

An Alternative Proposal to H.594
Presented to the House Human Services Committee on February 3, 2026

On behalf of:

- Vermont Community Action Partnership
- Housing & Homelessness Alliance of Vermont
- ACLU Vermont
- End Homelessness Vermont
- Vermont Early Childhood Advocacy Alliance

First, we want to thank the Committee for continuing to address the ongoing crisis of homelessness in our State. We are here today to propose an alternative to H.594 that still is within a limited timeline. Our proposal centers people, funds existing services and supports that work, and recognizes the need to ensure that people have access to a pathway to permanent, secure, and affordable housing. This proposal does not solve the problem of homelessness, but it focuses on helping people while developing a long-term proposal for the State. We thank you for your consideration of this proposal, and we as the coalition of groups will be available to you as you consider it and develop your bill language further.

We are not including definitions in this document, but we will welcome the opportunity to review and comment on any definitions included in the bill.

We focused first on the Purpose section because it is important to have a person-centered, dignified, approach to working with people who are at risk of or experiencing homelessness. Words matter, and we believe we share the same goals. We hope our proposal for a purpose section captures those goals.

You have our document, but we will also read our purpose statements, and we welcome a conversation if that is the desire of the committee. Before I read the purpose section, though, I want to note that we do have more of a proposal.

We have crafted an outline that we believe achieves the purpose we lay out in this proposal, including an appropriations section. Again, we hope you will consider the full proposal.

It is the purpose of this act to:

1. Build a system in which homelessness is rare, brief and non-recurring by prioritizing prevention and support for those experiencing homelessness and housing insecurity.
2. Center the needs and the voices of those most impacted by the housing crisis. Improve outcomes by listening to those who have experienced homelessness

and housing insecurity and offer solutions that give individuals choice, dignity and autonomy in directing what support they need.

3. Support and resource the Agency of Commerce & Community Development (ACCD) and Agency of Human Services (AHS) in their respective missions to plan for and create safe, stable and affordable housing and improve the conditions and well-being of people in Vermont, with particular focus on those at risk of and experiencing homelessness.
4. Ensure that housing, shelter and services are transparent, accessible, effective, efficient, and data informed.
5. Build a strategy to transition Vermont's homelessness response system away from an overreliance on emergency, temporary shelter towards permanent housing and long-term housing solutions with ongoing support. Create and resource a comprehensive strategic plan with the goal of eliminating unsheltered homelessness and ensuring homelessness be rare, brief, and non-recurring. Efforts to move from short-term solutions such as emergency shelter and use of hotels/motels should not result in people being displaced or left without access to safe shelter.
6. Improve our State and Community Partnership so that all people in Vermont who are at risk of or experiencing homelessness will have access to a human-centered, equity-driven framework that recognizes homelessness as a crisis requiring immediate response.
7. Support and resource our existing and emerging providers through the Coordinated Entry and Continuum of Care, as well as new and emerging nontraditional systems of care. Ensure that voluntary services and supports, including emergency and temporary shelter, housing plans, access to rental assistance or other supports to achieve permanent, secure and affordable housing are available to all who are at risk of or experiencing homelessness. Include a stronger focus on a flexible, person-centered approach that offers a range of voluntary supports and interventions, allowing individuals to access what works best for them, when they are ready.
8. Ensure that benefits and services for Vermonters experiencing or at risk of homelessness recognize their constitutional rights and liberties, including due process protections like notice and the right to be heard, and rights under the Americans with Disabilities Act and Vermont Fair Housing and Public Accommodations Act. And that people living with disabilities and complex needs are given equal access and accommodations to access and remain in services, programs and shelter.
9. Build upon our State's diversified system of emergency housing options, including but not limited to a range of shelter options, including low barrier and peer centered, therapeutic recovery shelters transitional housing, shared housing arrangements, family shelters, host-home models, master-leased units, occasional use of hotel/motels and rapid rehousing placements, paired with a broader, human-centered framework that prioritizes dignity, choice, and long term stability in order to help people achieve permanent, secure, and affordable housing.

10. Support municipalities by providing resources and technical assistance to address the impacts of homelessness, especially unsheltered homelessness.

Our outline includes language for Shelter Support & Expansion, the General Assistance Hotel/Motel benefit, Reasonable Accommodation, and a study to bring recommendations back to the legislature by November of 2027.

Shelter Support & Expansion

In order to ensure everyone has shelter when needed and reduce the use of hotel/motels, shelter stabilization and more shelter capacity is needed. Shelter capacity is particularly needed for specialized needs and care including residential settings with nursing home-level care, senior residential care, supportive Single Room Occupancy (SROs), homeless youth those experiencing substance use disorder. Additionally, the current shelter system desperately needs administrative and navigation resources to adequately and successfully provide outreach, housing and health navigation and to cover the general operations of shelters. To effectively address Vermont's current homelessness crisis and to responsibly reduce reliance on the GA Hotel/Motel Program, two key steps must be taken:

- Fully fund HOP to operate the existing shelter system, stabilizing an underfunded shelter system while improving partner coordination and case management.
- Establish a five-year, annual investment in needs-specific housing, "convertible shelters," to move away from hotel/motel use and towards permanent supportive housing.

Vermont cannot build its way out of the motel program by endlessly expanding emergency shelters. The long-term solution requires scaling publicly supported, needs-specific housing and improving data collection to better understand the regional needs. The permanent supportive housing models serve individuals experiencing homelessness who also have complex, co-occurring needs. A five-year annual investment would support the expansion of existing permanent supportive housing and development of "convertible shelter" projects. These funds should be administered through VHCB or another appropriate entity and awarded to:

- Regions, municipalities, and communities
- Shelter operators and supportive service providers
- Community agencies and development partners

The shelter stabilization and convertible shelter expansion work together to stabilize the existing system while building a realistic, long-term pathway away from motel use. Principles that guide this two-part proposal:

- The problem: Beds removed does not mean people are gone
- 1-to-1 replacement

- Housing must address need
- The bridge: Shelter that transforms, not traps

Convertible shelter projects:

- Begin operation as emergency, non congregate shelters, allowing the state to add capacity quickly and reduce motel use
- Be designed from the outset with a clear pre-development plan to convert into permanent supportive housing within a defined timeframe
- Include identified operating partners, clinicians, and specialty providers aligned with the population to be served post-conversion
- In some cases, the original shelter operator may continue operations. In others, responsibility would transition to a more appropriate specialty provider once conversion occurs. This approach acknowledges current urgency while avoiding the creation of permanent shelter infrastructure that cannot evolve.

Why the convertible shelter approach works:

- Creating annual investments in shelter capacity designed for conversion accomplishes several critical goals:
 - Allows the state to begin reducing motel use in a 1:1 ratio by bringing shelter beds online more quickly than traditional development allows
 - Leverages currently relaxed zoning and particularly downtown siting opportunities for emergency shelter use
 - Prevents the creation of stranded shelter infrastructure by ensuring conversion into permanent supportive housing with appropriate clinical/service operators
 - Gives legislators and agencies a clear, immediate pathway to reduce motel reliance while longer-term systems are built
 - Aligns with proven approaches that have successfully reduced homelessness through balanced investments in shelter and permanent supportive housing

General Assistance Hotel/Motel Benefit

- Any hotel/motel that wants to participate in General Assistance and meets the requirements will be available as an option for placement.
- Municipalities where hotels/motels are participating in GA are eligible for funding.
- No caps on overall day and room limits (or tie them to the time it takes to find housing),
- Rooms are available to those who need them every day of the year.
- Eligibility is determined solely by a person being homeless and not having access to other shelter/housing options.

People in GA Emergency Housing should have access 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 voluntary resources and services that help them get and keep housing.
- Ensure that services are voluntary and robust so that people experiencing homelessness have access to services and supports that work for them and are offered in places that can be accessed by the participants.

Reasonable Accommodation

Consistent with the Americans with Disabilities Act and its implementing regulations, and with the Vermont Public Accommodations Act, the Department shall ensure that people with disabilities have equitable access to shelter and services. Where reasonable modifications to program rules or procedures are necessary to ensure equitable access, they shall be liberally granted. Reasonable modifications may include, but are not limited to:

- Paying more than \$80 per night for an accessible room, extending the limit on the number of nights of assistance provided in recognition of the challenges people with disabilities may face to secure housing, or
- extending the authorized length of stay (e.g., requiring renewal once every 90 days, other than in case of a change in circumstances)
- In fiscal years 2027 and 2028, the Department shall ensure that all persons experiencing homelessness have equitable voluntary access to coordinated entry, housing navigation, and case management services, whether they reside in a community-based shelter, GA motel or hotel, are unsheltered, or are in other non-permanent shelter or housing.
- Advocacy or support by or for individuals or groups experiencing homelessness shall be protected from any punitive response.

Homelessness Emergency Action Plan; Study, Report, And Recommendations - OEO

Before a contract is signed, the Director shall consult with the Joint Fiscal Committee, who will provide final approval to the contract.

1. The Director shall contract with a consultant familiar with the Vermont housing and homelessness landscape to provide strategic management for this project. The consultant shall convene a Task Force to include members from the following: the Vermont Department for Children and Families, the Vermont Department for Mental Health, the Vermont Department of Health, the Vermont Department of Health Access, the Vermont Department of Disabilities, Aging and Independent Living, the Vermont Department for Housing and Community Development, Vermont Housing & Conservation Board, Vermont Housing Finance Agency, a regional Housing Trust, a shelter provider, the Chittenden County Homeless Alliance, Housing & Homelessness Alliance of Vermont, the Vermont State Housing Authority, the Vermont Network Against Domestic and Sexual Violence, End Homelessness Vermont, Pathways Vermont, Vermont Legal Aid, Disability Rights Vermont, the Vermont Center for Independent Living, Vermont Interfaith Action, the American Civil Liberties Union of Vermont, and two persons with lived experience of homelessness in Vermont. The Consultant will

work collaboratively with the expert organization to facilitate multiple focus groups with people experiencing homelessness, both sheltered and unsheltered, and with households who recently exited homelessness. The consultant will work collaboratively with the expert organization to facilitate hybrid community meetings to allow for additional input from municipalities, non-profit organizations, businesses, foundations, and concerned neighbors. The consultant will also work collaboratively with the expert organization to offer an online survey.

2. The Director shall also contract with a nationally recognized organization with expertise in studying homelessness prevention and response systems and developing comprehensive plans to substantially reduce homelessness, including an analysis of the investments and legal and regulatory changes needed, and concrete recommendations for implementation with benchmarks to measure progress. The study, report, and action plan shall include: (1) for each county in Vermont, the affordable housing needs to address the homelessness crisis, including development and citing of modular tiny homes, mobile homes, single room occupancy homes, cluster housing that can be converted to mixed-income housing at a later date, scattered site housing, and housing that is service-enriched; (2) for each county in Vermont, the unmet service needs for people experiencing and at immediate risk of homelessness, including the anticipated number of households including a person with a chronic health condition, mental health disability, or other service needs; (3) for each county in Vermont, the shelter needs, including low-barrier and service-enriched shelters, for households experiencing homelessness, including transitional housing, and a review of the most effective and appropriate means of covering the cost for shelter services and determining eligibility; (4) changes needed in affordable housing providers and Housing Authority's administrative and admissions plans to increase eligibility and expedite the application process for households experiencing homelessness; and (5) provide an assessment of Vermont's homelessness prevention and rapid rehousing programs, including state-funded rental assistance for extremely low-income tenants. The review and report shall include a detailed analysis of current spending, including spending related to healthcare and public safety for households experiencing homelessness, and estimates of appropriations needed to implement the recommendations.
3. On or before January 15, 2027, the consultant shall submit an interim report and recommendations to the House Committee on Appropriations; House Committee on Housing, General, and Military Affairs; House Human Services Committee; Senate Committee on Appropriations; Senate Committee on Health and Welfare; and Senate Committee on Economic Development, Housing, and General Affairs. The Committees may provide guidance to offer further direction for the report.
4. On or before November 1, 2027, the consultant shall submit a final report and recommendations to the House Committee on Appropriations; House Committee on Housing, General, and Military Affairs; House Human Services Committee; Senate Committee on Appropriations; Senate Committee on Health and Welfare;

and Senate Committee on Economic Development, Housing, and General Affairs.

APPROPRIATIONS (current total is \$99,431,726)

Homelessness Emergency Action Plan: \$180,000

Vermont Housing & Conservation Board (VHCB)

Fund work related to a study and a strategic action plan on the shelter, housing, and service needs of Vermonters experiencing or at immediate risk of homelessness and to support recommendations to reimagine Vermont's homelessness prevention and response system.

Emergency/General Assistance (GA) Hotel/Motel: \$35,000,000

Agency of Human Services: Department of Children & Families

Funds the hotel/motel use as emergency shelter. Eligibility criteria are simplified, decreasing the costs of administration.

Housing Opportunities Program (HOP): \$41,000,000

Agency of Human Services: Office of Economic Opportunity (OEO)

Provides funding to operate emergency shelters, essential services to shelter guests, transitional housing, rapidly re-houses homeless individuals and families; financial assistance, Coordinated Entry and administers the Homeless Management Information System (HMIS)

Convertible Shelter Expansion: \$11,000,000

Agency of Human Services: Office of Economic Opportunity (OEO)

Establish a five-year, annual investment in needs-specific housing, "convertible shelters," to enable moving away from hotel/motel use and towards permanent supportive housing. This expands shelter capacity in the near term, while also investing in longer-term affordable housing development.

The following are appropriations made available *in addition to the HOP and Emergency/GA core funding*:

HOP Financial Assistance: \$3,740,101. The Housing Opportunity Program's Financial Assistance is designed to prevent people falling into unsheltered homelessness or to help people get into permanent housing. Financial assistance is provided to households who would become or remain homeless but for financial assistance.

Champlain Valley Office of Economic Opportunity (CVOEO) HOME Program:

\$1,500,000

Agency of Human Services: Office of Economic Opportunity (OEO)

This will create an additional 100 rapid re-housing vouchers to families experiencing homelessness. HOME Family Housing Voucher Program will provide up to 300 families with 24 months of rental assistance. Families will be referred through the coordinated

entry process, with local organizations providing housing navigation and retention services. This is a statewide program.

End Homelessness Vermont: \$611,625

Agency of Human Services: DAIL/DCF (to be decided)

To sustain and expand its disability-focused and peer-led case management team that provides intensive specialized support to Vermonters with complex medical needs and disabilities who are experiencing homelessness, as well as to provide concrete supports for people in times of acute need.

Vermont State Housing Authority (VSHA): Bridge Rental Assistance Program:

\$3,000,000

Agency of Human Services: DAIL

Creates a new state-funded rental assistance program that provides ongoing, tenant-based

and project-based rental subsidies modeled after the federal Housing Choice Voucher program that will stabilize extremely low-income households, prevent homelessness, and

reduce reliance on expensive emergency systems. Initial investment for planning and implementation, to serve 200 households annually. Focus would be on individuals and families most in need including families engaged with the child welfare system; individuals exiting hospitals, corrections, or residential care; people with disabilities, including developmental/intellectual disabilities; households on federal voucher waiting lists; households receiving time-limited rental assistance.

Community Action Agencies (5): \$2,750,000

Agency of Human Services: Office of Economic Opportunity

Hotel/Motel Outreach, Case Management, Housing Retention and Permanent Housing Navigation staff, statewide at all five Community Action Agencies, and concrete supports for people in times of acute need.

Champlain Valley Office of Economic Opportunity (CVOEO) Community Resource Center: \$650,000

Agency of Human Services: Office of Economic Opportunity

The Community Resource Center (CRC) and the critical homeless outreach operations are critical to meeting the needs of Burlington's most vulnerable residents. CVOEO is currently serving an average of 131 people per day, with more than 50% of guests being strictly unsheltered.

Additionally, we support further appropriations contemplated as part of the committee's bill:

Municipality Support Funding: We support funding for municipalities where hotel/motels participating in General Assistance are located, to be distributed via a formula based on the number of rooms available for GA in that municipality, and to be used as determined by the municipality through its budget process.