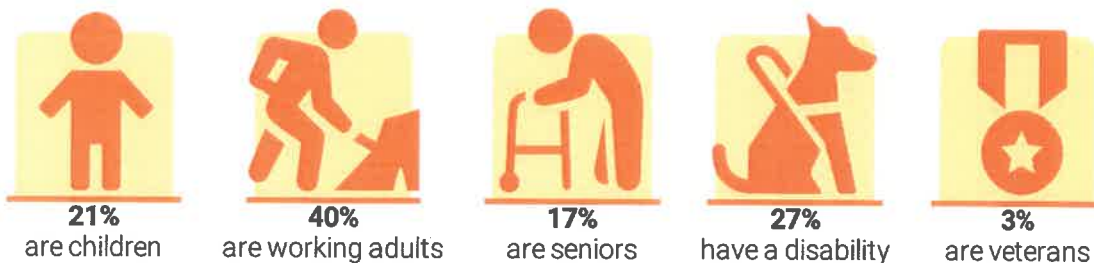
Source: CBPP tabulations of the Census Bureau's American Community Survey.

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## Federal Rental Assistance Hasn't Kept Pace

Despite the importance of rental assistance, more federal dollars go to homeownership subsidies like the mortgage interest deduction, which mainly benefit higher-income households, instead of families that struggle the most to afford housing. Vermont communities only thrive when everyone — especially people who have faced housing discrimination on the basis of their race, gender, ability, or sexual orientation — have access to decent, affordable housing.

**31,100** low-income Vermont renters pay more than half their income for housing. Most don't receive rental assistance due to funding limitations. Who are they?



When low-income renters can't find a decent, affordable apartment, they are more likely to be evicted and risk becoming homeless.

On a single night in 2024, **3,460** people experienced homelessness in Vermont. An estimated **1,310** Vermont school children lived in shelters, on the street, doubled up with other families, or in hotels or motels during the 2021-2022 school year.

**1,310 Vermont children live in unstable housing**

Our country's current policy approach gives more help to those who need it least. We can change this. Policymakers need to work together to expand rental assistance and ensure that all Vermont residents have access to good, affordable homes.

Last updated January 23<sup>rd</sup>, 2025

\*Low-income = household income not exceeding 80 percent of local median income. For a family of three in Vermont, 80 percent of the local median is equivalent to \$73,700. Download data for all 50 states and D.C. [here](#). Full sources and methodology available [here](#)