

## The Problem

**Vermont has one of the highest rates of unhoused people in the country.** According to the 2024 Vermont Point in Time count, there were 3,458 unhoused Vermonters in a single night, including 737 children and 646 Vermonters 55 years old or older.<sup>i</sup> This number is an undercount, as it reflects only the people who engaged with our state’s dedicated and perpetually under-resourced shelter service providers on the PIT count day. When compared with states across the United States, last year Vermont had the 4<sup>th</sup> highest rate of unhoused people per capita in the country.<sup>ii</sup> And, Vermont’s crisis is getting worse – with an over 300 percent increase in unhoused people between 2020 and 2024.<sup>iii</sup>

**Vermont has a severe need for additional year-round homes.** According to the 2024 Vermont Housing Needs Assessment, Vermont needs 24,000 – 36,000 additional year-round homes by 2029 “to meet demand, normalize vacancy rates, house the homeless and replace homes lost from the stock through flooding and other causes.”<sup>iv</sup> This includes 3,295 homes to address homelessness and 3,957 homes to normalize vacancy rates.<sup>v</sup> The report also notes that rising rents and home costs have disproportionately impacted low- and middle-income Vermonters and that rising rents and “inadequate housing quality” have left hundreds of rental housing vouchers on the table,<sup>vi</sup> both of which further fuel Vermont’s rising homelessness crisis.

**Black Vermonters are significantly less likely to own their home and are unhoused at a staggering rate.** In 2023, 74 percent of White Vermonters owned their home compared with just 27 percent of Black Vermonters.<sup>vii</sup> To make matters worse, VSHA’s housingdata.org tracks Vermont’s homeownership rates since 2009, and according to this data set Black Vermonters saw a six percent decrease in homeownership between 2011 and 2023.<sup>viii</sup> In 2024, Black Vermonters were also 5.6 times more likely to be unhoused compared with white Vermonters.<sup>ix</sup> In Chittenden County, Black Vermonters were 6.6 times more likely to be unhoused compared with white Vermonters.<sup>x</sup> As this data clearly shows, the housing and homelessness crisis has been disproportionately felt by Black Vermonters.

**The human and economic costs of failing to provide shelter are greater than the costs of shelter.** Homelessness is linked with a broad range of negative health conditions, including premature death. People experiencing homelessness also are far more likely than the general population to be a victim of crime. Unsheltered homelessness is harsh and alienating. In addition, the economic costs associated with the failure to provide shelter - including on health systems, schools, criminal legal systems, and other public services - fall on municipalities and the state to cover. For example, the \$80 per day cap on the cost for hotel/motel in GA Program<sup>xi</sup> is substantially cheaper than the \$260 daily cost to incarcerate someone in Vermont<sup>xii</sup> or the \$1,386 average cost for an ER visit in Vermont (a pre-COVID number).<sup>xiii</sup>

**Vermont’s housing and homelessness crises will take sustained long-term investments to fully solve.** Vermont’s housing and homelessness crisis is the result of multiple factors, including a lack of sufficient permanently affordable housing units, skyrocketing housing and construction costs, more people moving to Vermont, increasing short term rentals, a failure to ensure a living wage, a failure to provide adequate mental health and substance use services (and continuing to criminalize people who use drugs), and more. While we urge the legislature to make the sustained long-term investments necessary to ensure perpetually affordable housing, including with any necessary support services, to meet the demand, we also urge the legislature to provide the resources necessary to ensure sufficient emergency shelter and supports while we get there.

## Solutions

### Expand the Production of Affordable and Middle-Income Housing

Vermont's housing and homelessness crisis is the result of multiple factors, the core of which is a lack of affordable and middle-income homes for rent or sale. To solve this crisis, Vermont must invest across all areas that have contributed to Vermont's housing and homelessness crisis, including the construction of new permanently affordable housing, rehabilitate existing structures into affordable housing, and increase middle-income home ownership. Specifically, in 2025 we urge the legislature to make the following investments in affordable and middle-income housing:

- \$80 million in funding for VHCB (in addition to the \$34.9 million statutory share of the Property Transfer Tax) to provide support and enhance capacity for the production and preservation of affordable rental housing and homeownership units. Specifically, this funding would:
  - Produce or preserve 385-500 units, including hotel and nursing home conversions, support for flood-impacted communities, and preservation of Naturally Occurring Affordable Housing (NOAHS) which likely would be flipped by investors displacing residents.
  - Continue expansive use of the unlimited 4% LIHTC deals leveraging private equity
  - Partner with AHS to create 30-60 additional shelter beds in 2 to 3 dormitories
  - Create an additional 40-60 new homeownership opportunities
  - Add much needed recovery residences in 2-3 communities
  - Expand opportunities for 50-80 farmworkers
  - Continue home access investments that avoid the costs of nursing facilities
  - Support purchase and improvements at 2-4 manufactured home communities
- \$36 million for VHFA to continue to finance and promote affordable, safe and decent housing opportunities for low- and moderate-income Vermonters. Specifically, this funding would support the following programs:
  - Middle Income Homeownership Development Program (MIHDP): The MIHDP, which was launched in 2023, provides funding to housing developers for up to 35% of the cost to increase the supply of moderately priced, newly constructed homes. VHFA has awarded \$24M to developers, who are building 125 homes at an average purchase price of just under \$195k, with an average subsidy of just over \$130k. 55% of funds awarded went to Shared Equity homes, offered by Vermont's nonprofit housing organizations.
  - Rental Revolving Loan Fund: The Rental Revolving Loan Fund provides low/no interest loans to rental housing developers up to 35% of the cost to meet the housing needs of moderate-income households earning between 65-150% AMI. It brings together new and emerging developers, municipalities, and employers to support a community's housing ecosystem. In 2024, VHFA awarded just under \$10M and will create 292 apartments (259 affordable). This program also leveraged \$21M in municipal and employer investments.
  - First Generation Homeownership Program: This program provides eligible first-generation homebuyers with a \$15,000 grant for down payment and closing costs.
- \$12M Manufactured Home Improvement & Repair Program (MHIR): MHIR provides assistance to eligible manufactured home parks and manufactured homeowners for park improvement, foundation installation, and home repairs. There have been over 500 approvals and the existing funds are projected to run out by June 2025.

- \$10M Healthy Homes Initiative: The Healthy Homes Initiative provides financial assistance to residential property owners, including owner-occupied multi-family properties with up to four units, for the repair or replacement of failing or inadequate on-site water and/or wastewater systems.
- \$5M for Rapid Response Mobile Home Infill Program (MHIP): The MHIP provides a faster path to homeownership by fast-tracking manufactured home lot development and home placement. The Vermont State Housing Authority projects that 100 homes will be ready for occupancy by the end of FY 25.
- \$2 million for the Land Access and Opportunity Board (LAOB): The LAOB exists to improve access to woodlands, farmland, and land and home ownership for Vermonters from historically marginalized or disadvantaged communities who continue to face barriers to land and home ownership.

### **Invest in Homelessness Prevention Programs and Services**

To help reduce the likelihood of more Vermonters becoming unhoused, Vermont must expand and improve services for households in temporary and permanent housing, with particular attention to housing stability and retention services designed to increase sustainability and prevent homelessness. Specifically, in 2025 we urge the legislature to make the following investments in homelessness prevention programs and services:

- \$27 million to maintain the Housing Opportunity Grant Program (HOP) core funding for Vermont’s shelter and service providers – including emergency shelter, homelessness prevention, and help to get and keep housing. These funds are supporting providers across all areas of Vermont.
- \$4 million to maintain trained housing case managers who are currently funded through one-time ERAP funds that will end in June 2025. These funds are supporting housing navigation and retention services and landlord outreach and education across Vermont, including providers in the Barre, Bennington, Brattleboro, Burlington, Hartford, Middlebury, Morrisville, Rutland, Springfield, and St. Albans AHS Districts.
- \$2.4 million for Support and Services at Home (SASH) expansion to serve about 1,200 people across the state by opening 2 panels in each of the 6 Designated Regional SASH areas which cover all counties of the state (12 panels total).
- \$500 thousand to expand Pathways into Rutland County to serve 85 households with chronic homelessness using a service delivery model that provides comprehensive, locally based treatment to people with serious and persistent mental illnesses.
- \$2.5 million to maintain the current level of financial assistance administered by HOP providers to prevent homelessness and help re-house low-income Vermonters.
- \$3 million to support shelter expansion projects that are already in the pipeline. Emergency shelters need ongoing base funding to support operations – not one-time funds. Nonprofit partners count on an ongoing commitment from the legislature to expand shelter capacity.
- \$2.5 million for the Vermont State Housing Authority (VSHA) for eviction prevention rental assistance & Vermont Legal Aid

- \$500k to expand the Landlord Relief Program, which provides financial incentives and added security to landlords who house Vermonters receiving rental assistance or who are homeless.
- \$2.4 million to maintain the HOME Family Voucher program to help families experiencing homelessness afford housing, including both rental and security deposit assistance. The household is required to pay 30% of income towards housing costs.
- \$1.5m to expand the Permanent Supportive Housing Assistance program to reach the 350 households proposed in the AHS plan to retain housing for chronically homeless households
- \$3.5 million to maintain trained resident services coordinators at Vermont’s various housing trusts.

### **Ensure Emergency Shelter for Vermonters in Need**

Vermont does not have an adequate plan to ensure shelter for those in need. There is currently a statewide shelter capacity for 585 households, and all are full.<sup>xiv</sup> The 1388 vulnerable households, including 1756 adults and 414 children, currently sheltered through the General Assistance Emergency Housing Program (GA Program) are in addition to the state’s 585 household shelter capacity.<sup>xv</sup> There is literally no safe place for potentially thousands of vulnerable Vermonters to go if they lose access to the GA program.

The General Assistance Emergency Housing Task Force, which included 13 members representing people with lived experience of homelessness, Vermont’s affordable housing, shelter, mental health, and service provider communities, municipalities, and Governor Scott’s administration, was charged with providing the legislature with recommendations around 12 charges. The Task Force’s report, submitted on January 15, 2025 to the legislature, provided detailed recommendations for these charges, including:

- Ensuring maximum days of eligibility for the General Assistance Emergency Housing program is determined by the actual length of time it takes unhoused Vermonters on average to obtain housing.
- Ensuring that state agencies fully participate in coordinated entry, which serves as Vermont’s homelessness response system.
- Ensuring that eligibility for the General Assistance Emergency Housing program is relaxed during cold weather months to ensure unsheltered Vermonters do not die from exposure.

Specifically, in 2025 we urge the legislature to adopt the General Assistance Emergency Housing Task Force recommendations.

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<sup>i</sup> Housing & Homelessness Alliance of Vermont, et. al., 2024 Vermont’s Annual Point-in-Time Count, June 2024, p. 1, available at <https://helpingtohousevt.org/wp-content/uploads/2024/06/2024-PIT-Report-final.pdf>.

<sup>ii</sup> U.S. Dept. of Housing and Urban Development, The 2024 Annual Homelessness Assessment Report (AHAR) to Congress, Part 1 - PIT Estimates of Homelessness, Dec. 2024, p. 76-79, available at <https://www.huduser.gov/portal/sites/default/files/pdf/2024-AHAR-Part-1.pdf>.

<sup>iii</sup> Supra note 1 at p. 2.

<sup>iv</sup> Vermont Department of Housing and Community Development, Vermont Housing Needs Assessment: 2025-2029, June 2024, p. 6, available at [https://outside.vermont.gov/agency/ACCD/ACCD\\_Web\\_Docs/Housing/Housing-Needs-Assessment/2025-2029/VT-HNA-2025.pdf](https://outside.vermont.gov/agency/ACCD/ACCD_Web_Docs/Housing/Housing-Needs-Assessment/2025-2029/VT-HNA-2025.pdf).

<sup>v</sup> *Id.* at p. 5.

<sup>vi</sup> *Id.* at p. 7.

<sup>vii</sup> Vermont Housing Finance Agency, Homeownership by Race, 2023, available at <https://www.housingdata.org/profile/homeownership-costs/homeownership-by-race>.

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<sup>viii</sup> Vermont Housing Finance Agency, Homeownership by Race, 2011 - 2023, available at <https://www.housingdata.org/profile/homeownership-costs/homeownership-by-race>.

<sup>ix</sup> Supra note 1 at p. 1.

<sup>x</sup> Housing & Homelessness Alliance of Vermont, et. al., 2024 PIT Report – Racial Disparity Worksheet, available at <https://helpingtohousevt.org/wp-content/uploads/2024/06/2024-PIT-Report-Race-Disparity-Data.xlsx>.

<sup>xi</sup> See, Act 113, Sec. E.321(h)(2024).

<sup>xii</sup> Vermont spends \$95,000 annually to incarcerate someone. That breaks down to \$260 a day to incarcerate someone in Vermont. See, ACLU of Vermont, Investing in People, not Prisons, March 1, 2023, available at <https://www.acluvt.org/en/news/investing-people-not-prisons>.

<sup>xiii</sup> Jessica Learish, The most expensive states for ER visits, ranked, CBS News, Dec. 4, 2020, available at <https://www.cbsnews.com/pictures/emergency-room-visit-cost-most-expensive-states/>.

<sup>xiv</sup> Because Vermont is a shelter first state, these 585 beds are all filled before someone is offered General Assistance Emergency Housing. See., Vermont Dept. of Children and Families, December 31st Housing Report, p. 15, Jan. 2, 2025, available at <https://legislature.vermont.gov/assets/Legislative-Reports/Act-113-Monthly-Housing-Reporting-12.31.2024.pdf>.

<sup>xv</sup> Agency of Human Services, Department for Children and Families, GA Emergency Housing Program as of January 20, 2025, available at <https://dcf.vermont.gov/Addressing-and-Preventing-Unsheltered-Homelessness>.