



Sections 1-3. Findings, Legislative Intent, and Purpose: Finds that more than 4,000 Vermonters were experiencing homelessness as of December 2025 and that Vermont needs approximately 3,295 additional homes by 2029. Establishes the goal of making homelessness rare, brief, and nonrecurring by replacing the hotel/motel program with a coordinated statewide homelessness response system focused on permanent housing, supportive services, accountability, and community partnerships.

Section 4. Creation of the Vermont Homelessness Response Continuum: Creates the Vermont Homelessness Response Continuum, administered by DCF through the Office of Economic Opportunity. Defines various components and creates four service levels:

- Level 1: Prevention and diversion through assessments, rental assistance, relocation help, and housing stabilization.
- Level 2: Shelter services, including structured shelters with programming offering case management, housing stability and other services (2A) & low-barrier shelters providing housing support while reducing entry barriers (2B).
- Level 3: Specialized shelters for individuals requiring medical, behavioral health, or substance use services.
- Level 4: Hotel and motel placements with negotiated contracts and room caps (700 rooms April–November; 1,000 rooms December–March).

The section also:

- Expands permanent supportive housing and other emergency housing options, including municipal grants, cold-weather shelters, recovery housing, and transitional housing.
- Establishes eligibility requirements, participant responsibilities, and priority for older adults, people with disabilities, families with children, pregnant individuals, survivors of violence, and households facing involuntary housing loss.
- Sets time limits for temporary housing and hotel assistance, with extensions for medical, disability, or safety needs.
- Requires case management (unless exempted), establishes appeal rights and due process protections, and directs DCF to adopt rules and provide annual reporting.

Section 5. Merger of Continuums of Care: Requires OEO to work with partners and HUD to establish a single statewide Continuum of Care by October 1, 2028, with a progress report due January 15, 2028.

Section 6. Grant Requirements: Requires state-funded providers to participate in coordinated entry, support transitions to permanent housing, and report key performance outcomes.

Section 6A. FY27 Hotel/Motel Time Limits: Provides that households receiving hotel assistance in FY26 are not eligible for a new 70-day benefit period until 12 months after their prior application date.

Section 7. Transition to the Vermont Homelessness Response Continuum: Directs DCF and community partners to begin implementing the Continuum during FY2027 while expanding capacity for full implementation in FY2028.

Section 8. Rulemaking and Implementation: Requires DCF to adopt emergency rules by September 1, 2026, use existing rules temporarily, and adopt permanent rules by October 1, 2027, following stakeholder engagement and legislative review.

Section 9. Implementation Status Report: Requires OEO to report to the Legislature by February 15, 2027, on implementation progress, draft rules, and recommended statutory changes.

Section 10. Domestic and Sexual Violence Services: Requires DCF to contract for statewide shelter and supportive services for survivors of domestic and sexual violence and ensure continuity of services.

Section 11. Vermont Rental Assistance Bridge Program: Creates a temporary rental assistance program within the Vermont State Housing Authority for households unable to access federal vouchers. Requires development of a unified voucher program and prioritizes households exiting homelessness.

Section 12. Shelter Payment Rate Structure: Requires DCF to develop a standardized shelter reimbursement system with base rates, supplemental payments, and periodic reviews.

Section 13. FY27 Hotel/Motel Room Rate Cap: Limits FY27 hotel reimbursement to the hotel's lowest advertised rate or \$80 per room per day, with multiple rooms permitted for larger households.

Section 14. FY27 Funding: Appropriates \$82.6 million for FY27 homelessness response activities, including shelters, emergency housing, rental assistance, supportive housing, staffing, shelter development, municipal grants, and other services. Requires quarterly spending reports.

Section 15. Repeal of General Assistance Annual Report: Repeals the statutory requirement for DCF to submit an annual General Assistance report to the Legislature.

Section 16. Effective Dates: Emergency rulemaking provisions take effect upon passage. Most provisions take effect July 1, 2026, and grant requirements take effect October 1, 2028.

Rulemaking Timeline

- **July 1 - August 31, 2026:** DCF administers the Continuum using existing GA Emergency Housing rules
- **September 1, 2026:** Emergency rules take effect
- **By April 1, 2027:** DCF submits draft rules to the legislature after statewide stakeholder engagement (including at least 5 regional hearings)
- **October 1, 2027:** Permanent rules adopted