



## MEMORANDUM

**To:** The Senate Committee on Health and Welfare

**From:** Pollaidh Major, Director of Policy and Special Projects, Vermont Housing and Conservation Board | pollaidh@vhcb.org

**Date:** April 14, 2026

**Re:** Service-Supported Housing Funding – Proposed Budget Language

The [Road Home Report](#) identifies a significant need for supportive housing for 600 Vermonters with intellectual and developmental disabilities. Senator Clarkson asked the Vermont Housing and Conservation Board (VHCB) to identify any potential funding sources that could help meet this need and continue development of service-supported housing. VHCB identified a FY24 General Fund appropriation that has become newly available due to changes federal funding and that, with broadened statutory language, could support one or two projects in FY27. The following language could be added to Section C of the FY27 Budget to broaden the eligible uses of a prior-year appropriated fund to support the development of service-supported housing for Vermonters with Intellectual and Developmental Disabilities (I/DD).

### Proposed Language

[Amend Act 78 of 2024, Sec. B.1102, HOUSING DEVELOPMENT – FISCAL YEAR 2024 ONE-TIME APPROPRIATIONS \(c\)\(1\):](#)

\$10,000,000 to provide support and enhance capacity for emergency shelter and permanent homes for those experiencing homelessness **or who need supportive housing.** The funds shall be used to expand Vermont's shelter capacity, provide homes for those experiencing homelessness, and decrease reliance on the General Assistance Emergency Housing hotel and motel program, **or to create housing for individuals eligible to receive Medicaid-funded Developmental Disabilities Services.** The Vermont Housing and Conservation Board shall consult with the Agency of Human Services to ensure new investments in homes and shelters are paired with appropriate support services for residents, including services supported through Medicaid. Funded projects may utilize a range of housing options, including the expansion of shelter capacity, the conversion of hotels to housing, creation of permanent supportive housing, and utilization of manufactured homes on infill sites. **Funds may be committed in FY27.**



## **Background:**

The developmental disabilities community, including the Developmental Disability Housing Initiative, self-advocates, and the Vermont Developmental Disabilities Council have strongly advocated for funding to produce housing for Vermonters with developmental disabilities. VHCB has partnered with this community advancing 6 projects in recent years resulting in 37 homes and is aware of additional projects that could advance with funding next year.

VHCB previously committed the full \$10 million included in the FY24 appropriation to shelter and to provide permanent supportive housing for Vermonters experiencing homelessness. However, over the past year, the federal government shifted priorities within the HUD Continuum of Care program, resulting in fewer funds being available to support permanent supportive housing for people exiting homelessness. As a result, one project that had planned to utilize the FY24 funding in combination with federal funds to create housing for Vermonters exiting homelessness was not able to proceed as originally designed because of the loss of federal funding. That project will proceed as an affordable rental housing development, but can no longer utilize \$3.9 million of the targeted FY24 dollars.

VHCB is awaiting feedback from AHS (with whom we partner on shelter development) about the pipeline for shelter projects and the broadening of the use of supportive housing funds. Broadening the eligible uses of this fund could potentially advance both a shelter project and support I/DD housing.

This proposal would broaden the eligible uses of the existing FY24 appropriation so that these funds may be used both for shelter development and for the construction of homes serving Vermonters with Intellectual and Developmental Disabilities, and would authorize VHCB to commit these funds in FY27.

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