

Testimony by Shelburne town manager Matthew Lawless to Vermont House Human Services Committee, January 29, 2026

Good afternoon representatives and colleagues.

Thank you for the invitation and opportunity to speak with you today. My name is Matthew Lawless. I serve as town manager for Shelburne. I live in Winooski and moved to Vermont three years ago when hired by the Town of Shelburne. My prior public service was all in Virginia, where for ten years I worked for several city, county, and town governments. I'm also pursuing a PhD at UVM, studying sustainable development policy. The complex issues before your committee are of great professional and personal interest to me.

The Town of Shelburne places a high priority on housing and human services policies as related issues, and we want to be part of Vermont's housing and human services solutions. Our community has enjoyed recent growth and increased diversity, which we celebrate, and we work to invest in the welfare of our whole community while also responding to the challenges of affordability which face every town in the state.

Last night I watched the testimony of Rutland's Mayor Doenges, and I've compared notes with him through VLCT on several occasions. I agree with him that H. 594 is a step in the right direction. From the impact to our first responders to our efforts building homes, Rutland and Shelburne have more in common than you might expect. Our library in Shelburne also shares many features with Essex Junction, and the library testimony you heard also sounds similar to our experience.

Shelburne's progress on housing issues deserves some general praise. We faced a serious slowdown of construction in the previous decade, which caused housing costs to rise to unaffordable levels for too many people. Some of this problem was self-inflicted, as we made it too hard to build the necessary homes. Lately we have scored some wins. Last year, Champlain Housing Trust dedicated Bay Ridge, a community of 94 homes on a formerly blighted motel site. Those homes used the full spectrum of funding sources, from congressional directed funds to waivers of Town fees, and they are now nearly fully occupied at a mix of income levels, including one of my Town Office coworkers and his growing family. Other housing successes in Shelburne include the completion of a 12-unit supportive building for Howard Center, the completion of another 12-unit market rate apartment building on Route 7, the settlement of a litigated development approval for 63 homes, the sewer service area extension for 350 homes, and the active construction of another 30-unit project now underway.

Most notably, just yesterday our Selectboard voted final passage for a complete overhaul of our zoning bylaws, after a three-year project of research and outreach. The bylaws have a

suite of changes which exceed the mandates of Act 47 and Act 181. We allow fourplexes by administrative approval, abolish parking minimums, and provide several options for inclusionary housing to assure affordability without deterring investment. Our Selectboard seeks a practical balance of market solutions which advance a clearly defined public interest.

This context brings us to the motel program, the subject of your invitation and your bill, H. 594. The bill aims to reduce state spending and increase accountability and the quality of case management for the program. The tiers and continuum of care match my understanding of best practice, with the goal of appropriate services for those in need, and safe housing for all. I commend the bill for maintaining primary responsibility with the state Department of Children and Families, where it legally belongs. Shelburne and similar Vermont towns can support public safety and some related services but are not constitutionally or practically able to be primary providers of public housing and social services. The concerns I share regarding this bill are mainly practical, not ideological.

The bill prioritizes vulnerable populations, continuing recent practice. Shelburne has seen this change be fairly effective in town, protecting motel rooms for the elderly, parents with children, and people with disabilities. However, this policy has tended to concentrate the clinical needs. Our rescue chief reports that the motel population is now, on average, more sick, including some psychiatrically complex and aggressive patients. He advises that some motel residents would be better served in sub-acute rehab. The five motels comprise 13% of our ambulance call volume, and the insurance reimbursements for these services tend to be minimal, creating a cost to the Town General Fund. Within the \$10 million of your program funding, some provision for this type of concentrated, local service liability would be helpful. It would also help to include medical and security resources in the staffing of any future shelters or motel conversions.

Another practical concern is with the stated staffing ratio, 25 to 35 participants per case manager. In speaking with the motel operators in Shelburne, they tell me they rarely see case workers visiting. The 2025 point in time count was 3,386 homeless people, suggesting roughly 100 case managers needed. Our public agencies are chronically understaffed. I worry that the needed social workers cannot be hired and trained quickly enough. This program should not be set up to fail.

I have a similar concern about the rapid, two-year sunset of the motel capacity, from about 1,000 currently to 400 and less. Two years is not much time increase the VHIP supply, expand shelters, and repurpose the motels. It is difficult to complete private or public construction projects this quickly, even in the best of circumstances. I suggest that a more gradual transition may be more achievable.

Finally, the budgets given appear low for the scale of need. Unless the 3,000 number of participants attrites to a much smaller level, \$10 million will not be enough to pay all of the case managers, plus facility expenses and contract services. The \$7 million biennial total for motel conversion also seems very low, unless it is expected to leverage many other housing funding sources. Having visited Shelburne's motels, I believe they need substantial investment. Their physical condition is tired, to put it mildly. The motels' renovation and repurposing would be fairly complex development projects. The consent of the current owners, local and state regulatory approvals, and rapid construction could all add cost and uncertainty.

To conclude, the Town of Shelburne is a proud partner in the state's housing and human services policies. We are increasing supply, building at every price point, and helping to care for our most vulnerable neighbors. Our public safety and other services have supported the motel program operations for years now, sometimes at risk to the health of our own staff. I commend the overall intent of H. 594, but I caution that it moves too fast, with too few resources, as written. Rather than fail, it may be wiser to provide adequate resources and time, for the project to succeed.

Thank you for your time. I am happy to discuss it further.