

Testimony of Taylor Thibault

Co-Chair, Chittenden County Homeless Alliance (CCHA)

Before the House Human Services Committee

October 31, 2025

Good afternoon, Chair Wood and members of the Committee.

Thank you for the opportunity to testify today on behalf of the Chittenden County Homeless Alliance (CCHA), one of Vermont's two HUD-recognized Continuums of Care.

CCHA is deeply concerned about proposed federal changes to the Continuum of Care (CoC) program that would limit how much funding communities can use for Permanent Supportive Housing (PSH) and Rapid Rehousing (RRH). For context, PSH provides long-term rental assistance paired with supportive services to help households with at least one member with a disability achieve and maintain housing stability. RRH helps individuals and families (with or without disabilities) move quickly out of homelessness by offering supportive services and short- or medium-term rental assistance, typically up to 24 months to achieve housing stability in the unit that they already reside.

The "Permanent Housing Cap," which is part of the federal administration's proposed changes to the upcoming CoC Notice of Funding Opportunity (NOFO), would directly restrict both of these evidence-based housing interventions, as reported in *Politico*.

These changes would not take effect immediately, they would begin in Fiscal Year 2027, but the prospect of a cap is already creating significant anxiety for households relying on PSH or RRH to remain stable, as well as for the providers who support them.

To understand the potential impact, CCHA has modeled several scenarios. Under the most severe, a cap could force 15–20 formerly chronically homeless individuals each living with significant disabilities back onto the streets. These are people who have achieved stability only because of PSH, and losing this funding would reverse that progress and further strain our emergency shelter and crisis response systems.

For context, CCHA's FY24 CoC award totaled \$1.2 million:

- Almost 60%, or approximately \$719,000, supports Permanent Supportive Housing
- Almost 20%, or approximately \$245,000, supports Rapid Rehousing

Combined, nearly 80% of our awards close to \$964,000 directly fund housing for people exiting homelessness.

If HUD imposes a Permanent Housing Cap, CCHA could lose between \$336,000 and \$587,000, depending on whether the cap is set at 30% or 50%. Even under moderate assumptions, we would still lose over \$270,000 in essential housing resources.

While the impacts of these federal cuts are not yet set in stone nor immediately disruptive to the households most at risk, we don't have to wait to make good policy decisions. The current federal administration has demonstrated a clear and persistent shift in its response to homelessness, a sharp break from two decades of federal consensus around the Housing First model, which prioritizes permanent housing and voluntary services. Instead, this new direction centers behavioral health as the primary focus of homelessness policy, introducing mandates and enforcement mechanisms that will reshape how assistance is delivered and who is eligible.

Vermont is facing the perfect storm of federal and state factors that are magnifying the state's already acute homelessness crisis.

At the federal level, beyond the potential CoC impacts described above, Vermont has also lost hundreds of federally funded housing vouchers, vouchers that have enabled Vermonters to access or maintain stable housing with hundreds more expected to be shelved or rescinded by year-end, as you have heard or will hear from VSHA.

At the state level, we know that the long-term solution to homelessness is more permanently affordable housing, and thanks to state investments, Vermont has created thousands of new permanently affordable homes over the past few years alone. But we continue to fall far short of the sustained investments needed to maximize production of permanently affordable housing. In short: we are not creating enough of the housing we need to solve our homelessness crisis.

Simultaneously, the state's cuts to the General Assistance Emergency Housing Program which has sheltered thousands of Vermont's most vulnerable unhoused residents have had profound consequences, including a 62% increase in unsheltered homelessness between 2024 and 2025 (State of Homelessness 2025 Report, p. 2). Across the state, providers also lost critical homelessness-prevention positions, including vital housing navigation roles, when federal ERAP funds expired and the state did not include support for these positions in its final budget.

It is also important to emphasize that Vermont has been highly reliant on HUD's complicated but productive funding streams. Without these federal investments, Vermont would not have developed the programmatic infrastructure that now allows us to secure competitive funding that enables the kind of ground-level responsiveness that state resources alone have not yet matched.

Because both PSH and RRH are targeted for federal reduction, this creates a painful decision point for our community:

- Either prioritize only PSH, preserving as many existing tenancies as possible but eliminating all RRH projects,
- Or cut both PSH and RRH proportionally, resulting in more households, including chronically homeless Vermonters returning to homelessness.

Neither option is acceptable. Both would destabilize progress that has taken years of collaborative effort between providers, the State, and local partners to achieve.

Our request to you today is simple:

We need to explore state-level strategies and investments that can help Vermont preserve the positive impact of these critical housing interventions and ensure that vulnerable Vermonters are not forced back into homelessness due to federal decisions beyond our control.

CCHA and our member organizations stand ready to collaborate with the State to identify solutions. While we are developing short-term mitigation strategies, they will not be sustainable without broader state partnership. We would appreciate the opportunity to return to your committee as soon as the potential federal cuts to the Continuum of Care program become final. At that point, we will be in a position to provide a clear picture of the new reality facing Vermont and make concrete recommendations for how the Legislature can respond.

Thank you for your time and continued leadership during this critical moment. I would be happy to walk the Committee through our modeling and discuss the potential strategies we are exploring.