State of Vermont

HUD Consolidated Plan 2025-2029

DRAFT Annual Action Plan – 2026 Update

As of March 16, 2026

Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The State of Vermont's 2026 Annual Action Plan (AAP) will guide the use of funding received through programs administered under the U.S. Department of Housing and Urban Development. These include the Community Development Block Grant Program (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant Program (ESG) and Housing Trust Fund (HTF). The CDBG is administered by the Vermont Community Development Program (VCDP) in the Department of Housing and Community Development (DHCD) of the Agency of Commerce and Community Development (ACCD). The Vermont Housing and Conservation Board (VHCB) administers HOME and HTF. The ESG is administered by the Office of Economic Opportunity (OEO) of the Department for Children and Families of the Agency of Human Services.

Each program will be administered according to the State's 3 guiding principles:

The 1st is achieving the perpetual affordability of housing resources and investments.

The 2nd principle is promoting development in State designated Downtowns, Village Centers, Neighborhood Development Areas and other areas that are consistent with the state's historic settlement pattern and "Smart Growth" – including designated New Town Centers and Growth Centers. T

The 3rd principle is to link our homeless assistance activities with permanent housing through systems, practices and initiatives that are informed by data and proven approaches. Under all circumstances, the State is committed, and obligated, to ensuring that any project is funded, and those entities responsible for administering such funds must affirmatively further fair housing and work towards overcoming illegal housing discrimination and broadening housing options for all people.

This AAP builds upon the State's five-year 2025-2029 Consolidated Plan which identified the state's housing and community development priorities based on an extensive needs assessment, market analysis, and citizen and stakeholder input. The Strategic Plan established goals for meeting these priority needs that reflect anticipated resources and past performance. Each goal is accompanied by an estimate of resources that will be used to meet it as well as outcome indicators that will be used to evaluate the State's performance.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The 2025-2029 Consolidated Plan established four goals to address the identified housing and community development priorities:

1. Increase the supply and quality of affordable housing.
2. Decrease the number of people experiencing homelessness
3. Strengthen communities and improve the quality of life of Vermonters.
4. Create and retain jobs

The State will use CDBG, CDBG-RHP, HOME, HTF and ESG funds for housing, homelessness, job creation and retention, and community strengthening activities. Goal outcomes over the next year based on estimated funding

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

In developing this Plan, the Department of Housing and Community Development (DHCD), the Vermont Housing and Conservation Board (VHCB), and the Office of Economic Opportunity (OEO) followed the State's Citizen Participation Plan, consulted with a broad range of local, regional and State organizations, including units of local government, both Continua of Care and the Consolidated Plan Advisory Board,

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and conducted a public hearing to gather input on the needs of residents and communities in the areas of housing, economic development, public facilities, and services, review past performance, and ideas for programs or activities before developing this plan. A second public hearing will be held in person and electronically on March 30, 2026, to hear comments on the draft, followed by a thirty-day written comment period. No public comments were received.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

Summary of Public Comments

- increasing costs for housing utility expenses, weatherization and general improvements to aging VT housing stock is a need that is identified in the State Housing Needs Assessment.
- there is a tremendous need for repairing our aging housing stock, including weatherization
- need for both financial and housing education, HOC's provide housing, counseling and education
- how will reductions to project-based rental subsidies impact HUD programs? It was noted that ESG funding can be used for rental assistance, but it is not currently
- CDBG: accept Planning Grant (PG's) and Implementation Grant (IG's) applications on a rolling basis
- CDBG: increase the number of board meetings for VCDP applications to be reviewed/grants awarded
- CDBG: provide a digital fair housing training

5. **Summary of comments or views not accepted and the reasons for not accepting them**
   NA

7. Summary

PR-05 Lead & Responsible Agencies - 91.300(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	VERMONT	Vermont Community Development Program, DHCD/ACCD
HOME Administrator	VERMONT	Vermont Housing and Conservation Board
ESG Administrator	VERMONT	Office of Economic Opportunity, DCF/AHS
	VERMONT	Vermont Housing and Conservation Board

Table 1 – Responsible Agencies

Narrative

By State statute, the Vermont Housing and Conservation Board (VHCB) has been designated as the agency responsible for administering HOME funds and the Housing Trust Fund. Therefore, the State's HOME program will be administered by VHCB pursuant to a contract with the Department. Additionally, HTF is to be administered by VHCB in accordance with the “Vermont HTF Allocation Plan”. The OEO, as part of Agency of Human Services (AHS), administers the ESG program. The mission of AHS is, “To improve the health and well-being of Vermonters today and tomorrow and to protect those who are unable to protect themselves.” The highest priority for AHS housing efforts is to end homelessness in Vermont. The AHS Office of Economic Opportunity works in partnership with the private sector, community-based organizations, and others to increase the self-sufficiency of Vermonters, strengthen Vermont communities, and eliminate the causes and symptoms of poverty.</p>

Consolidated Plan Public Contact Information

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AP-10 Consultation - 91.110, 91.300(b); 91.315(l)

1. Introduction

In developing the State's 2025-2029 Consolidated Plan, DHCD consulted with a multitude of organizations, including municipal governments, representatives on the Consolidated Plan Advisory Board, many local and regional organizations, and stakeholders in housing and homeless service programs. In preparing this 2026 Annual Action Plan update, DHCD, through the Advisory Board and other partner organizations, distributed information about the consolidated planning process and has sought to engage involvement from a wide constituency of people, including participation from low and moderate-income people, people living in slum and blighted areas and in areas where CDBG, HOME, HTF and ESG funds are used. To consult specifically on ESG, the Office of Economic Opportunity (OEO) reaches out to the Continuums of Care (CoC), nonprofit homeless shelter and service providers, as well as other State agency and nonprofit partners where homeless policy and service populations overlap.

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies

In the last several years, affordable housing providers and representatives of health, mental health, environmental, labor, and service agencies have substantially strengthened their networking and coordination activities. The State, through DHCD and OEO, has led, actively encouraged, and participated in these efforts, and will continue to do so. DHCD actively participates in the state's two continuum of care organizations and coordinates economic development activities with the Department of Economic Development (also of ACCD), regional development corporations, local and state chambers of commerce and other State agencies.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless people (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

Vermont has 2 Continua of Care, Chittenden County and “Balance of State” each is a coalition of homeless service providers, mental health care providers, Veterans Affairs, service providers addressing the needs of homeless & runaway youth, & other organizations with missions to address the needs of those who are experiencing homelessness or precariously housed OEO & DHCD participates in meetings of these groups.

DHCD & OEO staff participate on the Council of Housing & Homelessness. The Council membership is from across VT to decide how to increase the housing supply & prevent Vermonters from homelessness.

The Council has an Action Plan. 3 sub-committees focus on items listed to achieve its mission:

1. Unit Generation (From Temporary Shelter to Permanent Housing)
2. Supports (The Systems and Services):
3. Special Populations (The People We Serve)

Vermont has restructured its homeless assistance funding to align w/ state & federal goals to reduce the number of people & families experiencing homelessness.

Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

VT has 2 HUD Continuums of Care (CoC the Chittenden County Homeless Alliance) the Balance of State CoC is a coalition of 11 local or regional housing coalitions. The State Office of Economic Opportunity (OEO) coordinates with partners in AHS, the CoCs, and external stakeholders to ensure that the Emergency Solutions Grant program is part of an integrated, statewide strategy to end homelessness & improving housing and stability outcomes for families and individuals. CoCs have provided input into how Vermont is determining the allocation of funds, the development of performance & evaluation outcomes, and the development of policies and procedures for the administration of HMIS. OEO provides information and gathers feedback through formal presentations and discussion at CoC meetings at least annually. OEO also utilizes an OEO Advisory Group, composed of grantee organizations, where significant updates are needed to program standards or performance measures. Most recently an Advisory Group was convened to review emergency shelter standards regarding length of stay policies. OEO is currently reviewing feedback received during the process to make updates to our program standards for SFY2026.
OEO and AHS are active participants in the governance of each CoC. OEO also serves on and/or chairs various committees in each, including HMIS, Coordinated Entry, Strategic Planning, Veterans, Education/Training, and other ad hoc workgroups.

2. Agencies, groups, organizations and others who participated in the process and consultations

Table 2 – Agencies, groups, organizations who participated

1	**Agency/Group/Organization**	VERMONT HOUSING AND CONSERVATION BOARD
	Agency/Group/Organization Type	Housing Other government - State
	What section of the Plan was addressed by Consultation?	Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Consolidated Plan Advisory Board.
2	**Agency/Group/Organization**	Vermont Agency of Human Services
	Agency/Group/Organization Type	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-homeless Services-Health Health Agency Grantee Department
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Consolidated Plan Advisory Board.

3	**Agency/Group/Organization**	Vermont State Housing Authority
	Agency/Group/Organization Type	Housing PHA Other government - State
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Consolidated Plan Advisory Board.
4	**Agency/Group/Organization**	VERMONT HOUSING FINANCE AGENCY
	Agency/Group/Organization Type	Housing Other government - State
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Consolidated Plan Advisory Board.
5	**Agency/Group/Organization**	Vermont Legal Aid
	Agency/Group/Organization Type	Services-Elderly Persons Services-Persons with Disabilities Service-Fair Housing Legal Services
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Consolidated Plan Advisory Board.

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6	**Agency/Group/Organization**	Homeless Prevention Center
	Agency/Group/Organization Type	Services-homeless
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Consolidated Plan Advisory Board.
7	**Agency/Group/Organization**	Bennington County Regional Commission
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	Market Analysis Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Consolidated Plan Advisory Board.
8	**Agency/Group/Organization**	Champlain Housing Trust
	Agency/Group/Organization Type	Housing Services - Housing Services-homeless Regional organization
	What section of the Plan was addressed by Consultation?	Annual Action Plan
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Consolidated Plan Advisory Board.

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9	**Agency/Group/Organization**	West Rutland
	Agency/Group/Organization Type	Other government - Local Civic Leaders
	What section of the Plan was addressed by Consultation?	Market Analysis Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Consolidated Plan Advisory Board.
10	**Agency/Group/Organization**	Vermont Interfaith Action
	Agency/Group/Organization Type	Faith Based Organization
	What section of the Plan was addressed by Consultation?	Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Consolidated Plan Advisory Board.
11	**Agency/Group/Organization**	Champlain Valley Office of Economic Opportunity
	Agency/Group/Organization Type	Services - Housing Service-Fair Housing Regional organization Tenant Rights Organization
	What section of the Plan was addressed by Consultation?	Annual Action Plan
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Consolidated Plan Advisory Board.
12	**Agency/Group/Organization**	Vermont Center for Independent Living
	Agency/Group/Organization Type	Services - Housing Services-Persons with Disabilities

	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Consolidated Plan Advisory Board.
13	**Agency/Group/Organization**	Community Capital of Vermont
	Agency/Group/Organization Type	Small Business & Microenterprise Lender Community Development Financial Institution
	What section of the Plan was addressed by Consultation?	Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Consolidated Plan Advisory Board.
14	**Agency/Group/Organization**	Vermont Economic Development Authority
	Agency/Group/Organization Type	Other government - State Business Leaders Civic Leaders
	What section of the Plan was addressed by Consultation?	Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Consolidated Plan Advisory Board.
15	**Agency/Group/Organization**	Cathedral Square Corporation (CHDO)
	Agency/Group/Organization Type	Housing Services-Elderly Persons Regional organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Consolidated Plan Advisory Board.
16	**Agency/Group/Organization**	Montpelier Housing Authority
	Agency/Group/Organization Type	PHA
	What section of the Plan was addressed by Consultation?	Public Housing Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Consolidated Plan Advisory Board.
17	**Agency/Group/Organization**	Housing and Homelessness Alliance of Vermont
	Agency/Group/Organization Type	Services - Housing Services-homeless
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Consolidated Plan Advisory Board.
18	**Agency/Group/Organization**	Vermont Human Rights Commission
	Agency/Group/Organization Type	Other government - State
	What section of the Plan was addressed by Consultation?	Annual Action Plan
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Consolidated Plan Advisory Board.

19	**Agency/Group/Organization**	Brattleboro Development Credit Corporation
	Agency/Group/Organization Type	Regional organization
	What section of the Plan was addressed by Consultation?	Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	This organization is represented on the Consolidated Plan Advisory Board.

Identify any Agency Types not consulted and provide rationale for not consulting

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Chittenden CoC and Vermont Coalition to End Homelessness (Balance of State CoC)	The existing planning document for both Continuums of Care is their respective responses to the annual HUD CoC notice of funding availability (NOFA). Their responses and the Strategic Plan both seek to decrease the number of individuals and families experiencing homelessness.

Table 3 - Other local / regional / federal planning efforts

Narrative

OEO reaches out to the Continua of Care (CoC), nonprofit homeless shelter and service providers, as well as other State agency and nonprofit partners where homeless policy and service populations overlap. Vermonters with lived experience of homelessness are represented on Vermont's two HUD Continuums of Care. All subrecipients are also required to maximize people with lived experience in the planning and delivery of services. OEO values participation of Vermonters with lived experience at the project, community (CoCs), and state level. OEO will continue to explore opportunities for meaningful participation of those with direct experience in planning program policy and administration.

AP-12 Participation - 91.115, 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation

Summarize citizen participation process and how it impacted goal setting

This AAP was built on the 2025-2029 Strategic Plan which was developed with extensive public outreach through community meetings and an online survey and developed with public input as per the State of Vermont Citizen Participation Plan updated April 1, 2021, with input from the Consolidated Plan Advisory Board. The State is also looking into ways to increase engagement with disadvantaged and minority communities through alternate methods such as social media and will continue these efforts in the years to come.

The Consolidated Plan Advisory Board was formed to guide the development and priorities of the State's Consolidated Plan. The Advisory Board encompasses a broad range of constituents including representation from organizations that are faith-based, serve the homeless and people with disabilities, seniors, public housing tenants, economic development, and other non-housing community development needs.

Advisory Board members are encouraged to distribute information about the consolidated planning process to their constituents and people they serve. Members of the Board assist in stimulating involvement from a wide constituency of people, especially participation from low- and moderate-income people, people living in slum and blighted areas, and in areas where CDBG, HOME, HTF and ESG funds are used.

Two public hearings were legally warned and publicized two weeks in advance in all major newspapers across the state and by postings, email, and online. The first hearing was conducted on February 9, 2026, before development of the plan, to obtain citizens' views about the needs and interests of the public in the areas of housing, public services, community development and economic development, development of proposed grant activities, and to review past performance related to the HUD Consolidated Plan. A second hearing was held on March 30, 2026, to hear comments on the plan and there was a 30-day written comment period.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Meeting	Non-targeted/broad community	.			https://accd.vermont.gov/housing/plans-data-rules/hud/how

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2	Public Meeting	Non-targeted/broad community	Ã¢Â¿Â¢State of Vermont HUD Consolidated Plan Advisory Board meeting February 9, 2026 o Board Members in attendance (12); Sandrine Kibuey, Champlain Valley Office of Economic Opportunity (CVOEO), Kathleen Berk, Vermont State Housing Authority; Cindy Reid, Cathedral Square Corporation; Sarah Launderville, Vermont Center for Independent Living; Jo Ann Troiano, Montpelier Housing Authority; Chad Simmons, Housing and Homelessness Alliance of Vermont (HHACV); Megan Roush, Vermont Housing & Finance Agency (VHFA); Big Hartman, Vermont Human Rights Commission; Adam Grinold, Brattleboro Development Credit Corp.; Bill Coolvin, Bennington Regional Development Corp.; Joan Goldstein, Vermont Economic Development Authority; Julie Curtin, Champlain Housing Trust State of Vermont Staff in attendance: Brett Chornyak, DHCD; Caroline Studer, DHCD; Ann Karlene Kroll, DHCD; Rebecca Walsh, DHCD; Devon Hannah, DHCD; Julia Connell, DHCD; Grace Vinson, DHCD; Juliann Sherman, DHCD; Lily Sojourner, Vermont Agency of Human Services, (OEO); Ron Rupp, Vermont Housing Conservation Board (VHCB)o Comments: see 2-9-26 Advisory	Comments: see 2-9-26 AAP Public Hearing Notes All comments accepted	NA	https://accd.vermont.gov/housing/plans-data-rules/hud/how

			Board Notes of All comments accepted State of Vermont HUD Consolidated Plan Public Hearing, February 9, 2026Attendance: Ann Karlene Kroll, Department of Housing & Community Development (DHCD); Brett Chornyak, Department of Housing & Community Development (DHCD); Juliann Sherman, Department of Housing & Community Development (DHCD); Julie Curtin, Champlain Housing Trust (CHT); Sarah Launderville, Vermont Center for Independent Living (VCIL); Sandrine Kibuey, Champlain Valley Office of Economic Opportunity (CVOEO); Chad Simmons, Housing and Homelessness Alliance of Vermont (HHAV)o Presenters: Nathan Cleveland, Department of Housing & Community Development (DHCD); Lily Sojourner, Office of Economic Opportunity (OEO);Ron Rupp, Vermont Housing & Conservation Board			

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

Vermont's allocations for 2025 included $7,485,780.00 in CDBG funds to be used for housing, economic development, public facilities and services, $3,014,372.26 million in HOME funds to be used for housing, and $722,944.00 ESG funds to be used for emergency shelter and rapid rehousing for people experiencing homelessness. The VCDP estimates an additional $200,000 in CDBG program income.

Vermont's $3,134,373.20 allocation from the National Housing Trust Fund for 2025 resource will be used according to Vermont's HTF allocation plan, to meet the housing needs of extremely low-income households.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	7,485,780.00	200,000.00	0.00	7,485,780.00	7,685,780.60	

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	3,014,372.26	0.00	0.00	3,014,372.26	0.00	

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	722,944.00	0.00	0.00	722,944.00	0.00	ESG will be used for Overnight shelter and Rapid re-housing (rental assistance).Expected amount available assumes $700,000 annual allocation.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	3,134,373.20	0.00	0.00	3,134,373.20	0.00	

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

For CDBG funds, VCDP's Program Guidelines require applicants to provide a full description of how matching requirements will be met including the name and address of the source and indicate whether it is a loan, grant, cash, cash-in-kind, goods or services, etc. Matching requirements are as follows:

(a) Implementation Grants (IG): Match can consist of a loan, grant, cash or cash-in-kind goods or services of a flat 10% of the CDBG funds.

1. Economic Development Loans: borrower must provide cash-equity of at least 10% of the total project cost. This cannot be borrowed or otherwise encumbered money. Note: The Agency may waive the 10% equity match required for a VCDP economic development project if justified.
2. Slums & Blight: Cash or cash-in-kind goods or services of at least 10% of the CDBG funds. This match must directly fund remediation of the S&B condition.

(b) Scattered Site Housing Grants (SS): Match can consist of a loan, grant, cash or cash-in-kind goods or services of a flat 10% of the CDBG funds.

(c) Planning Grants (PG): Match can consist of a loan, grant, cash or cash-in-kind goods or services of a flat 10% of the CDBG funds.

Accessibility Modification Grants (AM): Match can consist of a loan, grant, cash or cash-in-kind goods or services of a flat 10% of the CDBG funds for Handicapped Accessibility work on municipally owned buildings and community libraries.

(e) Home Access Grants (HA): Match can consist of a loan, grant, cash or cash-in-kind goods or services of 10% of the CDBG funds.

If a community has an inactive CDBG/HUD funded Revolving Loan Fund (RLF) as defined by Agency Procedures, at least 20% of the RLF balance on hand must be committed to the project when applying for CDBG funds.

For HOME funds, priority is given to projects with non-federal funding sources for leveraging HOME Funds to ensure the overall HOME Program meets the 25% match requirement. Projects must demonstrate leverage of resources and cost-effectiveness, which may include but is not limited to density bonuses, energy efficiency, lead paint hazard abatement, and historic preservation. Vermont Housing Conservation Board (VHCB) State funding for housing is often used as match for the HOME Program.

ESG requires a dollar-for-dollar match. Vermont Agency of Human Services, Office of Economic Opportunity (OEO) will use State general funds appropriation for homeless assistance as match for the ESG program.

There is no match requirement for HTF funding, however, applications that include the use of non-federal funding sources will be prioritized. As with HOME, VHCB's State funds will likely serve as a source of non-federal match for HTF assisted projects.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

N/A

Discussion

Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Increase supply & quality of affordable housing	2025	2029	Affordable Housing Public Housing Homeless Non-Homeless Special Needs Non-Housing Community Development		Safe, Decent, and Inclusive Affordable Housing		
2	Decrease the # of people experiencing homelessness	2025	2029	Homeless		Individuals and families experiencing homelessness	ESG: $722,944.00	
3	Strengthening communities & improve quality of life	2025	2029	Non-Housing Community Development		Strong Communities		
4	Create and retain jobs	2025	2029	Non-Housing Community Development		Economic Opportunity		

Table 6 – Goals Summary

Goal Descriptions

1	**Goal Name**	Increase supply & quality of affordable housing
	Goal Description	This goal will increase the supply and quality of affordable housing by utilizing the strategies described in the 2025-2029 Consolidated Plan on a statewide level.
2	**Goal Name**	Decrease the # of people experiencing homelessness
	Goal Description	ESG funds will be fully leveraged along with State resources to reduce the number of individuals and families experiencing homelessness.
3	**Goal Name**	Strengthening communities & improve quality of life
	Goal Description	This goal will promote downtown preservation and revitalization, remediate and reuse of brownfields, and increase access to public facilities and services.
4	**Goal Name**	Create and retain jobs
	Goal Description	his goal will create and retain jobs by utilizing the strategies described in the 2025-2029 Consolidated Plan on a statewide level

AP-25 Allocation Priorities – 91.320(d)

Introduction:

In keeping with the State's long-standing policy, the State does not plan to target assistance to specific geographic regions or activities. State law requires that CDBG funds, dispersed through the VCDP, are awarded on a competitive basis, based on an evaluation of need, impact and feasibility, and subject to HUD limitations. Likewise, VHCB allocates HOME funds on a competitive basis, except for up to 5% for general operating assistance for Community Housing Development Organizations (CHDOs) to implement HOME projects, and HTF is allocated on a competitive basis in accordance with the HTF Allocation Plan. ESG funds are awarded to eligible nonprofits, including community and/or faith-based organizations following the selection process of the Vermont Office of Economic Opportunity.

Funding Allocation Priorities

	Increase supply & quality of affordable housing (%)	Decrease the # of people experiencing homelessness (%)	Strengthen communities & improve quality of life (%)	Create and retain jobs (%)	Total (%)
CDBG	60	0	35	5	**100**
HOME	100	0	0	0	**100**
ESG	0	100	0	0	**100**
HTF	100	0	0	0	**100**

Table 7 – Funding Allocation Priorities

Reason for Allocation Priorities

The State's allocation priorities are based on the priority needs identified in the Housing Needs Assessment and further developed through the citizen participation and consultation process to meet the goals identified in the plan.

How will the proposed distribution of funds address the priority needs and specific objectives described in the Consolidated Plan?

The proposed distribution of funds addresses the priority needs identified by allocating funding to the most critical needs identified through the Housing Needs Assessment, market analysis, citizen participation process, and consultation with service providers, and agencies and organizations in housing and community development, job creation, and homelessness. Vermont continues to see affordable housing, reducing

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homelessness and job creation as a strong need for the State. These needs are clearly reflected in the State’s allocation of CDBG, HOME, and HTF resources. Specifically, ESG funds will be fully leveraged along with State resources to reduce the number of individuals and households experiencing homelessness. These funds will also focus on shortening the length of time people experience homelessness and reducing the number of individuals returning to homelessness.

This distribution is further informed by past program performance and evaluations of how CDBG, HOME, HTF, and ESG can be used most effectively and efficiently given program rules.

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction:

This section summarizes the methods of distribution for State programs that administer HUD funds, as well as the National Housing Trust Fund. In each of the State programs described below, the State encourages applications for projects that include more than one goal or objective, or which address more than one Priority Need (e.g., an application for a housing project that also consists of a component of commercial space; or a public facility project that also consists of a component of public services).

Distribution Methods

Table 8 - Distribution Methods by State Program

1	**State Program Name:**	HOME Investment Partnerships Program
	Funding Sources:	HOME

	Describe the state program addressed by the Method of Distribution.	HOME Investment Partnerships Program (HOME) allocation for FFY2026 is anticipated to be approximately **$3,000,000**. The Department of Housing and Community Development (DHCD) is the agency responsible for developing the Consolidated Plan, and State statute designates the Vermont Housing and Conservation Board (VHCB) as the agency responsible for administering HOME funds. In FFY 2026, HOME funds will be used for the following programs with investments in the form of grants or long-term deferred loans: 1. Acquisition and Rehabilitation Program. HOME funds will be used for acquisition and rehabilitation of conventional rental properties to make them affordable to low-income households and to preserve existing affordable rental properties. When HOME funds are used for rehabilitation, the work must be performed according to the VHCB's written rehabilitation standards, which describe the methods and materials to be used, and the entire unit must be brought up to applicable property standards as described in 24 CFR 92.251(b). 2. New Construction Program. HOME funds will be used to produce conventional rental properties that serve an area or market where existing housing stock is limited and/or to provide housing for households/individuals with documented special needs. Units created under this program must be affordable to low-income households. 3. Refinancing existing debt. Multi-family rental projects developed by locally based housing organizations that receive HOME funds for rehabilitation may utilize HOME funds to refinance existing debt if there is significant rehabilitation of the property proposed in addition to the refinancing (See the HOME Refinancing Guidelines in AP-90 HOME Program Specific Requirements). Community Housing Development Organizations (CHDOs) At least fifteen percent (15%) or approximately $450,000 of the Vermont’s HOME allocation will be used for rental projects developed, owned, or sponsored by qualified Community Housing Development Organizations (CHDOs) as defined in 24 CFR 92.2.

		Up to five percent (5%) or approximately $150,000 of the State's total HOME allocation may be used for general operating assistance for qualified CHDOs who are expected to receive CHDO project funds within 24 months. CHDO Operating funds will be awarded through VHCB's organizational grant application process. Statewide Allocation The State’s allocation, including CHDO project funds, but not including Administration or CHDO Operating) will be distributed to projects on a competitive basis throughout the state, excluding the City of Burlington which has its own allocation. Program Administration The State's HOME program will be administered by VHCB pursuant to a contract with DHCD. The State recognizes that its Consolidated Plan cycle is not consistent with the ability of its agent, VHCB, to commit HOME funds. Because Vermont’s HOME Program is recognized by HUD as a national leader in achieving the goals of the HOME Program, we do not find this inconsistency to be a significant issue in program delivery. Administrative Costs The State intends to use up to 10% of the HOME allocation for administrative and planning costs, distributing funds among the two entities involved with administering Vermont's HOME Program: DHCD and VHCB. The State may use approximately $300,000 (10%) in FFY 2026 funds for eligible administrative costs.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Eligible Applicants Information about the HOME Program is available on VHCB’s website, including links to the HOME Program Handbook, application deadlines and Board meeting dates, and the common housing application. VHCB works closely with a statewide network of non-profit affordable housing developers who are provided with this information. In addition, VHCB provides information about the HOME Program application process and requirements to for-profit developers when inquiries are received. General Information for Applicants Seeking VHCB and/or HOME Program Funds for Affordable Housing Development is available here: https://vhcb.org/our-programs/housing/housing-applications. Eligibility to apply for HOME funds will be no more restrictive than required by HOME regulations. Consistent with the regulations, at least 15% of the annual allocation will be used for projects developed, owned, or sponsored by qualified CHDOs, as defined in 24 CFR 92.2. Applications will be accepted on a rolling basis and acted upon at regularly scheduled VHCB Board meetings based on project readiness. VHCB uses the State's Common Housing Application with an additional VHCB/HOME application supplement and checklist. Threshold Criteria The following criteria must exist in any application to be considered for a commitment of HOME funds: 1. The project must be perpetually affordable. 2. At least one of the Consolidated Plan housing related goals must be included. 3. Preference shall be given to projects located in the State's Designated Downtowns, Village Centers, neighborhood development areas and other areas that are consistent with the state's historic settlement pattern and "Smart Growth". Consolidated Plan Affordable Housing Goals

		On a competitive basis, applications that have met the threshold criteria described above will be evaluated and ranked according to how many of the Consolidated Plan Affordable Housing Strategies are addressed by the project. Efficient Use of Resources Consistent with 24 CFR Section 92.250(b), projects seeking HOME funds will require an analysis of whether the amount of HOME funds invested is reasonable to achieve affordable housing. This analysis must confirm that the project can be sustained from rent levels affordable to the targeted population while maintaining adequate levels of maintenance or repair and fully funding reserves required by lenders or grantors. This analysis will be done by VHCB for each application.
	If only summary criteria were described, how can potential applicants access application manuals or other **state publications describing the application criteria. (CDBG only)**	n/a- -CDBG Only

	Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	n/a -ESG Only
	Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	

	Describe how resources will be allocated among funding categories.	Funding will be allocated by funding category based on the merit of the proposals submitted and the demonstrated market demand.
	Describe threshold factors and grant size limits.	To be considered for HOME funding, all applications must meet the threshold requirements stated above. In addition, projects must meet all HOME Program and other applicable federal requirements. Vermont will utilize the HOME maximum per-unit subsidy limit published by HUD which are currently: $181,488 for 0BRs, $208,049 for 1BRs, $253,994 for 2BRs, $327,293 for 3 BRs, and $359,263 for 4BRs+. When new limits are issued for 2026 those will be utilized.
	What are the outcome measures expected as a result of the method of distribution?	With the FFY26 HOME allocation of approximately $3,000,000, it is estimated annually HOME will assist 4-7 rental projects, resulting in approximately 35-40 units affordable to low- and very-low-income households.

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2	**State Program Name:**	National Housing Trust Fund (HTF)
	Funding Sources:	HTF
	Describe the state program addressed by the Method of Distribution.	National Housing Trust Fund (HTF) dollars will be distributed statewide, including the City of Burlington. HTF funds will be awarded on a competitive basis to locally driven projects that address the criteria outlined in AP-90, the 2026 Vermont HTF Allocation plan as well as the priority housing needs as identified in the State's Consolidated Plan.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The following threshold criteria must exist in any application to be considered for a HTF award: 1) the project must include the creation or preservation of permanent rental housing (transitional housing and shelters are not eligible), 2) the housing must remain perpetually affordable after the expiration of the HTF required period via a VHCB Housing Subsidy Covenant, 3) at least one of the State's Consolidated Plan housing priorities must be addressed, and 4) there must be a reasonable expectation that the project will be ready to proceed within 18 months. Applications will be reviewed by staff according to the VHCB Affordable Housing Funding Policy and the Underwriting Policy and Procedures , which includes analysis in the following areas: • Development capacity and fiscal soundness of the applicant, and experience of the development team • Project location • Market demand • Budget documents • Plans and specifications • HTF and other applicable federal requirements • Developer/owner profit standard and evaluation In addition to VHCB's applicable policies, applications for funding submitted by eligible entities will be reviewed, and funding will be prioritized, according to how the following criteria are met: • the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. • The extent to which the project has a mechanism or strategy to ensure deep affordability of the HTF units throughout the compliance period so that rents are affordable to extremely low-income families. • the duration of the units' affordability period.

		• the merits of the application in meeting the priority housing needs as identified in the State’s Consolidated Plan. • safe, decent, affordable housing (increase the supply and quality of affordable housing), • individuals and families experiencing homelessness (decrease the number experiencing homelessness, increase supply and quality of affordable housing)
	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	n/a CDBG Only
	Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	n/a - ESG Only

	Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	
	Describe how resources will be allocated among funding categories.	The HTF regulations allow up to 10% of HTF funds to be used for homeownership activities; however, given the extremely low income (ELI) targeting requirements of the program and the need for rental housing affordable to ELI households in the state, Vermont will use HTF program funds exclusively for rental housing to meet the priority housing needs as identified by the State's Consolidated Plan. In accordance with HTF regulations, up to 10% of the State's HTF allocation will be used for administration. HTF project funds may be used to pay for the following eligible costs: development hard costs, refinancing, acquisition, related soft costs, operating cost assistance and operating cost reserves (not to exceed 1/3 of the state's annual allocation), relocation, and costs related to payment of loans. Awards of HTF funds will be made in the form of grants or 0%, 30-year deferred loans to minimize project debt and maximize affordability to ELI households.
	Describe threshold factors and grant size limits.	To be considered for HTF funding, all applications must meet the threshold requirements stated above. In addition, projects must meet all HTF and other applicable federal requirements. There is no set maximum HTF award; however, applicants should be aware that demand for HTF funds may be competitive. The maximum per-unit subsidy limits for HTF are set at HUD's applicable limits for the HOME Program. These limits are currently $181,488 for 0BRs, $208,049 for 1BRs, $253,994 for 2BRs, $327,293 for 3 BRs, and $359,263 for 4BRs+. When new limits are issued for 2026 those will be utilized.

	What are the outcome measures expected because of the method of distribution?	With the FFY26 HTF allocation of approximately $3 million, it is estimated that HTF dollars will assist 2-4 rental projects, resulting in an estimated 13 units affordable to ELI households.
3	**State Program Name:**	Vermont Community Development Program
	Funding Sources:	CDBG

	Describe the state program addressed by the Method of Distribution.	The Vermont Community Development Program (VCDP) is funded with Community Development Block Grant (CDBG) funds under Title I of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. Section 5301 et seq., herein referred to as the "FEDERAL ACT." All municipalities in Vermont, except Burlington (which receives funds directly from HUD), are eligible to apply for CDBG funds. The VCDP is authorized under the Vermont Community Development Act, Title 10 V.S.A. Chapter 29, referred to in this Consolidated Plan as the "STATE ACT." The lead agency, ACCD, administers the VCDP through the Department of Housing and Community Development (DHCD). All municipalities, unless currently sanctioned, are eligible to apply for CDBG funding through a competitive, needs-based application process. Funding levels, maximum and minimum grant requests, selection criteria, State priorities, and application assistance can be found on the next pages and in more detail at the VCDP Website. The VCDP provides eligibility criteria, notices of funding availability, a Program Guide and Application Instructions on its website: https://accd.vermont.gov/community-development/funding-incentives/vcdp The Website is used to provide potential applicants and existing grantees with all the resources needed to apply for funding, receive technical assistance and successfully manage their projects. VCDP Staff are readily available to assist potential applicants, current applicants, and existing grantees. Each year, VCDP notifies (Via Email) every eligible municipality in the state of the availability of CDBG funding and the application process. This outreach and communication are critical for VCDP since funding is not directly allocated or targeted to specific communities or regions within the state. VCDP provides an open application process with applications accepted throughout the year and funding availability guaranteed throughout the year. Three VCDP Board meetings will be established for the FFY 2025 Program Year. Municipalities are encouraged to apply for funding throughout the year.

		More information on VCDP Board Meeting dates, application instructions and assistance accessing the program can be found at: https://accd.vermont.gov/community-development/funding-incentives/vcdp/applicant-guidance

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	The State Act stipulates that the allocation of CDBG funds shall be competitive, ensure that a wide range of community development activities be eligible, and be based on a system that measures the need and impact of the proposed projects (10 VSA Sec.687). The VCDP has established an application process and selection criteria to meet the intent of the State Act. The VCDP uses a Web-based Application System. Applications are completed online and are submitted by municipalities. VCDP staff then review each application for eligibility and completeness, before conducting a thorough analysis of each eligible application. The VCDP Board then reviews each application, interviews and questions the applicants using the below criteria and makes funding recommendations to the ACCD Secretary on behalf of the Governor. Each of the three criteria has equal weight and staff analyses of the applications are written based on these criteria and must meet one of three HUD National Objectives (Low and Moderate Income, Slums and Blight, and Urgent Need). The selection criterion is as follows: 1. Project Need: The project must meet a documented community or regional needs. Determinations will be based on evaluation of such factors as: Need documentation; Appropriate solution; Appropriate funding; Meeting Consolidated Plan priorities; Meeting local and regional plan priorities; Health/safety risks to beneficiaries; Impact if project is not funded 2. Project Impact: The project must show how well it meets a national objective and how well it impacts the community. Determinations will be based on evaluation of such factors as: Ability to meet the need Number/percentage of low and moderate-income people directly benefiting; Longevity of the benefit; Beneficiary involvement in developing the project; Indirect benefit to low and moderate-income persons and the community 3. Project Feasibility: The project must be attainable and the representations and commitments within the application must be believable. This will include such factors as: Readiness to start/Proposed time frame is realistic; Proposed benefit is realistic; Costs are appropriate and justified; Prior VCDP performance record

		Please see the VCDP Website at: https://accd.vermont.gov/community-development/funding-incentives/vcdp/applicant-guidance for a detailed description of the program including selection criteria, funding levels and application instructions. All CDBG applicants seeking funding for affordable multi-family rental housing (for new units and rehabilitation of existing units) shall describe the plans and tools they have in place to achieve the goal of making available at least 15% of the units in their portfolio to those who are homeless.

	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	The Vermont Community Development Program (VCDP) is funded with Community Development Block Grant (CDBG) funds under Title I of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. Section 5301 et seq., herein referred to as the "FEDERAL ACT." All municipalities in Vermont, except Burlington (which receives funds directly from HUD), are eligible to apply for CDBG funds. The VCDP is authorized under the Vermont Community Development Act, Title 10 V.S.A. Chapter 29, referred to in this Consolidated Plan as the "STATE ACT." The lead agency, ACCD, administers the VCDP through the Department of Housing and Community Development (DHCD). All municipalities, unless currently sanctioned, are eligible to apply for CDBG funding through a competitive, needs-based application process. Funding levels, maximum and minimum grant requests, selection criteria, State priorities, and application assistance can be found on the next pages and in more detail at the VCDP Website. The VCDP provides eligibility criteria, notices of funding availability, a Program Guide and Application Instructions on its website: https://accd.vermont.gov/community-development/funding-incentives/vcdp The Website is used to provide potential applicants and existing grantees with all the resources needed to apply for funding, receive technical assistance and successfully manage their projects. VCDP Staff are readily available to assist potential applicants, current applicants, and existing grantees. Each year, VCDP notifies (Via Email) every eligible municipality in the state of the availability of CDBG funding and the application process. This outreach and communication is critical for VCDP since funding is not directly allocated or targeted to specific communities or regions within the state. VCDP provides an open application process with applications accepted throughout the year and funding availability guaranteed throughout the year. Two VCDP Board meetings will be established for the FFY 2026 Program Year. Municipalities are encouraged to apply for funding throughout the year.

		More information on VCDP Board Meeting dates, application instructions and assistance accessing the program can be found at: https://accd.vermont.gov/community-development/funding-incentives/vcdp/applicant-guidance
	Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	N/A ESG Only
	Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	

	Describe how resources will be allocated among funding categories.	The VCDP must expend at least 70% of the HUD Award over a period of three program years to fund activities that principally benefit people of low and moderate income. Grants for Activities which aid in the prevention or elimination of slums and blight (Slums and Blight) or that are designed to meet urgent community development needs (Urgent Need) do not necessarily provide a direct benefit to people with low and moderate incomes. Such awards, therefore, must be drawn from the remaining 30% of the CDBG award over a period of three program years. Grants for these activities combined will be limited to 13% of the total HUD Award over a period of three program years. Costs for grant activities known as General Administration may not exceed 12% of a CDBG grant award. This limitation assures compliance with the federally imposed cap of 20% of the total Annual HUD Award and program income that may be used for all VCDP planning and general administrative purposes, including both State and local costs. The federal share of State administration funding is capped at 2% of the annual CDBG award, which must be matched by a minimum of 2% in State funds, plus 1% for technical assistance and an additional $100,000 of unmatched HUD funding for a total HUD funded State administration of 3% of the CDBG award plus $100,000. The State does not intend to use any Program Income for State administration. For the FFY 2026 Program Year, the VCDP will set aside $600,000 for Accessibility Modification Grants (AM) until the last funding round during the period July 1, 2025 – June 30, 2026. Any funds remaining may then be awarded to Implementation and Planning Grants (IG, PG). The Federal Act restricts the total funds that may be used to fund activities known as Public Services to 15% of the Annual HUD Award that is allocated for assistance to municipalities. The maximum allowable for public service activities is shown in Table – CDBG FFY2026 Distribution Plan. The State may use up to one percent of the Annual HUD Awards for FFY25 through FFY2026 to the extent funds remain undistributed for these program years to provide technical assistance to local governments and nonprofit recipients. The amount established for this Consolidated Plan is shown in Table – CDBG FFY2026 Distribution Plan. VCDP will set aside up to 35% of its annual CDBG allocation for Scattered-Site (SS) Housing Rehab Grants to be distributed at the first funding round during the period for the period July 1, 2025 –

		June 30, 2026. Any funds remaining may then be awarded to Implementation and Planning Grants (IG, PG) at the last funding round of the FFY 2025 Program Year. VCDP will include a target of up to $500,000 for projects that support transitional recovery housing that includes wrapping services for individuals being served to supplement the state’s Recovery Housing Funds for FFY 2024 to be awarded on a competitive basis against regular applications.

	Describe threshold factors and grant size limits.	All applications for CDBG funds must meet the following eligibility thresholds to be considered for review. These eligibility thresholds are statutory and cannot be waived by the Agency. Failure to meet all eligibility thresholds will result in rejection of the Application. Eligible Applicant: The only eligible applicants are Vermont towns and cities and incorporated villages chartered to function as general-purpose units of local government. A municipality may apply as a single applicant, as the lead applicant of a consortium, as a member of a consortium, but not as a single applicant and as lead applicant of a consortium. Eligible Activity: Only those activities eligible under the Federal Act may be funded under this program. Federal Objective: Each proposed VCDP activity must meet at least one national objective. The national objective claim must be fully supported, and in some cases, the AGENCY should pre-approve your approach for meeting the national objective. State Objective: Each proposed VCDP activity must meet at least one State objective. Public Hearing: Each VCDP applicant must conduct at least one (1) public hearing with notice as required by the STATE ACT, prior to application submission. HUD regulations require a minimum of two (2) public hearings, each at a different stage of the program, to obtain citizens' views and respond to proposals and questions. The VCDP complies with this regulation by requiring the first public hearing during the application stage and the second public hearing prior to the completion date of the funded grant program. Municipal Plan: Each VCDP applicant, including consortium members, must have a municipal plan adopted in accordance with 24 VSA Ch. 117. The plan must identify the municipality's community development needs including housing and economic development as well as the needs of low and moderate-income people and the activities to be undertaken to meet such needs. Anti-Displacement Plan: Under the provisions of the Uniform Act, 42 USC §4601 et seq., each successful applicant, including all municipalities in joint applications, but excluding Planning Grant applicants, must submit a Residential Anti-Displacement and Relocation Assistance Plan (ADP) and

		state whether the proposed activity will result in displacement, relocation, property demolition, or property change of use. Please see the VCDP website at: https://accd.vermont.gov/community-development/funding-incentives/vcdp/applicant-guidance for a detailed description of eligibility criteria and program thresholds. For grant size limits - see CDBG Grant Types, Funding Limits and Match Requirements
	What are the outcome measures expected as a result of the method of distribution?	This method of distribution will support the State's 2026 Annual Action Plan goals in housing, economic development, and public facilities and services. With the FFY25 allocation of 7,485,780.00 million, the VCDP expects to create 00 rental units and 00 homeowner units, rehabilitate 00 rental units and 00 homeowner units, create or retain 00 jobs and assist 0 businesses, and serve approximately 0,000 Vermonters through public facility and service activities.

Discussion:

AP-35 Projects – (Optional)

Introduction:

Refer to AP-25 Allocation Priorities and AP-85 Other Actions - Obstacles to addressing underserved needs.

#	Project Name

Table 9 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Refer to AP-25 Allocation Priorities and AP-85 Other Actions - Obstacles to addressing underserved needs.

AP-38 Project Summary

Project Summary Information

Project Name	**Target Area**	**Goals Supported**	**Needs Addressed**	**Funding**	**Description**	**Target Date**	**Esti anc tha fro acti**
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AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

No

Available Grant Amounts

N/A

Acceptance process of applications

N/A

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

No

State's Process and Criteria for approving local government revitalization strategies

N/A

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

In keeping with the State's long-standing policy, the State does not plan to target assistance to specific geographic regions. CDBG, HOME, and HTF funds will be allocated on a competitive basis to locally driven projects that address priority needs.

ESG funds are awarded as part of the statewide Housing Opportunity Grant Program (HOP). Awards are made on a competitive basis according to local needs.

Geographic Distribution

Target Area	Percentage of Funds

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

N/A - Vermont does not allocate investments geographically.

Discussion

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction:

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	0
Special-Needs	0
Total	0

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	40
The Production of New Units	0
Rehab of Existing Units	0
Acquisition of Existing Units	0
Total	40

Table 12 - One Year Goals for Affordable Housing by Support Type

Discussion:

Note: If funds are reduced these goals will be adjusted proportionally according to the allocation priorities outlines in this plan.

AP-60 Public Housing - 24 CFR 91.320(j)

Introduction:

Vermont's Public Housing Authorities continue to operate in an extremely challenging housing environment. Escalating rental costs and the lack of housing stock are impeding the ability of PHA's to fully utilize housing choice vouchers. Voucher success rates have fallen to an unprecedented 22% while the average rental assistance payment has increased 21% in the last five years.

Federal funding to support the programs administered by Public Housing Authorities continues to be generous. During calendar year 2022, Vermont PHA's received a combined $63.24 million to support housing choice voucher programs, of which $62.9 million was provided in rental assistance benefits supporting a combined 7,365 households.

On December 20, 2022, Congressional leaders released a final fiscal year (FY) 2023 omnibus spending bill that includes significant funding for HUD's housing and homelessness programs. Overall, the final spending bill provides HUD programs with $61.8 billion, or $8.1 billion more than FY22-enacted levels.

While the final FY23 spending bill provides meaningful increases for vital HUD programs, far more resources are needed to address the nation's growing affordable housing and homelessness crisis.

Even in this environment, none of Vermont's PHA's are considered troubled, and many are rated as high performing.

Actions planned during the next year to address the needs to public housing

The Commissioner of DHCD will continue to review PHA plans that are submitted, to certify the Plans' consistency with the State's Consolidated Plan. Additionally, the executive directors of the Montpelier Housing Authority and the Vermont State Housing Authority are members of the Department's Consolidated Plan Advisory Board, and a representative of the public housing authorities serves the Vermont Housing Council. PHA's are eligible for CDBG funds through their municipalities.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

he Vermont State Housing Authority administers public housing funds in the form of rental assistance - the Section 8 Housing Choice Voucher program. VSHA does not own or operate traditional Public Housing. In Vermont, this is done exclusively by the eight local housing authorities.

VSHA's Section 8 funding includes a homeownership program for first-time homebuyers, a project-based voucher program and a variety of special purpose programs. VSHA has operated its Section 8 Homeownership program since 1999.

Each PHA in Vermont has at least one voucher participant or public housing resident serving on the PHA Board of Commissioners. This is to ensure residents have a voice on the governance/administration of

Vermont's PHAs. In addition, each PHA in Vermont has organized a Resident Advisory Board to assist in the development of each PHA's Annual Agency Plan. This ensures that residents have an adequate involvement in management.

Winooski Housing Authority has a Homeownership Program whereby Housing Choice Voucher Program clients may utilize their housing assistance to provide debt service on home mortgages. Clients who qualify must undergo Home Ownership Counseling prior to the purchase of a home.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

N/A - None of Vermont's PHA's are designated as troubled.

Discussion:

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Introduction

This section lays out Vermont's one-year goals and actions for reducing and ending homelessness, addressing emergency shelter and transitional housing needs of homeless people, helping the homeless transition to permanent housing, helping low- and extremely low-income families and individuals avoid becoming homeless, and providing supportive housing and make housing accessible to people with disabilities.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless people (especially unsheltered people) and assessing their individual needs

Vermont provides outreach to homeless people through a network of local agencies, including shelters, service agencies and housing providers. United Way 2-1-1 provides a one-stop resource and referral point for all people. The PATH Program provides assistance to several Vermont organizations to conduct outreach efforts to people experiencing a serious mental illness or a co-occurring substance use disorder. PATH is funded by the U.S. Department of Health & Human Services and administered in Vermont by the AHS Department of Mental Health.

Addressing the emergency shelter and transitional housing needs of homeless people

The State of Vermont leverages resources to address the needs of homeless individuals and families. These resources include those for prevention, rapid re-housing, transitional housing, and shelter operations. The statewide network of local emergency shelters, including shelters for victims of domestic and sexual violence, are often full in winter months and many have developed "overflow" capacity. Additional shelter beds are available seasonally through warming shelters in communities with increased need. When shelters are full, AHS's Department for Children and Families pays for emergency motel stays for homeless people who are in a vulnerable population, including elders, people with disabilities, families with children, and victims of domestic violence.

Member agencies of the Vermont Coalition of Runaway and Homeless Youth Programs provide transitional housing services to youth through the Youth Homelessness Demonstration Project with funding from the US Department of Health & Human Services, and with support from AHS.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently

homeless from becoming homeless again

Through AHS and both Continua of Care, Vermont is actively engaged in developing multiple programs and strategies to shorten the duration of homelessness, ensuring that people are stable after receiving assistance, and support homeless people moving into permanent housing as rapidly as possible. ESG funds are specifically targeted to support Rapid Re-housing programs. In addition to ESG, state-funded resources administered by the Department for Children and Families include:

- Vermont Rental Subsidy program, providing 12 months of rental assistance to formerly homeless families and individuals
- Family Supportive Housing Program linking intensive supportive services and affordable housing to families with children experiencing homelessness, especially families with multiple episodes of homelessness
- Housing Opportunity Grant Program, which includes state funded short-term supported housing, rapid rehousing services, and transitional housing for youth

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

Vermont leverages state resources to divert low-income individuals and families from homelessness. In addition to homelessness prevention activities funded under the OEO Housing Opportunity Grant Program, the following initiatives address discharge from publicly funded institutions and systems of care:

- The Vermont Youth Development Program with AHS Department for Children & Families funding and partnerships ensure people being discharged from the foster care system are not routinely discharged into homelessness and are accessing mainstream resources, including the Foster Youth to Independence (FYI) Vouchers for youth in transition.
- The AHS DMH-funded Mental Health Subsidy & Care program, modeled on HUD Shelter plus Care, funds housing vouchers paired with service supports for homeless persons in higher levels of care settings, such as hospitals, who are ready for discharge patients
- The AHS Department of Corrections (DOC) ensures that people released from incarceration to community supervision (i.e., furlough, parole, probation) are not routinely exited to homelessness. If a release-eligible incarcerated individual is unable to secure suitable housing in the community, provides access to a statewide portfolio of grant-funded transitional housing programs.

Discussion

Vermont promotes supported housing integrated into non-specialized residential buildings or settings. This strategy is aided by promotion of universal design through the State qualified allocation plan, as well as mixed-income housing achieved through project and tenant-based rental assistance and on-site supportive services customized to a client's needs. Programs that are available to make apartments accessible for people with disabilities include:

- Flexible Family Funding, which can help eligible families of individuals with developmental disabilities pay for assistive technology and home modification.
- One Time Funding Assistive technology, for adaptive equipment, and home modifications to make the individual's home physically accessible, and other special supports and services not covered for the person under the Medicaid State Plan, and
- Home and Community-Based Services funding which can help pay for home modifications for physical accessibility in shared living, the family home that is the individual's primary residence, or the individual's own home or apartment including modifications like the cost of ramps, widening doorways, accessibility modifications to bathrooms, visual fire alarm, and plexiglass windows or alarm systems for safety.

The Support and Services at Home (SASH) program provides on-site supportive and coordination services to older Vermonters with disabilities through a statewide network of designated regional housing organizations (DRHOs). SASH services are funded primarily through Vermont's Blueprint for Health and State grant funds from the Department of Disabilities Aging and Independent Living.

People with disabilities have access to an array of housing and housing support, with an emphasis on the least restrictive community setting and maximum consumer choice. The types of paid home support are described in the State System of Care Plan for Developmental Services, the Medicaid Manual for Developmental Disabilities Services, and the Developmental Disabilities Annual Report which can be found on the DAIL/Developmental Disabilities Services Division website.

Beyond accessing the appropriate level of residential or outpatient treatment, people with alcohol or other substance use disorders can access a limited number of transitional housing beds or recovery housing programs supported through grants from the AHS, Department of Health, Substance Use Programs.

In addition to the federal HOPWA program, people with HIV/AIDS can access targeted state-funded rental subsidies and emergency financial assistance to prevent eviction or secure stable housing. This funding comes from the AHS Department of Health. Emergency Rental Assistance is delivered through one of three local AIDS Service Organizations (ASOs), and short-term rental assistance is delivered through the Vermont State Housing Authority (VSHA).

AP-75 Barriers to affordable housing – 91.320(i)

Introduction:

DHCD, AHS, and VHCB and its housing partners, will continue efforts to lower the barriers to affordable housing identified in the 2025-2029 Strategic Plan and below. Specific actions to be taken in the 2026 programming year include:

- In coordination with VHFA, VHCB and housing developers, examine operating costs of projects with and without services and create benchmarks for use in development and funding decisions.
- In coordination with VHFA and VHCB, analyze timelines for funding applications and decisions to identify opportunities to reduce the administrative cost and cost of land holding for applicants.
- Provide technical assistance to developers and communities about neighborhood development areas and work with regulatory agencies on reducing permitting requirements outlined in Act 250 for our Designated Areas.
- Provide training, one on one assistance, access to financing and long-term support to help interested Vermonters become small-scale developers to build and rehab housing throughout the state through the "Homes for All" program.
- DHCD will continue to respond to complaints and concerns about conditions in mobile home parks using the authority granted by the legislature in 2015 and the rules promulgated in 2016.
- Promote fair housing by conducting trainings and supporting efforts to provide landlord-tenant education programming.
- DHCD engaged in community outreach activities including a statewide survey and community meetings / focus groups to update its 2024 Statewide Fair Housing Analysis.

Participating in and ensure housing, particularly in vulnerable populations, is included in resilience and disaster preparedness efforts.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

In the 2026 program year, the State will undertake the following actions to address barriers to affordable housing.

1. Promote VT's commitment to perpetual affordability for projects with larger per unit investment owned by nonprofit housing providers & provide greater flexibility for programs like the Vermont Housing Improvement Program, that provide grants or forgivable loans up to private landlords for up to $50,000 per unit with 5 and 10-year affordability requirements.
2. Maximize leveraging & seek ways to reduce operating & development costs through programs
3. Support the continuation & expansion of VT affordable housing, downtown & historic tax credits.
4. Support VT resources for affordable housing - rental subsidy programs, homelessness assistance, the Vermont Housing & Conservation Trust Fund.

5. Consider per unit development costs in funding applications
6. Consider utilization of underutilized resources such as the VT's Private Activity Bond Cap &/or "4%" Low Income Housing Tax Credits.

Increasing standards for energy efficiency.

1. While supporting VT's energy goals, ensure a robust analysis of costs is considered in the development of State energy-efficiency standards & building codes.
2. Seek expanded & new sources of funding for energy improvements in both publicly supported, private single & multi-family housing.

VT & local land use controls.

1. Continue to review State & local land use programs and policies for ways to strengthen environmental protection while reducing unnecessary barriers to residential development, particularly affordable housing.
2. Encourage & promote development, growth in Designated Downtowns & Village Centers, Growth Centers, Neighborhood Development Areas, & New Town Centers.
3. Provide technical assistance to municipalities to review, reform outdated & exclusionary land use restrictions.

Permitting processes and community development standards.

1. Provide technical assistance to communities, developers & property owners seeking to provide affordable housing.
2. Provide technical assistance & funding to municipalities around zoning &land use planning.
3. Promote exemptions & streamlining of VT permitting processes in areas designated for growth.

Limited funding to promote Fair Housing and address discrimination in rental and sales market housing markets.

1. Continue to undertake the actions recommended in the 2024 Fair Housing Analysis.
2. DHCD engaged in community outreach activities including a statewide survey & community meetings / focus groups to develop a comprehensive Fair Housing Analysis in 2024.
3. Support efforts of the Vermont Human Rights Commission, the Fair Housing Project, Vermont Legal Aid, & others to secure additional funding for fair housing activities.
4. Work with landlord & tenant organizations to increase awareness of State & federal housing law and ensure the rights, responsibilities of both are appropriately balanced in changes to VT statutes.

Federal funding regulatory requirements such as the National Environmental Policy Act, Davis-Bacon, procurement standards and BABA.

1. Continue to provide technical assistance & update guidance to grantees as requirements expand &change.

2. Access and seek additional training opportunities for State administrators &grantees.
3. Provide federal funding & regulatory agencies with information on the benefits & challenges of statutory &regulatory requirements & recommendations for improvements.

Discussion:

AP-85 Other Actions – 91.320(j)

Introduction:

This section describes actions that will be pursued in addition to the actions described elsewhere in this plan.

Actions planned to address obstacles to meeting underserved needs

Feedback from the 2025 Outreach Meetings and survey responses, several needs first raised in the 2024 Consolidated Plan update were amplified, including the growing need for more affordable childcare as well as the need for decent, safe, and affordable housing for agricultural farm workers. There was also widespread support to provide more shelters and rapid rehousing for unhoused Vermonters and to build more service enriched housing for seniors and fund adult day care services. Actions taken or planned to address these concerns include:

The Farm Worker Housing program was created in 2021 to develop and rehab critically needed farm working housing; it is managed by the University of Vermont Extension and Champlain Housing Trust. To date the FWH Repair program has repaired 21 units, housing 74 farm workers. An additional 23 units are currently being renovated, housing 93 farm workers. There are over 50 units in the active pipeline, benefiting over 200 workers.

Champlain Housing Trust has also utilized their Replacement program to build 3 new Zero Energy or equivalent homes at farms. These 3 projects house 10 workers. There are 2 additional replacement projects nearing completion.

There have been two notable modifications to the repair and replacement programs. For the repair program, after the program launched Champlain Housing Trust staff quickly realized that many farms had multiple units of housing, all with significant repair needs. They increased the amount of forgivable debt a farm could apply for to $60,000, with a maximum of $30,000 per unit.

In addition, DHCD is continuing to increase investments in housing affordable to low- and moderate-income households and will encourage applications from municipalities that have high levels of agricultural activity to address the needs of community members who are employed in area farm work.

The Vermont Agency of Human Services, with the support of The Council on Housing and Homelessness, is designing and implementing a Medicaid Permanent Supportive Housing Assistance Program. The program plans to serve 100 Vermont households exiting homelessness during its first year.

Actions planned to foster and maintain affordable housing

The Vermont Housing Finance Agency (VHFA) has a list of all assisted housing projects in the state, including when various affordability contracts expire. The state housing funders work to maximize the renewal of affordability contracts and maintain housing assistance. This is discussed at the Preservation Council, which aims to strategize and prioritize efforts throughout the state to preserve existing affordable housing. These efforts will continue over the next year and into the foreseeable future to preserve housing affordability.

Actions planned to reduce lead-based paint hazards

Vermont's ongoing activities to reduce lead-based paint hazards in housing, eliminate childhood lead poisoning, and integrate lead poisoning prevention and home health and safety efforts into affordable housing programs include:

1. Continue to implement activities of the state-wide Lead-Based Paint Hazard Reduction Grant Program in the private housing stock administered by the Vermont Housing & Conservation Board; and implementation of a HUD-funded Lead Hazard Control Program in Burlington.
2. Continue to implement activities of the State and community-based Healthy & Lead Safe Homes Program, administered by the Vermont Department of Health through a cooperative agreement with the U.S. Centers for Disease Control (CDC).
3. Implement the recommendations of the 2008 Get the Lead Out of Vermont Task Force.
4. Continue to implement provisions of Act 94 (an Act Relating to Childhood Lead Poisoning Screening and Lead Hazard Abatement), passed by the Vermont General Assembly in 1993.
5. Continue to develop and implement appropriate recommendations of Act 94 (passed in 1993) and Act 165 (passed 1996), including the development of financial strategies for lead hazard reduction in future years; and pursue further legislative action to reduce lead paint hazards. The Vermont Legislature is currently considering a bill that will have the State take over administration of the Renovation, Repair and Painting (RRP) Rule and integrate it into Vermont's lead paint laws'
6. Administer HUD funds received in 2026 to address the on-going need for lead-based paint hazard reduction in thousands of Vermont housing units.
7. Maintain regular contact with the National Center for Healthy Housing (formerly the National Center for Lead Safe Housing).
8. Continue participation on the New England Lead Coordinating Committee, convened by the Tufts University School of Medicine and the University of Connecticut.
9. Evaluate and amend policies of the Vermont Housing Finance Agency and the Vermont Housing & Conservation Board regarding lead-based paint, health, safety, or toxic and hazardous materials, as appropriate.
10. Coordinate procedures with the Department of Health, the Vermont State Housing Authority and local Public Housing Authorities regarding childhood poisoning in owned and assisted units, as needed.
11. Continue to build a database in the Department of Health regarding incidences of childhood lead poisoning and presence of lead hazards in housing stock.
12. Coordinate lead hazard reduction efforts with activities of the State Office of Economic Opportunity Weatherization Assistance Program in low-income housing units.
13. Continue public information, education, and outreach efforts.
14. Continue to develop public and private financial resources for lead-based paint hazard control activities in Vermont's housing stock.
15. Coordinate with the Department of Health and affordable housing funders and developers in implementing the Healthy Homes strategic plan promoted by HUD and promote the incorporation of healthy homes principles into ongoing practices and programs.

16. Coordinate efforts with all housing groups, agencies, and stakeholders to create sustainable delivery of healthy homes services to reduce health and safety hazards in housing in a comprehensive and cost-effective manner, with a focus on protecting the health of children and other sensitive populations in low-income households.
17. Continue coordination and collaboration among health, housing, and historic preservation agencies and interest groups.

Actions planned to reduce the number of poverty-level families

Nine percent of Vermonters experience poverty. Children are more likely than adults to live in poverty or in deep poverty (below 50% of the poverty threshold). The Agency of Human Services (AHS) supports households experiencing poverty while serving those who earn more than the threshold but still struggle to afford housing, transportation, health care, childcare, and other essentials.

AHS and primarily the Department for Children and Families (DCF) aim to reduce the number of families living in poverty. Reach Up is Vermont's Temporary Assistance to Needy Families (TANF) program which provides cash assistance, case management, coaching and support services to Vermont families whose income is generally below 50% of the Federal Poverty Level. Reach Up and related programs are critical to alleviating poverty. These programs provide nearly 6,300 Vermont children and their families with income to help provide basic needs. In addition, DCF- Office of Economic Opportunity (OEO) manages several grants to make housing more affordable and prevent homelessness among vulnerable Vermonters.

Below is a list of some of DCF's most effective anti-poverty program investments:

- Family Supportive Housing is an evidence-informed model that provides permanent housing and intensive case management and financial empowerment support to families who have experienced homelessness and are at-risk of child welfare involvement. Families served by FSH tend to have high rates of housing stability (60-66% over the last five years) and most families close their child welfare case during enrollment and do not have a new case after they exit.
- Fuel Assistance- The Seasonal Fuel Assistance Program helps low-income families pay a portion of their home heating bills. Assistance is for homeowners or renters who pay for heat or who have heat included in the rent. The Crisis Fuel Program-Emergency Fuel Program is available for families with monthly gross income up to 200% of poverty level.
- Reach Up case managers use "Your Money, Your Goals" toolkit as part of financial coaching to help Reach Up recipients address financial barriers.
- Reach Up Car Ownership Program Reach Up purchases' cars for families through Good News Garage and other state agencies and assists through down payment assistance and preventing repossessions.
- The Child Care Financial Assistance Program (CCFAP) helps eligible families with the cost of childcare. Payments are made directly to childcare providers and is provided through DCF-Child Development Division.
- Help Me Grow helps early childhood partners work together to build strong, connected communities and healthy, resilient families. Help Me Grow builds families' and service providers'

understanding of early development, promotes the importance of social and emotional skill development, and connects children to the community resources and supports they need, when they need them.

AHS works closely with the State's affordable housing community to ensure that the lowest income families in Vermont can access quality housing. The regional housing non-profits were encouraged through Vermont State Executive Order No. 3-73 to "make available at least 15% of their housing portfolio to homeless families and individuals including those with special needs…". AHS provides direction to the new projects that are funded through participation in the Vermont Housing and Conservation Board, prioritizing units for the lowest income Vermonters.

Actions planned to develop institutional structure

1. Continue to encourage closer coordination between housing and human service providers, particularly with the Agency of Human Services, to better serve our lowest income population; and continue coordination with the Department of Labor to ensure that unemployed or under-employed Vermonters are connected to progressive employment programs.
2. Continue to require Economic Development Projects with job creation elements to enter into a hiring agreement with the Department of Labor career resource center.
3. Continue to encourage closer communication with the Agency of Transportation to encourage integrated transportation systems that link housing with jobs and services.
4. Continue efforts to simplify and to coordinate application requirements for various funding sources including quarterly meetings between DHCD, VHCB, and VHFA to discuss varying funding priorities and timelines.
5. Streamline service delivery and enhance local effectiveness by continuing to build and enhance the capacity of community-based homeless assistance providers and nonprofit housing providers.

Actions planned to enhance coordination between public and private housing and social service agencies

Continue the Department's leadership of the Vermont Housing and Homelessness Council and formation of State policy to assist housing providers, State agencies, and others, to ensure the availability of safe and affordable housing for all Vermonters.

Discussion:

Program Specific Requirements

AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

Introduction:

Community Development Block Grant Program (CDBG)
Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 Loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	**0**

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit people of low and moderate incomes. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit people of low and moderate income. Specify the years covered that include this Annual Action Plan.	0.00%

HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

   N/A – No other forms of investment will be used.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for

homebuyer activities as required in 92.254, is as follows:

N/A – Vermont will not be using HOME funds for homebuyer assistance programs.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds. See 24 CFR 92.254(a)(4) are as follows:

   N/A – Vermont will not be using HOME funds for homebuyer assistance programs.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

   Multi-family projects developed by locally based housing organizations that receive HOME funds for rehabilitation may utilize HOME funds to refinance existing debt consistent with 24 CFR 92.206(b)(2), if they meet the following guidelines:

- Refinancing is necessary to permit or to continue affordability under section 92.252.
- Rehabilitation is the primary eligible activity. A minimum of $7,500 of rehabilitation per unit is required.
- The grantee must demonstrate that disinvestment in the property has not occurred.
- The grantee must demonstrate management capacity and practices that ensure that the long-term needs of the project can be met and the targeted population can be served over an extended affordability period.
- The grantee must demonstrate that the new investment is being made to maintain current affordable units, to create greater affordability in current affordable units, or to create additional affordable units.
- Refinancing will be limited to projects that have previously received an investment of public funds.
- The minimum HOME affordability period shall be 15 years, and all HOME assisted projects are required to be perpetually affordable via a VHCB Housing Subsidy Covenant.
- HOME funds may be used for refinancing anywhere in the State of Vermont except for the City of Burlington.
- HOME funds cannot be used to refinance multifamily loans made or insured by any Federal program, including CDBG.

5. If applicable to a planned HOME TBRA activity, a description of the preference for people with special needs or disabilities. (See 24 CFR 92.209(c)(2)(i) and CFR 91.220(l)(2)(vii)).

   N/A

6. If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will narrow

the gap in benefits and the preference is needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(l)(2)(vii)).

N/A

7. If applicable, a description of any preference or limitation for rental housing projects. (See 24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)). Note: Preferences cannot be administered in a manner that limits the opportunities of people on any basis prohibited by the laws listed under 24 CFR 5.105(a).

   N/A

Emergency Solutions Grant (ESG)
Reference 91.320(k)(3)

1. Include written standards for providing ESG assistance (may include as attachment)

   See Vermont's HOP - Standards for Provisions of Assistance. The State requires that all ESG grantees submit to the Office of Economic Opportunity (OEO) written standards (policies and procedures) for providing ESG assistance. OEO approves only those standards that are in compliance with ESG regulations and are consistent with state and federal goals.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

   Both the Chittenden County CoC and the Balance of State CoC adopted coordinated entry policies and procedures in January 2018. OEO participates in the Chittenden County CoC coordinated entry committee and chairs the Balance of State CoC coordinated entry committee. OEO is also the recipient of HUD CoC Coordinated Entry project funds, which pairs with state funding to support implementation in the Balance of State. All ESG grantees are required to participate in the coordinated entry system in their region.

   Both coordinated entry systems incorporate a screening form to assist a range of partners with making a referral for homeless assistance and a uniform housing assessment tool, which evaluates severity of service need and/or vulnerability to support prioritization of scarce resources. In Chittenden County, the assessment form is varied for subpopulations of single adults, families, youth, and victims of domestic violence. Both CoCs use a hybrid model which includes partner agencies serving as a hub or an assessment partner, and both use HMIS and a master list review process. 2-1-1 provides access to coordinated entry across the geographic area.

3. Identify the process for making sub-awards and describe how the ESG allocation is available to private nonprofit organizations (including community and faith-based organizations).

   OEO administers the Emergency Solutions Grants program (ESG) as part of the Housing Opportunity Grant Program (HOP). The Housing Opportunity Grant Program blends federal and state funding to help nonprofit organizations, including community and faith-based organizations: provide emergency overnight and day shelter; provide transitional housing where appropriate; offer supportive services for homeless families and individuals; and implement effective homeless prevention and rapid re-housing initiatives within the local continua of care. Vermont has chosen to allocate ESG resources towards Emergency Shelter (Operations and Essential Services), HMIS and Rapid Re-housing (medium-term Rental Assistance). Other activities, such as Street Outreach, Shelter Renovation, Homelessness Prevention and Rapid Rehousing Services will be funded through other funding sources and coordinated locally and/or as part of the consolidated Housing Opportunity Grant Program.

In April 2026, OEO will release a Request for Proposals for the Housing Opportunity Grant Program (which includes ESG program funds). Recipients of State Fiscal Year 2026 (July 1, 2025-June 30, 2026) funds will be considered for SFY 2027 funding, with the option for applicants to submit requests adjusting projects and/or funding. Current awards (SFY 2026) were reviewed and evaluated by AHS OEO based on local need, capacity, approach, and local coordination.

Eligible applicants are municipalities and nonprofits including community and faith-based organizations. Faith-based organizations are required to have separate 501c3 status established to meet eligibility requirements. Part of the selection process can involve a site visit of the finalists at which time documentation listed in the application will be reviewed. All Emergency Shelter applicants must certify that the assisted property will be maintained as an Emergency Shelter for the period of funded assistance. New applicants, and applicants who have recently relocated their operations to another municipality, must submit a completed Certification of Local Government Approval with their application. Vermont makes ESG sub awards under the Housing Opportunity Grant Program. One or more grants will be awarded by OEO to Vermont municipalities, or, with municipal approval, Vermont nonprofits whose purpose is to shelter, serve, and re-house the homeless. All sub awards are made on the State Fiscal Year calendar (July 1 – June 30). Please see the Methods of Distribution for selection criteria.

Spending plans will be negotiated based on ineligible activities, where activities are not aligned with state and federal goals, when there are inadequate funds to meet all requests, and/or where proposed grantees are either ineligible or lack the capacity to carry out proposed activities. Additional guidance on eligible and ineligible uses of ESG funds are contained in the Department of Housing and Urban Development's ESG program guidelines, the Request for Proposal and in grant agreements between the state of Vermont and its subrecipients. This includes the ESG requirements for faith-based organizations.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

   N/A. The Grantee is a State and not subject to § 576.405(a).

5. Describe performance standards for evaluating ESG.

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Performance measures will be evaluated on both the grantee and statewide level. In addition to measuring the number of persons and families in emergency shelter, the number of shelter bed nights provided, the number of households receiving rapid rehousing assistance – Vermont uses performance-based contracting, outcome measures, indicators and targets, consistent with the goal of decreasing the incidence and duration of homelessness. OEO tracks performance measures for grantees quarterly. If a grantee's performance falls below 75% of the stated target, OEO in conjunction with the grantee may require a performance improvement plan. Continued failure to meet performance measures may result in loss of funding or cancellation of the grant agreement. An ability to meet or exceed performance targets will be a consideration for renewal of the grant agreement. As mentioned earlier, OEO has recently convened a HOP Advisory Group to explore updating performance measures and targets for SFY27. That work has not yet been completed, so the following represent current performance standards for ESG in SFY26:

Emergency Shelter, Operations

Maintain shelter facilities that are staffed, insured, and clear of safety violations.

At least 90% of homeless households entering the shelter meet with a case manager or program equivalent within 3 days of shelter entry.

The percentage of households exiting shelter to stable permanent or transitional housing, and the average length of stay.

Emergency Shelter, Essential Services - Case Management

At least 90% of homeless households referred for case management meet with a case manager or program equivalent for intake and assessment within 3 days of referral.

Of those homeless households receiving case management:

- at least 70% subsequently attain employment OR are enrolled in an educational or training program OR qualify for cash or non-cash benefits (e.g., Reach Up, SSI or General Assistance, VA, 3SquaresVT, etc.) within 90 days of referral.
- at least 70% subsequently are stabilized in transitional or permanent housing within 90 days AND at least 70% of these formerly homeless households continue to be stably housed for at least 90 days.

Rapid Re-Housing for Homeless Families & Individuals

The number and percentage of households who are in stable permanent housing, and the average length of time from project entry until is stabilized.

At least 70% of formerly homeless households continue to be stably housed for at least 90 days.

Housing Trust Fund (HTF)
Reference 24 CFR 91.320(k)(5)

1. How will the grantee distribute its HTF funds? Select all that apply:

☑ Applications submitted by eligible recipients

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter “N/A”.

N/A

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Eligibility to apply for HTF funds will be no more restrictive than required by HTF regulations. Eligible applicants/recipients of HTF funds include nonprofit and for-profit developers, public housing agencies, and municipalities. In accordance with the definition at 24 CFR 93.2, recipients must:

- Make acceptable assurances to the grantee (VHCB) that it will comply with the requirements of the HTF program during the entire period that begins upon selection of the recipient to receive HTF funds and ending upon the conclusion of all HTF-funded activities.
- Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity.
- Demonstrate its familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs; and,
- Have demonstrated experience and capacity to conduct an eligible HTF activity as evidenced by its ability to own, construct or rehabilitate, and manage and operate an affordable multifamily rental housing development.

b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Entities seeking HTF dollars for eligible projects may submit applications for funding to VHCB using the Common Housing Application. A HTF application supplement, available on VHCB's website, must also be completed and submitted to VHCB.

Applications will be accepted on a rolling basis, however, funding decisions shall be made by the VHCB Board at regularly scheduled meetings. VHCB board meeting and application due dates are published at www.vhcb.org.

The following threshold criteria must be met by an application to be considered for a HTF award: 1) the project must include the creation or preservation of permanent rental housing (transitional housing and shelters are not eligible), 2) the housing must remain affordable in perpetuity after the expiration of the HTF required period via a VHCB Housing Subsidy Covenant, 3) at least one of the State's Consolidated Plan housing priorities must be addressed, and 4) there must be a reasonable expectation that the project will be ready to proceed within 18 months.

Applications must include a description of the eligible activities to be conducted with the HTF funds in accordance with 24 CFR 93.200 (Eligible activities) and must contain a certification (included in the HTF application supplement) by each eligible recipient that housing units assisted with the HTF will comply with HTF requirements.

All HTF applicants seeking funding for affordable multi-family rental housing (for new units and rehabilitation of existing units) shall describe the plans and tools they have in place to achieve the goal of making available at least 15% of the units in their portfolio to those who are experiencing homelessness.

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Selection Criteria

On a competitive basis, applications that have met the threshold criteria described above will be evaluated according to how and the extent to which they meet the HTF criteria listed below. These criteria will carry equal importance and weight. The HTF criteria, together with the criteria and considerations in the VHCB Affordable Housing Funding Policy and the Underwriting Policy and Procedures will be used to determine "Need," "Impact," and "Quality" scores (up to 10 points each) for a project's funding recommendation to the VHCB Board of Directors.

HTF Criteria

1. The applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner

- Applicants will be evaluated on their development capacity (do they have experienced development staff, are they using a development consultant, are they partnering with another development entity?); their experience with federal affordable housing programs (what other federally-funded affordable housing projects have they developed?); and their track record for developing projects within a reasonable timeframe (were those projects successfully completed in a timely manner?)

2. The extent to which the project has a mechanism or strategy to ensure deep affordability of the HTF units throughout the compliance period so that rents are affordable to extremely low-income families.

- While project-based rental assistance is not a HTF requirement, applications will be evaluated based on whether any of the units in the project, including the HTF units, will have project-based rental assistance to ensure residents do not pay more than 30% of their income towards rent and utilities. The type of project-based rental assistance and the length of commitment for the assistance will also be considered.
- Other mechanisms that ensure affordability for extremely low-income households, such as cross-subsidization or operating assistance reserves, will be considered.

3. The duration of the units' affordability period

- All HTF funded projects will be subject to a minimum 30-year affordability period. Consideration will be given to projects that propose an HTF affordability period greater than the minimum 30 years.
- After the expiration of the HTF period, all projects will be subject to perpetual VHCB affordability requirements at less restrictive income and rent levels, and every reasonable effort must be taken to structure the project in a manner that avoids displacement. The proposed number of VHCB restricted units and the level of the VHCB restrictions will be considered.

4.The merits of the application in meeting the priority housing needs as identified in the State’s Consolidated Plan, i.e.
safe, decent, affordable housing (increase the supply and quality of affordable housing)

- Does the project increase the supply and quality of affordable housing?
- How many of the following Consolidated Plan Affordable Housing strategies are addressed by the application?

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

N/A - there will be no geographic priority

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The following threshold criteria must be met by an application to be considered for a HTF award:

- The project must include the creation or preservation of permanent rental housing (transitional housing and shelters are not eligible),
- The housing must remain affordable in perpetuity after the expiration of the HTF required period via a VHCB Housing Subsidy Covenant,
- At least one of the State's Consolidated Plan housing priorities must be addressed, and
- There must be a reasonable expectation that the project will be ready to proceed within 18 months.

f. Describe the grantee required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The extent to which the project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families

- While project-based rental assistance is not a HTF requirement, applications will be evaluated based on whether any of the units in the project, including the HTF units, will have project-based rental assistance to ensure residents do not pay more than 30% of their income towards rent and utilities. The type of project-based rental assistance and the length of commitment for the assistance will also be considered.
- Other mechanisms that ensure affordability for extremely low-income households, such as cross-subsidization or operating assistance reserves, will be considered.

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The duration of the unit's affordability period will be considered when evaluating applications for HTF funding:

- All HTF funded projects will be subject to a minimum 30-year affordability period. Consideration will be given to projects that propose an HTF affordability period greater than the minimum 30 years.
- After the expiration of the HTF period, all projects will be subject to perpetual VHCB affordability requirements at less restrictive income and rent levels, and every reasonable effort must be taken to structure the project in a manner that avoids displacement. The proposed number of VHCB restricted units and the level of the VHCB restrictions will be considered.

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The merits of applications in meeting the following priorities is evaluated during the underwriting process:

- Does the project increase the supply and quality of affordable housing?
- How many of the following Consolidated Plan Affordable Housing strategies are addressed by the application?
- House lower income families and individuals, with special preference to projects housing extremely low-income families and individuals at or below 30% of area median income.
- Increase the supply of affordable rental housing through the acquisition and/or rehabilitation of existing units especially in communities where there are tight housing markets, very low vacancies or there is a high incidence of distressed housing.
- Increase the supply of affordable rental housing through the construction of new units, especially in communities where there are tight housing markets, very low vacancies or there is a high incidence of distressed housing.
- Promote mixed income developments to create integrated communities.
- Promote the development of new rental housing designed and built to a level of energy efficiency that meets or exceeds the levels required to qualify for the Energy Star label.
- Preserve existing affordable housing projects in a manner consistent with prudent investment criteria.
- Redevelop existing properties with consideration given for projects that leverage other resources

specific to the preservation of historic structures.

- Redevelop foreclosed properties for affordable rental housing.
- Provide accessible or adaptable housing for people with disabilities.
- Provide service enriched housing serving people with disabilities.
- Produce affordable senior rental units in regions where a market analysis identifies a shortage of elderly housing affordable to lower income seniors.
- Provide service enriched housing that allows seniors the opportunity to age in place.
- Locate affordable rental housing near public transportation services with access to employment centers, services, recreational opportunities, and schools.

i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The extent to which the application makes use of non-federal funding sources is considered during the application process.

- Does the applicant plan to apply for and/or anticipate a commitment of non-federal sources of funding?
- How much, and from what source(s)?
- What percentage of the total development cost do the non-federal funding sources represent?

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

6. **Performance Goals and Benchmarks.** The grantee has met the requirement to provide performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

7. **Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds.** Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

For FFY26 the maximum per- unit subsidy for HTF will again be set at HUD's applicable limits for the HOME Program. They will be applied statewide and are adjusted by the number of bedrooms per unit.

These limits are currently: $181,488 for 0BRs, $208,049 for 1BRs, $253,994 for 2BRs, $327,293 for 3 BRs, and $359,263 for 4BRs+. When new limits are issued for 2026 those will be utilized.

The decision to use the HOME subsidy limits and apply them statewide is based on an analysis of the actual total development costs of affordable multifamily rental housing properties in Vermont. While there is significant difference in individual project costs, there is relatively little variation in the averages across the State's counties. The averages for the counties with the highest and lowest total development cost per unit both differ by less than 20% compared with the statewide average. The data does not support consistently higher development costs in some geographic areas over others.

Setting the HTF maximum per-unit subsidy limits at the existing HOME limits is allowed by HUD and cost data indicate the use of the HOME limits is appropriate as the initial baseline cap for the HTF investment that may be put into any HTF-assisted unit. However, it is important to note that the cap is not the only mechanism VHCB will use to allocate no more HTF funds than is allowable and necessary for project quality and affordability. Each application for HTF funding will be reviewed and analyzed in accordance with VHCB's Policy & Procedures for Project Underwriting, which includes a subsidy layering review. VHCB staff have extensive experience in this area, including through its administration of HOME. The review includes an examination of sources and uses (including any operating or project-based rental assistance) and a determination that all costs are reasonable.

Through its underwriting process, VHCB will ensure that the level of HTF subsidy provided: 1) does not exceed the actual HTF eligible development cost of the unit, 2) that the costs are reasonable and in line with similar projects across the State, 3) the developer is not receiving excessive profit, and 4) HTF funding does not exceed the amount necessary for the project to be successful for the required 30-year affordability period.

As required by HUD, the HTF maximum subsidy limits will be assessed and adjusted annually as needed.

8. **Rehabilitation Standards.** The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes, or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; Capital Needs Assessments (if applicable); and broadband infrastructure (if applicable).

VHCB's HTF Rehabilitation Standards apply to HTF assisted projects. The standards provide details on what work is required, how that work should be performed (methods), and what materials should be used. The standards refer to applicable codes and, in some circumstances, establish requirements that exceed the minimum requirements of codes. Methods and materials are specified in some of the incorporated applicable codes referenced on pages 1-2, including International Building Code (IBC). In addition, VHCB's HTF Rehabilitation Standards include language that provides detail on methods and materials.

The rehabilitation standards address the following categories: health and safety; major systems; lead-based paint; accessibility; disaster mitigation; State and local codes, ordinances, and zoning requirements; and inspectable areas and observable deficiencies from the NSPIRE Standards identified by HUD as applicable to HTF-assisted housing.

Applicants must be able to demonstrate compliance with these standards. If any element of the project does not meet the standards, applicants must bring this to the attention of VHCB staff. Waivers may be requested in accordance with VHCB procedures.

9. **Resale or Recapture Guidelines.** Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

N/A

10. **HTF Affordable Homeownership Limits.** If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

While Vermont's HTF Program is not limiting beneficiaries to a particular segment of the extremely low-income population, VHCB will give funding preference to projects that include the creation of permanent supportive housing (PSH) with rental assistance and support services for people who are homeless or at risk for homelessness. VHCB is establishing this preference in accordance with its long-term commitment to creating housing for the most vulnerable, the priorities of the State's Consolidated Plan, results of the most recent Point in Time Count, and HUD's emphasis on permanent (over transitional) housing. It is also consistent with Vermont's 2016 Executive Order (No. 03-16) which establishes the following goal: "owners of publicly funded housing [shall] make available at least 15% of their affordable housing portfolio to homeless families and individuals, including those with special needs who require service support and rental assistance to secure and maintain their housing."

In accordance with the State's Consolidated Plan guiding principle of "promoting development in State designated downtowns, village centers, neighborhood development areas and other areas that are consistent with the State's historic settlement pattern and 'Smart Growth'," VHCB shall give funding preference to projects located in these areas.

Preference shall also be given to projects that 1) create new units or 2) preserve affordable, subsidized units in properties acquired from private owners.

Owners of housing funded with HTF dollars may (but are not required to) limit occupancy or provide preference to the following populations:

- Homeless families or individuals
- People with disabilities (including people with mental illness)

- Victims of domestic violence
- Frail elders
- Veterans

However, any limitation or preference must not violate the nondiscrimination requirements in the HTF interim rule at 24 CFR 93.350, and the applicant must have affirmative marketing procedures and requirements that apply in the context of the limited/preferred tenant eligibility for the project. Preferences and/or limitations may not be given to students.

12. **Refinancing Existing Debt.** Enter or attach the grantee's refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee's refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter "N/A."

Multi-family projects developed by locally based housing organizations that receive HTF funds for rehabilitation may utilize HTF funds to refinance existing debt consistent with 24 CFR 93.201(b) if they meet the following guidelines:

- Refinancing is necessary to reduce the overall housing costs and to make the housing more affordable and proportional to the number of HTF-assisted units in the rental project.
- Rehabilitation is the primary eligible activity. A minimum of $7,500 of rehabilitation per unit is required. The proportional rehabilitation cost must be greater than the proportional amount of debt that is refinanced.
- The grantee must demonstrate management capacity and practices that ensure that the long-term needs of the project can be met and the targeted population can be served over an extended affordability period.
- The grantee must demonstrate that a new investment is being made to maintain current affordable units, to create greater affordability in current affordable units, to create additional affordable units, or to continue the affordability of units that could be lost.
- Refinancing will be limited to projects that have previously received an investment of public funds.
- The minimum HTF affordability period shall be 30 years. All HTF assisted projects are required to remain affordable in perpetuity after the expiration of the HTF required period via a VHCB Housing Subsidy Convent.
- HTF funds may be used for refinancing anywhere in the State of Vermont including the City of Burlington.

HTF funds cannot be used to refinance multifamily loans made or insured by any Federal program, including CDBG.

Discussion:

Attachments

VERMONT HOP STANDARDS FOR PROVISION OF ASSISTANCE
State Fiscal Year 2025

EMERGENCY SHELTER

A. Admission: Providers must have written policies or procedures addressing shelter admission that meet the following requirements:
- Project participant eligibility is limited to families and individuals who meet the criteria under paragraph (1), (2), (3), or (4) of the HUD Definitions of Homelessness
- The following may not be used as the basis for denying someone admission to shelter:
    - Age of children in the family (for shelters that provide services to families)
    - Fleeing domestic or sexual violence
    - Disability status, including substance use disorder or mental health disorder
    - Any other protected class, except in the case that the shelter is limited to specific subpopulations (e.g. youth, adults only, families with children)
- Hours of admission must be posted clearly for the general public and include information about where/how to apply
    - Providing public information about a 24/7 hotline that can be used to access shelter may be used to meet this requirement
- Include a process for reasonable accommodation requests and information about how they are reviewed
- Planning for discharge starts at the time of admission to ensure that guests are moving to permanent housing as soon as possible

B. Diversion: Providers must have a written standard to ensure diversion from shelter occurs when possible[1]. The written standard must include:
- A practice of discussing diversion options with all applicants for shelter at the point of referral or first contact
- How staff will support the applicant to move towards stability while they are staying in an alternative location to shelter

[1] Diversion occurs before a person enters shelter and is aimed at helping them identify an immediate housing arrangement that is a safe alternative to shelter or sleeping unsheltered. This housing arrangement may be temporary, allowing time to identify a permanent housing option while avoiding the immediate trauma of homelessness, or it may allow those involved to explore the possibility of extending a temporary arrangement into a permanent one. (Source: USICH, "Homelessness Prevention, Diversion, and Rapid Exit")

C. Referral: Providers must have a written standard that describes how the shelter coordinates access to mainstream benefits and resources (such as housing, health, social services, employment, education, and youth programs) to ensure guests are assisted, as needed, with obtaining appropriate supportive services, including other Federal, State, local, and private assistance.

- A policy, procedure, or tool that ensures guests are screened for their needs and then receive appropriate referrals to other providers is acceptable.

D. Discharge: Providers must have written policies and procedures addressing discharge from shelter that meet the following requirements:

- A formal process for both voluntary and involuntary termination of shelter that at a minimum:
    - Recognizes the rights of individuals affected
    - Clearly defines what could result in the termination of shelter, focusing on behaviors that disrupt or jeopardize health or safety of shelter guests, rather than compliance to rules or case plans
    - Exercises judgment and examines all extenuating circumstances in determining when violations warrant termination so that a participant's assistance is terminated only in the most severe cases
- Information about the discharge process is provided to all guests at intake
- When involuntary termination occurs and contacts with the guest can be made:
    - The shelter must attempt to work with the guests to identify alternative shelter options
    - Whenever possible, guests are provided with a written notice that includes:
        - the reason for termination
        - the process to appeal the decision
        - what actions will they need to take in order to be considered for a return to shelter in the future, if needed
- The appeals process must:
    - Happen in a timely manner
    - Include the option for guests to have their request reviewed by agency staff not involved in the initial termination decision
- Terminations, both voluntary and involuntary, are documented in a way that allows them to be reviewed during monitoring
    - Documentation of termination must be kept in client files

E. Length of Stay: Providers may have a length of stay policy. If a provider limits length of stay at shelter, they must have a policy that meets the following requirements:

- Identifies what the initial length of stay is, how guests can request an extension, and how the program will make decisions about granting the extension
- Information about this policy and the process to request an extension is provided to all guests at intake

F. Safeguards for Special Populations: Providers must have written policies and procedures regarding safeguards to meet the safety of special populations, including victims of domestic or sexual violence. The policies and procedures must ensure the following requirements are met:

- No individual or family may be denied admission to or removed from the shelter on the basis or as a direct result of the fact that the individual or family is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the individual or family otherwise qualifies for admission or occupancy.
- There must be a process to assess for the potential of threats to safety for persons fleeing domestic violence, dating violence, sexual assault, or stalking.
- The shelter exhibits cultural competence and responsiveness, including providing adequate protection for shelter seekers across demographic differences.
- Confidentiality policies ensure that the identity of guests is protected, except in those circumstances when a guest has signed a release of information or as required by law.

G. Needs of Special Populations: Providers must have a written standard regarding how they will meet the needs of special populations, including individuals and families who have the highest barriers to housing and are likely to be homeless the longest. The standard must ensure the following requirements are met:

- Expectations of shelter guests are clearly communicated and easily accessible for review by guests
- Shelter staff and volunteers receive training in trauma-informed care

H. Shelter Hours: Providers must provide shelter on a 24/7 basis, unless an exception is granted by the Office of Economic Opportunity.

- Examples of when exceptions may be granted include, but are not limited to:
  - a shelter is unable to provide staffing on a 24/7 basis
  - zoning requirements prohibit daytime operations
  - the shelter is in a shared use facility
- Shelters that have been granted an exception are required to identify a daytime continuity plan to ensure guests have access to shelter always.

  - When the Emergency Shelter is not open to guests, alternative locations must be identified. These locations:
    - Must not require an appointment
    - Must be considered a public space
    - Must be accessible to all guests

I. **Prioritization**: If a provider *maintains a waiting list*, they must have a written policy on prioritization that meets the following requirements:

- When space in shelter becomes available, the order of priority must, at a minimum, be:
  1. Literally Homeless (Category 1) - Unsheltered
  2. Literally Homeless (Category 1) – Staying in a motel not paid for by self, including those fleeing domestic or sexual violence
  3. Literally Homeless (Category 1) – Staying in a place other than a motel, including those fleeing domestic or sexual violence
  4. Imminently Homeless (Category 2) – Including those fleeing domestic or sexual violence
- Align with fair housing and reasonable accommodation requirements

J. **Local Coordination**: Providers must be a part of their local CoC's written protocol for coordination between local emergency shelters, Economic Services, and 2-1-1. The protocol must meet the following requirements:

- Describe a strategic, community-wide system to prevent and end homelessness for that area
- Identify how shelter openings will be communicated and how referrals to shelter will be coordinated
- Include the following for each agency/partner: contact information, intake hours, shelter hours (if applicable), population(s) served, intake process
- Emphasize ease of access for those seeking emergency shelter

K. **Coordinated Entry**: Providers must have written policies or procedures ensuring guest access to the Coordinated Entry system that meet the following requirements:

- *If the emergency shelter provider is a Referral Partner (Balance of State) or Access Point (Chittenden)*, a referral to the local Lead Agency must be made within 3 calendar days of a guest's entry to shelter.
- *If the emergency shelter provider is a Lead Agency, Assessment Partner (Balance of State) or Assessment Hub (Chittenden)*, the opportunity to complete the CE Assessment is provided to the guest within one week of entry into shelter.

L. Required Savings: If a provider requires guests to contribute to a savings account while at the shelter, they must have a written policy detailing the requirement.

M. Essential Services: Providers receiving funding for Essential Services must have written standards regarding how guests' needs for services are determined and prioritized. Those standards must meet the following requirements:

- Clearly identify how the needs of guests are assessed during the intake process and on an ongoing basis, as appropriate.
- Needs must be prioritized to ensure that basic/immediate needs are addressed as soon as possible. This may be done using a specific assessment tool, a case plan addressing prioritization, or a written intake process.

RAPID RE-HOUSING

Written standards may be developed in partnership with the local Continuum of Care. Written standards must be applied consistently within the project and must conform to the Coordinated Entry policies and procedures established by the respective Continuum of Care.

Grantee/subrecipients may modify their level of assistance below the maximums provided in this document based on availability of HOP funds, or ability to leverage other state, federal or private assistance funding for clients.

Grantees/subrecipients must meet all requirements related to the Violence Against Women Act (VAWA).

No grantee/subrecipient may, with respect to individuals or families occupying housing owned by the grantee/subrecipient or parent organization, determine eligibility, carry out assessment activities, or administer rental assistance.

A. *Intake & Prioritization:* Providers must have written standards addressing how they will determine and prioritize which eligible families and individuals will receive rapid re-housing assistance.

- Project participant eligibility is limited to families and individuals who meet the criteria under paragraph (1) of the HUD Definitions of Homelessness
- Rapid Rehousing services and assistance must be prioritized according to the Coordinated Entry policies and procedures of the Vermont Balance of State CoC or Chittenden County Homeless Alliance (respective to geography).
- Household income information at the time of assistance must be documented and maintained.

B. ***Length of Rental Assistance:*** Providers must have written standards addressing how they will determine how long a particular project participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time.

- While the ability to sustain housing is a HOP goal and performance measure, it will not be interpreted as a threshold requirement. Prioritization and determination of assistance should be based on household need at the time of initial intake and screening.
- Rental assistance will be tenant-based and provided on a medium-term basis for no less than four months and up to twenty-four months.
- Eligibility and types/amounts of assistance must be re-evaluated not least than once annually. Each re-evaluation must be established and document:
    1) that the participant does not have an annual income that exceeds 30% of median family income; and
    2) the participant lacks sufficient resources and support networks necessary to retain housing without HOP assistance

C. ***Participant Contribution:*** Providers must have written standards addressing how they will determine what percentage, or amount, of rent and utilities costs each project participant must pay, if any, while receiving rapid re-housing assistance.

- Grantee/subrecipients are strongly encouraged to require participants to contribute a minimum of 30% of their household income towards housing costs.

D. ***Housing Stabilization & Relocation Services:*** Providers must have written standards addressing how they will determine the type, amount, and duration of housing stabilization and/or relocation services to provide a project participant. Standards must include the limits, if any, on the rapid rehousing assistance that each project participant may receive, such as:

- the maximum amount of assistance that can be received.
- the maximum number of months the assistance can be received for; or
- the maximum number of times the program participant may receive assistance.

E. ***Coordination:*** Providers must have a written standard that describes how the project coordinates access to mainstream benefits and resources (such as housing, health, social services, employment, education, and youth programs) to ensure participants are assisted, as needed, with obtaining appropriate supportive services, including other Federal, State, local, and private assistance.

- A policy, procedure, or tool that ensures participants are screened for their needs and then receive appropriate referrals to other providers is acceptable.

F. ***Housing Retention Services:*** Housing Retention Services are provided that meet the following requirements[2]:

- Require the project participant to meet with a case manager not less than once per month to assist in ensuring long-term housing stability
- Include the development of a plan to assist the participant in retaining permanent housing after HOP assistance ends, taking into account the participant's current and expected household budget, additional sources of assistance, and affordability of area housing.

G. ***Rental Assistance:*** Rapid Re-Housing rental assistance must meet the following requirements:

- A written lease must be in place, and the applicant's name must be on the lease, before rental assistance payments are made.
- Rental assistance cannot be provided if rent exceeds the Fair Market Rent established by HUD or does not meet the standard for rent reasonableness (24 CFR 982.507).
- All payments must be third-party vendor payments; payments may not be made to relatives who are landlords.
- Payments are to be made on behalf of renters only; homeowners are not eligible for HOP assistance.
- No rental assistance may be provided to a household for a purpose and time period supported by another public source.
- The grantee/subrecipient will enter into a rental assistance agreement with the landlord. Landlords must agree to copy the provider on any eviction notice or complaint used to commence eviction; the provider must make timely payments to the owner according to the participant lease agreement.
- All rental assistance is tenant-based; the participant selects their own housing unit and may move to another unit or building and continue assistance so long as other requirements and eligibility are met.
- The unit must have an AHS Housing Inspection conducted by the Vermont State Housing Authority[3]
- If constructed prior to 1978, the unit must meet HUD's lead paint requirements.

H. ***Termination:*** Providers must have written policies and procedures addressing the process to terminate Rapid Re-Housing assistance that includes, at a minimum:

- Written notice to the program participant containing a clear statement of the reasons for termination
- A review of the decision, in which the program participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision
- Prompt written notice of the final decision to the program participant

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[2] Projects are exempt from this case management requirement if prohibited under the federal Violence Against Women Act (VAWA) or Family Violence Prevention and Services Act from making shelter or housing conditional on the participant's acceptance of services.

[3] This inspection meets HUD's required habitability standards.

CASE MANAGEMENT SERVICE DEFINITIONS

While acknowledging that case management should remain flexible to best serve the individual needs of households, the following definitions provide expectations as to provision of services.

A. **Intake/Assessment:** *To provide coordination at the program or community level.*
   - Record basic household information to determine immediate need, and eligibility for other assistance
   - Conduct an assessment to determine the amount and type of assistance and support that the individual or family needs to regain stability in permanent housing
   - Determine what initial referrals may be appropriate to meet a range of household needs – including, shelter and housing, as well as mainstream services (such as childcare, parenting, employment, education, mental health, substance use treatment/recovery, legal services, etc.) and benefits (such as WIC, Reach Up, 3SquaresVt, SSI/SSDI, etc.)
   - Follow-up on initial referrals to prevent a household from "falling through the cracks"

B. **Housing Navigation Services:** *To provide logistical and housing support to households preparing to move into permanent housing.*
   - Identify housing barriers, needs and preferences
   - Work to address barriers to project/housing admissions (e.g., criminal record, credit report, utility arrears, unfavorable references)
   - Develop an action plan for locating housing. Support housing search and placement
   - Provide outreach and negotiate with landlords
   - Work closely with housing providers regarding eligibility documentation and verification
   - Follow-up on referrals to housing to support enrollment
   - Assist with submitting rental/housing applications and understanding lease
   - Ensure living environment is safe and ready for move in (facilitate inspections)
   - Support compliance with fair market rent and rent reasonableness, if applicable
   - Assist in arranging for/supporting move (set up utilities, moving arrangements, etc.
   - Find resources to support move-in (security deposit, moving costs, furnishings, other one-time costs)
   - Provide education and training on the role, rights and responsibilities of the tenant and landlord
   - Develop of a housing support crisis plan that includes early prevention/ intervention when housing is jeopardized
   - Identify of other service needs/ongoing retention support needs and connect client to mainstream services and benefits

C. **Essential Services Case Management:** *To provide coordination for households in emergency shelter settings, ensuring basic needs are addressed and providing comprehensive referrals to mainstream services and benefits.*
   - Determine (in consultation with household and other community partners, if applicable) who shall be the lead case manager for the household.
   - Work with participants to develop a housing and service plan, set goals, and help participants stay on course
   - Provide ongoing risk assessment and safety planning with victims fleeing violence or make appropriate referral
   - Employ best practices to help the household identify its strengths and opportunities, as well as underlying issues which may have led to homelessness, or could undermine success if not addressed
   - Provide information, referrals and encouragement for the household (or members of the household) to avail themselves of other appropriate services or take appropriate action to address barriers
   - Assist with developing, securing and coordinating mainstream services and benefits
   - Monitor and evaluate client progress
   - Maintain a relationship with household, identifying the appropriate level of support without creating over-dependence
   - Ensure households have appropriate services after they have moved into permanent housing, including housing retention services

D. **Housing Retention Services:** *To provide ongoing, individualized support and coordination for households once stabilized in permanent housing.*
   - Provide early identification and intervention for behaviors that may jeopardize housing, such as late rental payment and other lease violations
   - Coach on developing and maintaining key relationships with landlords/property managers with a goal of fostering successful tenancy
   - Assist in resolving disputes with landlords and/or neighbors to reduce risk of eviction or other adverse action
   - Advocate and link with community resources to prevent eviction when housing is, or may potentially become jeopardized
   - Assist with the housing recertification process
   - Coordinate with the tenant to review, update and modify their housing support and crisis plan on a regular basis to reflect current needs and address existing or recurring housing retention barriers
   - Continuing training in being a good tenant and lease compliance, including ongoing support with activities related to household management
   - Connect the household to mainstream services and benefits

Other Guidance and Restrictions

Additional guidance on eligible and ineligible uses of HOP funds are contained in the Notice of Funding, grant agreements and guidance[4] issued by the Office of Economic Opportunity. Grantees are encouraged to contact the Office of Economic Opportunity at (802) 241-0935 for clarification on any HOP requirements or standards.

[4] https://dcf.vermont.gov/oeo/partners/HOP