

DRAFT 2026 State Legislative Priorities

Safe, stable, and affordable housing is the foundation on which successful, independent lives are built. HHAV's priorities are rooted in the belief that housing is a basic human right without which no one can thrive. The role of government is to ensure the safety and wellbeing of its residents. As such, it is responsible for ensuring that everyone has access to safe and stable housing. Public investment in housing should be guided by these principles:

- Maximize benefit for those who are most vulnerable, have the lowest incomes, and have been historically excluded from accessing housing.
- Maximize investment in housing for long-term impact by requiring permanent affordability.
- Fund the "three-legged stool" of housing investments: capital for housing development, rental and other housing related financial assistance, and supportive services.
- Adequate funds to support Vermont's housing crisis response system and prevent Vermonters from being unsheltered.

Capital Funding to Create, Rehabilitate and Preserve Affordable Housing

Vermont's housing and homelessness crisis is the result of multiple factors, the core of which is a lack of affordable and available homes for rent or sale. To solve this crisis, Vermont must continue to invest in a broad variety of housing solutions: permanently affordable rentals, shared equity homeownership, housing rehabilitation, manufactured housing, homes for people with physical, as well as intellectual/developmental disabilities and those experiencing homelessness, emergency shelter, motel conversions, farmworker housing, single room occupancies, tiny homes, and more. To fund these proven strategies, HHAV supports:

- **\$37.6 million** in base funding for the **Vermont Housing and Conservation Board (VHCB)** through its statutory share of the Property Transfer Tax (*amount may change based on updated revenue estimates*).
- **\$40 million** in **additional one-time funding for VHCB** to maintain progress on the housing crisis.
- ***The units created with VHCB funds have been critical to helping people exit homelessness.***
- **\$5 million** in base funding for the **Vermont Housing Improvement Program (VHIP)** to rehabilitate rental housing and make it affordable at or below federal Fair Market Rent.

State Support for Rental Assistance

Rental assistance is essential for providing safe, stable, accessible housing to those who can't afford market rate housing and for solving homelessness and housing insecurity. Since January 2025, federal funding shortfalls have resulted in the loss of over 670 Section 8 Vouchers statewide and risk a "death spiral" of ever-decreasing federal funding starting this year. To prevent further losses, HHAV supports:

- **Up to \$7.9 million** in one-time state funds to capitalize a "**Voucher Contingency Reserve**" for the **Vermont State Housing Authority (VSHA)** and **local Public Housing Authorities (PHAs)**.
- Failure to provide this funding will result in longer waits for housing assistance, increased homelessness, loss of confidence in the program by private sector landlords, loss of Project Based Vouchers that help create housing for the lowest income Vermonters and move those without housing out of motel rooms, emergency shelters, and unsheltered homelessness and into permanent housing.
- **\$1.5 million** in base funding for **CVOEO's HOME program**, which provides bridge rental assistance to families with children experiencing homelessness and will help make up for the loss of federal resources.

Invest in Homelessness Assistance, Prevention and Services

Expand and improve assistance to households experiencing and at risk of homelessness, with particular attention to preventing unsheltered homelessness and helping people to get and keep housing. For FY 27, our priority request in this area is:

- **\$40 million** for OEO's **Housing Opportunity Grant Program (HOP) program**, which funds housing-related financial assistance like short-term rental assistance, back rent assistance, security and utility deposits,

and first and last month's rent; case management; housing navigation; landlord liaison; core funding for emergency shelters; Coordinated Entry; and the Homeless Management Information System (HMIS).

- This represents a \$7.3 million increase over FY 25 to support shelter expansions, extreme cold weather shelters, and increased need for financial assistance.
- In addition, we request a **\$1.3 million** increase in the **FY 26 Budget Adjustment Act (BAA)** for **HOP financial assistance** through Community Action Agencies and homeless service providers to restore funding lost in FY 26.

Ensure Adequate Funding & Policy Reforms for General Assistance (GA) Emergency Housing

Vermont continues to have one of the highest rates of homelessness in the country and unsheltered homelessness is on the rise. Vermont must ensure all residents can access emergency shelter. HHAV calls for:

- **\$44 million** for the **General Assistance (GA) Emergency Housing**, the state's essential housing safety net for those experiencing homelessness when no alternative emergency shelter exists.
 - This represents a \$5.4 million increase over FY 26 and a return to FY 25 funding levels to help fund the following policy requests.
- As the state has progressively restricted access to GA Emergency Housing, communities across the state have seen substantial increases in unsheltered homelessness, especially among people with disabilities and medical vulnerabilities. We urge these policy/eligibility reforms:
 - Lift caps on overall day and room limits (or tie them to the time it takes to find housing), extend cold weather days and expand eligibility, require reasonable accommodations for people with disabilities, remove municipal "opt-out," re-examine the room rate cap, and remove restrictive housing options from the placements GA recipients must accept.
- People in GA Emergency Housing should be connected to a pathway out of homelessness. To do this, the Department for Children and Families (DCF) Economic Services Division (ESD) must work effectively with community partners by:
 - Using the Homeless Management Information System (HMIS), the shared statewide system required of all homeless assistance providers; and
 - Fully participate in Coordinated Entry to assess the needs of Vermonters in GA Emergency Housing and connect them to resources and services that help them get and keep housing.

In addition to the foregoing, HHAV lends its active and engaged support to the following priorities of its members, partners and allies:

Prevent the Criminalization of Homelessness

Vermont must draw a bright line against this growing national trend – reinforced by the Supreme Court's "Grants Pass" ruling and a 2025 Presidential Executive Order:

- Prevent governmental entities from threatening or imposing civil or criminal penalties against unhoused people for undertaking life-sustaining activities, including sleeping and sheltering on public land, in the absence of adequate alternative indoor places.
- Prohibit discrimination against people without homes by adding housing status as a protected class to the state's Fair Housing Law.

Provide Housing for Adults with Intellectual/Developmental Disabilities

HHAV supports the recommendations of the Act 69 "Road to Home" report to:

- Provide **\$5-10 million** in **VHCB** funds annually for five years to support development of 600 units of service-supported housing for adults with disabilities.
- **\$1-2 million annually** for **DAIL** to create 90-100 state-funded Rental Assistance Vouchers for adults with developmental disabilities, administered statewide by VSHA.

Downpayment Assistance for First-Time Homebuyers

Recapitalize Vermont Housing Finance Agency's (VHFA's) Downpayment Assistance Program by increasing the State Housing Tax Credit from \$250K annually to **\$350K**, costing the state **\$1.75 million** annually for each of 5 years and extend this section of the tax credit by five years.

- Over 2,100 renters have become homeowners since program launched in 2015, including permanently affordable housing for shared equity homeowners.

New Revenues to Fund the Essential Needs of Low-Income Vermonters

Against the backdrop of the largest tax cuts in history for the wealthiest Americans, federal funding cuts are having a devastating effect on the ability of Vermonters to meet basic needs for housing, health care, health insurance, fuel assistance, and food.

- HHAV broadly supports progressive revenue raising measures that maximize benefit for low-income and vulnerable people while minimizing impact on them.
- We actively support proposals with a nexus to housing, like surcharges on short-term rentals and second homes, and which create a dedicated revenue stream for housing.

Manufactured Housing Communities

Historically known as Mobile Home Parks, Manufactured Housing Communities (MHCs) are a critical component of Vermont's existing affordable housing stock. Their affordability must be preserved and conditions improved. MHC needs include major infrastructure improvements; removal of abandoned homes, repair and replacement of substandard homes; infrastructure debt refinancing and forgiveness; and co-op/nonprofit buyouts. HHAV supports:

- **\$12 million** for the **Manufactured Home Improvement & Repair Program (MHIR)**.
- **\$10 million** for **ANR's Healthy Homes Initiative** for water & wastewater improvements.
- **\$400K** for **CVOEO's Mobile Home Program** for resident organizing and advocacy.

State Rental Assistance for People with Special Needs

The Agency of Human Services has long recognized the importance of safe, stable and affordable housing for its clients and provided various forms of rental assistance for people with severe and persistent mental illness, families on Reach-Up experiencing homelessness, and offender re-entry.

- In addition to its support for expanding rental assistance to people with intellectual or developmental disabilities, HHAV broadly supports efforts by the Vermont State Housing Authority to expand rental assistance to other AHS client demographics.

HHAV also supports the following initiatives by members and other allied stakeholders:

Housing and Land Justice

The **Vermont Land Access and Opportunity Board (LAOB)** was created to promote equity for Vermonters from historically marginalized and disadvantaged communities who continue to face barriers to land access and home ownership. HHAV supports LAOB's request for:

- **\$1 million** in the governor's recommended **FY 26 BAA request** to fund \$750K in "Homes for All" pre-development seed grants to entry-level housing developers and \$250K for Community Resilience Grants.
- **\$3.2 million** in operating and grant-making funds for **FY27** (base: \$1.8M | one-time: \$1.4M)

Continued Progress on Zoning and Land Use Reform

Through Acts 47 and 181, the General Assembly has made path-breaking progress on reforming local zoning and state land use regulations to make it easier, less costly and lower risk to develop denser housing in and around downtown and village centers and community-designated growth areas.

- In conjunction with its member nonprofit housing developers, HHAV broadly supports efforts by **Let's Build Homes** to make further progress by reducing permit appeals in Tier 1 areas; addressing Act 181

implementation issues; reducing the length and cost of appeals; supporting CHIP implementation; expanding state support for off-site construction; and further reforming zoning and building codes to reduce high construction costs.

Funding for Community Action Agencies' Anti-Poverty Programs

- **\$6.4 million** for Anti-Poverty Programs to supplement core Community Action funding through the federal Community Services Block Grant (CSBG) to support programs like Financial Coaching, Microbusiness Development, Volunteer Income Tax Assistance, and the Family Resilience Fund.
- **\$600,000** for **Benefits Navigators** to assist clients with SNAP and Medicaid benefits changes.

HHAV will closely watch and actively engage with these issues vital to our members' interests:

Proposed Changes to Vermont's Landlord-Tenant laws

Landlords have long sought to shorten Vermont's eviction process to make it easier to evict tenants for nonpayment of rent, destruction of rental property and other serious lease violations. Nonprofit affordable housing developers join them in seeking expedited evictions for violent or criminal behavior that puts other tenants at risk. Joined by those same nonprofit housers, tenant advocates have long worked to eliminate no-cause evictions for renters that pay the rent and abide by their leases.

- Efforts are underway by leading lawmakers to forge a "Grand Bargain" that incorporates these, and numerous other high priorities for both landlords and tenants.
- HHAV members on both sides of landlord-tenant divide have an active and vital interest in these complex issues, which are fraught with potential unintended consequences.
- HHAV will engage closely with lawmakers and stakeholders on behalf of its members to ensure that any proposal does not create more homelessness or housing insecurity; achieves balance between landlord and tenant rights and responsibilities; and does not erode a person's right to housing.

Manufactured Housing Community policy/regulatory changes have been identified by HHAV members and stakeholders as a priority, including:

- A better design for ANR State Drinking and Wastewater Revolving Funds to reduce barriers for their use in MHCs.
- Addressing barriers for maintaining affordability when smaller, privately-owned communities come up for sale.