



The State of Housing in Vermont

Commissioner Josh Hanford

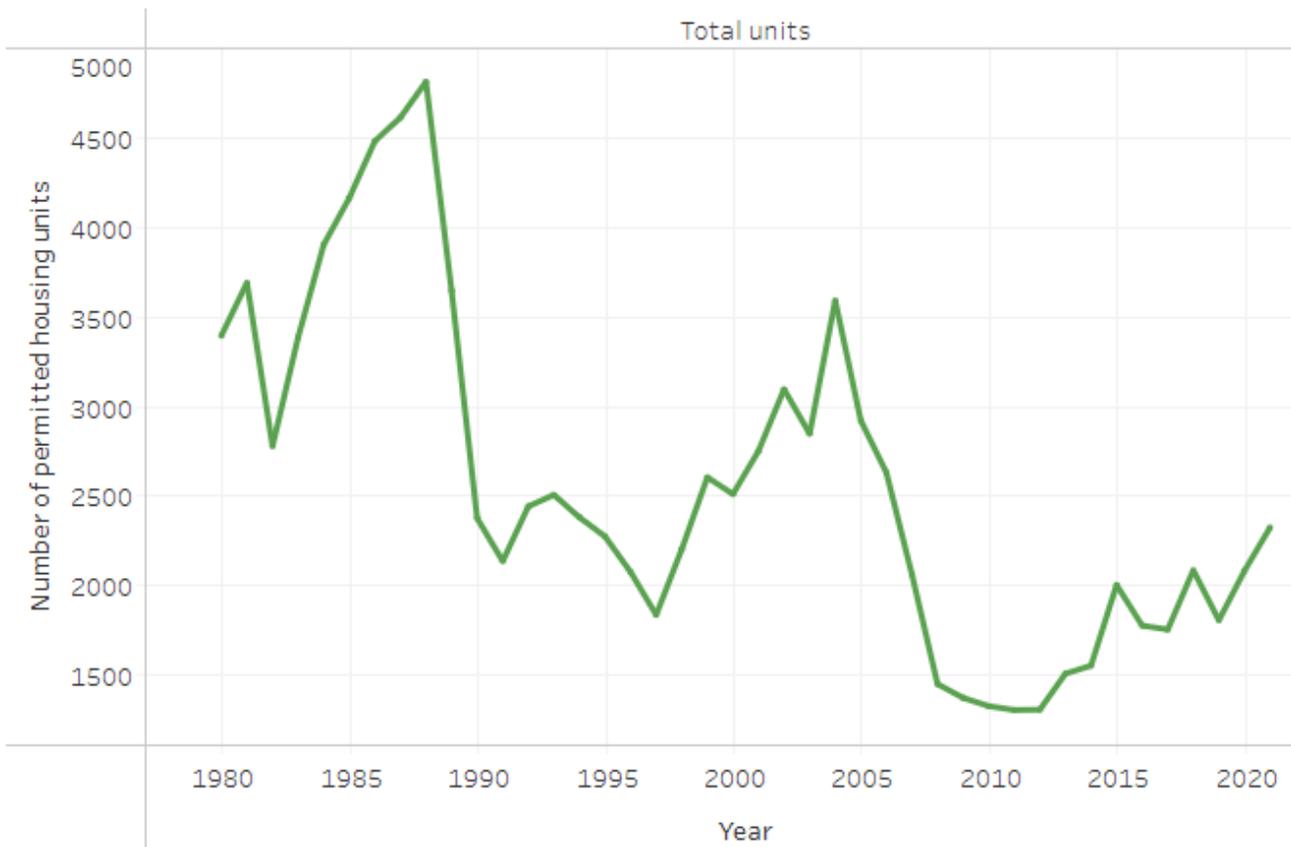


VERMONT

AGENCY OF COMMERCE & COMMUNITY DEVELOPMENT
DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

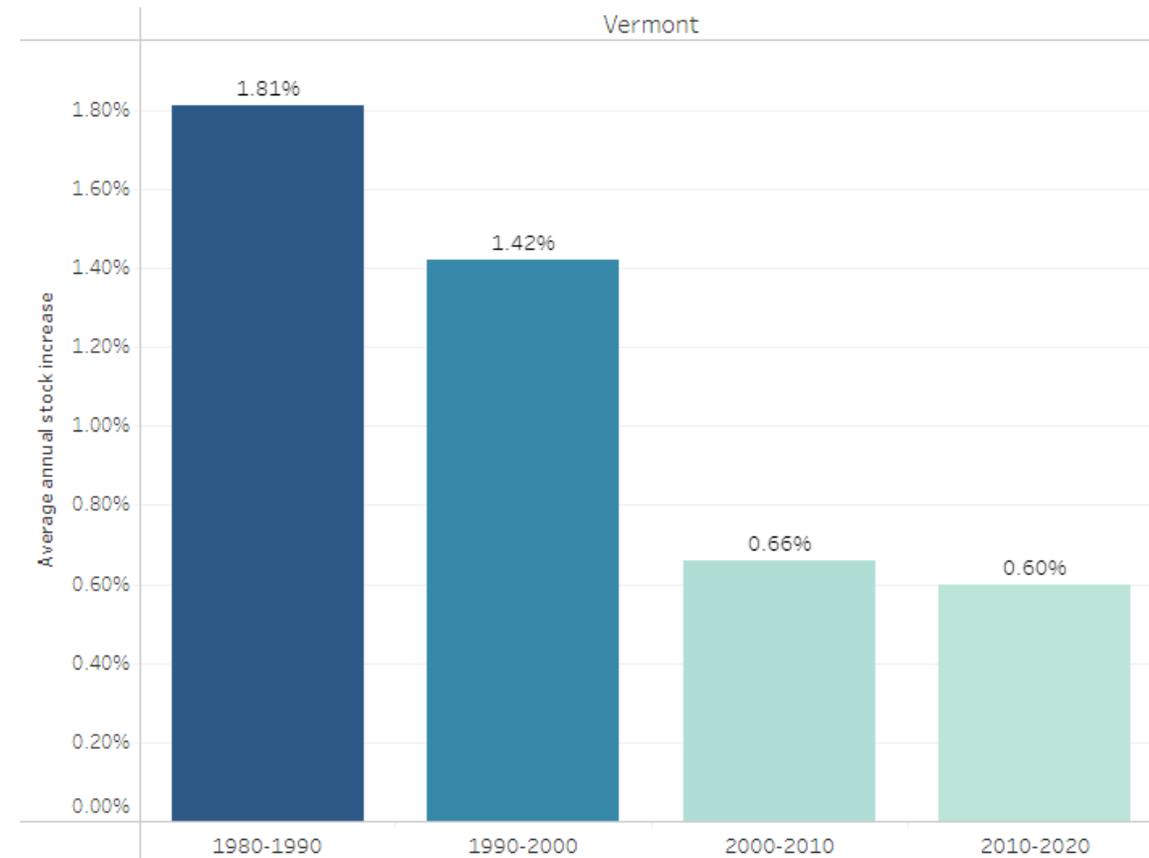
The Current State of Housing in Vermont

Building permits



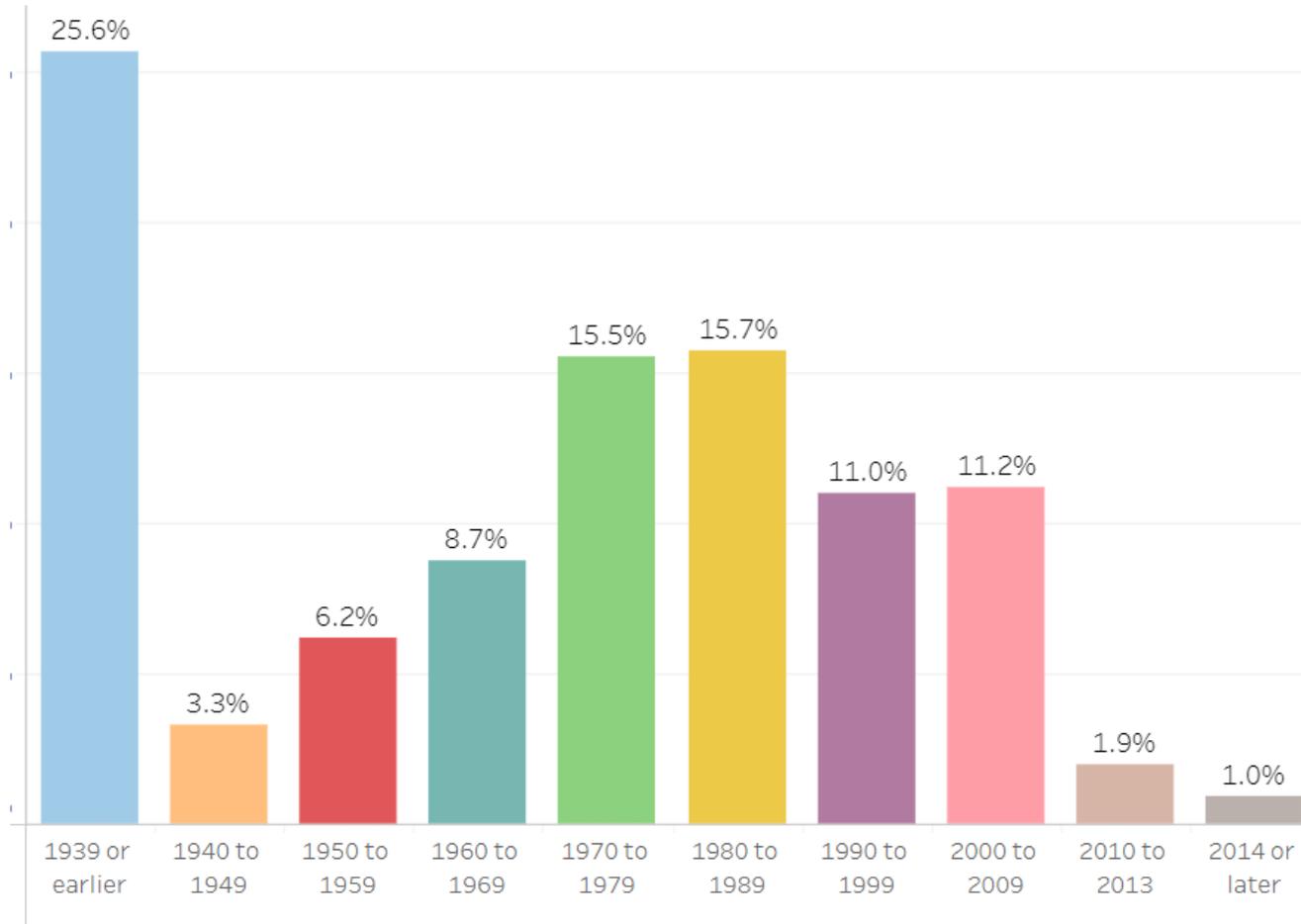
Rate of change in occupied housing supply

0.60% 1.81%



Housing in Vermont today

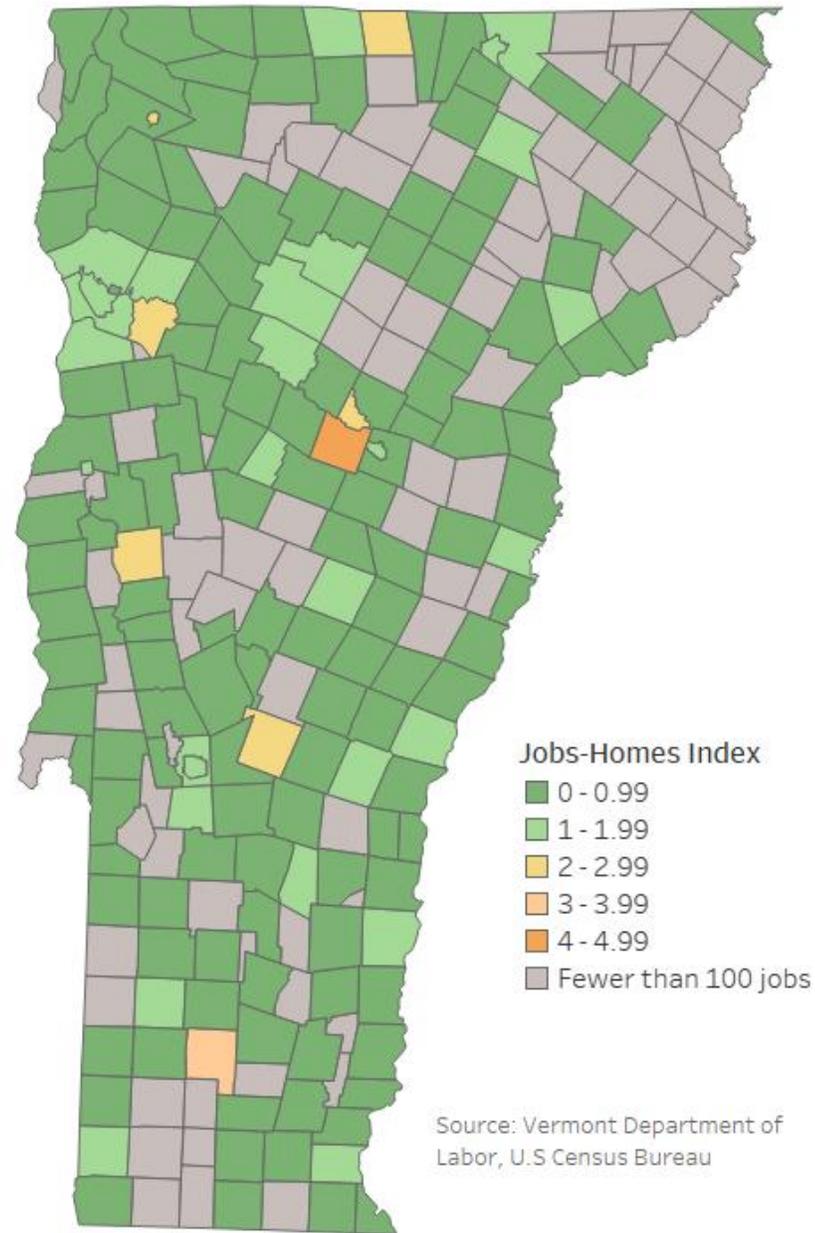
More than a quarter of homes were built before 1940



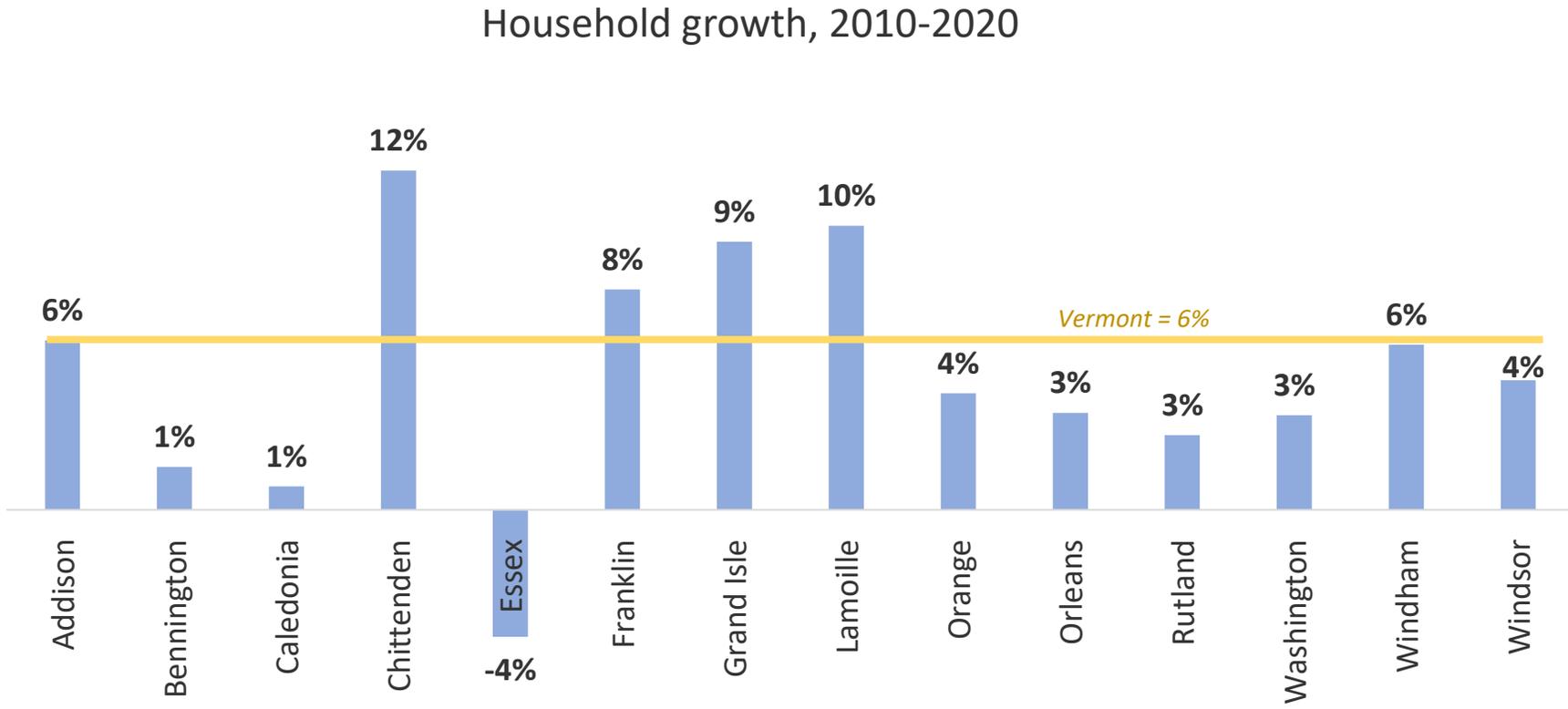
Jobs encourage housing growth, but diverse, affordable high quality housing stock also supports new jobs

Jobs to homes index

Ratio of jobs (filled positions) to occupied (non-seasonal) homes



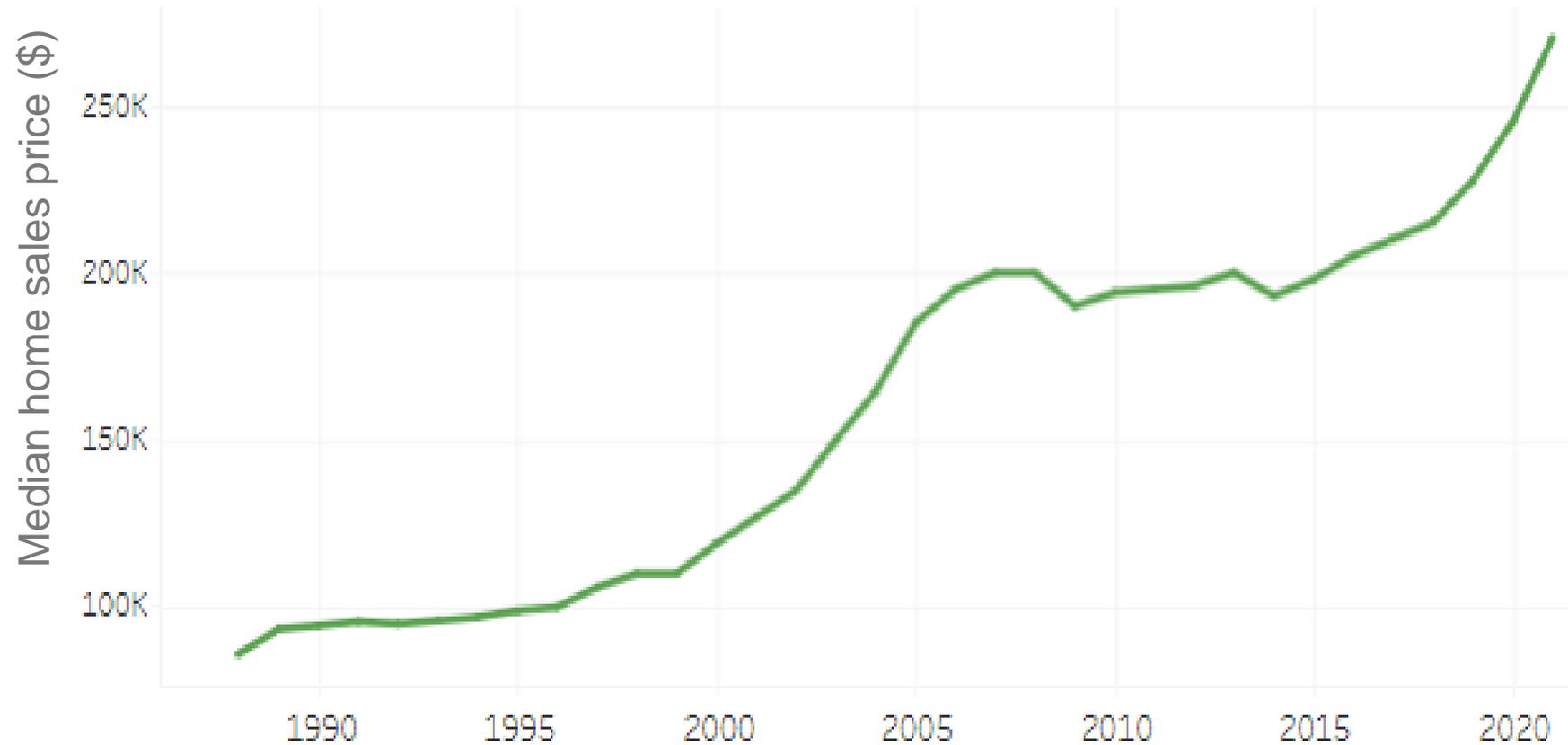
Building not meeting modest growth in households



Source: US Decennial Census, 2010-2020

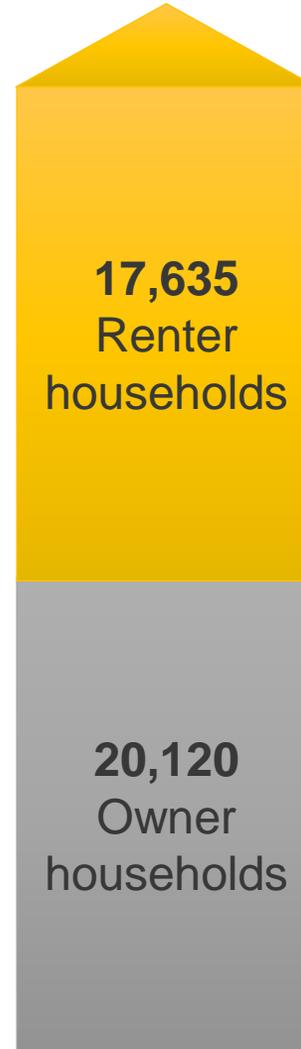
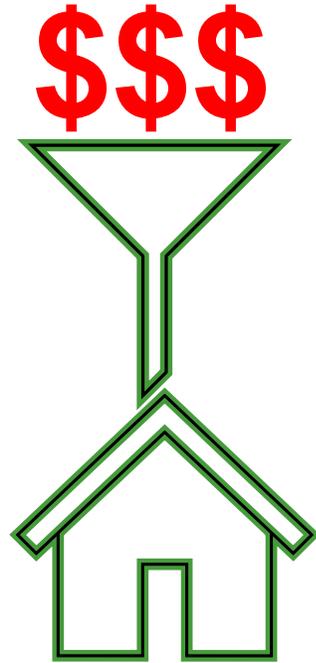
Housing in Vermont today

Imbalance => Accelerating home prices



Housing in Vermont today

15% of all Vermont households spend more than **HALF** of income for housing



37,755
Vermont households severely cost-burdened

MORE NEEDS TO BE DONE TO ADDRESS VERMONT'S HOUSING CRISIS

The pandemic forced us to act fast & think creatively. We continue to take learnings from what worked—and are making bigger investments in those initiatives. We are not going back to normal or old ways. We are trying to create transformative change in the wake of what we have been through and learned in a moment of crisis.



New programs needed to incentivize building new modest homes and for the creation of new tools to help the first time and first-generation home buyers.

vhfa



MISSING MIDDLE HOMEOWNERSHIP



SUPPORT MENTAL HEALTH PROGRAMMING



For continued support for rental housing and programs for re-housing the Homeless as well as funds for increased low and moderate-income housing.



MORE REINVESTMENT IN OUR EXISTING HOUSING STOCK

Focusing reinvestment in existing, underutilized and cost-effective units which can best serve Vermont's needs.



IT'S TIME TO TAKE ACTION

FOUNDATIONAL CHANGE TO MAKE INVESTMENTS MORE EFFICIENT & GO FARTHER. WE NEED TO REACCESS OUR ZONING, PERMITTING, AND REGULATORY FRAMEWORK.

ZONING FOR GREAT NEIGHBORHOODS



ENHANCE HOUSING DEVELOPMENT CAPACITY

PILOT NEW APPROACHES TO FILL IDENTIFIED GAPS IN HOUSING

For example, a program for risk mitigation pool for homeownership, landlords.



SUPPORT HOUSING SERVICE DELIVERY

FUNDING SOURCE	PROGRAM NAME	AGENCY	AMOUNT
CARES Act (CRF general), passed 2020	VT Housing Improvement Program (VHIP-CRF)	DHCD	\$ 7,200,000
CARES Act (CRF general), passed 2020	Housing Funding	VHCB	\$ 32,899,499
FY2021 State General Funds	Housing the Homeless	VHCB	\$ 10,000,000
FY2022 State Budget	Housing Funding	VHCB	\$ 100,000,000
FY2022 State Budget	VT Housing Improvement Program (VHIP-ARPA)	DHCD	\$ 5,000,000
FY2022 ARPA State Fiscal Recovery Funds	ARPA-SRF Housing Recovery	VHCB	\$ 89,000,000
FY2023 ARPA State Fiscal Recovery Funds	ARPA-SRF Housing Recovery	VHCB	\$ 30,000,000
FY2023 State Budget	VT Housing Improvement Program (VHIP-ARPA)	DHCD	\$ 20,000,000
FY2023 State Budget	First Generation Home Buyers Grants	VHFA	\$ 1,000,000
FY2023 State Budget	Housing Funding	VHCB	\$ 10,000,000
FY2023 State Budget	Manufactured Home Replacement Program	VHFA	\$ 1,125,000
FY2023 State Budget	Manufactured Home Community Program	DHCD	\$ 4,000,000
FY2023 State Budget	Community Neighborhood Partnership	DHCD	\$ 1,000,000
FY2023 State Budget	Missing Middle Home Construction Program	DHCD/VHFA	\$ 15,000,000
Recovery Residence Funding 1, 2, 3	CDBG-Recovery Residence	DHCD	\$ 2,299,711
ARPA	HOME-ARP for Homeless	VHCB	\$ 9,564,691

NEW
State & Federal Funding
for Affordable Housing
March 2020-present

VHCB = Vermont Housing & Conservation Board	\$ 281,464,190
DHCD = Department of Housing and Community Development	\$ 39,499,711
VHFA = Vermont Housing Finance Agency	\$ 2,125,000
Total Partner Programs	\$ 15,000,000
TOTAL ALL	\$ 338,088,901

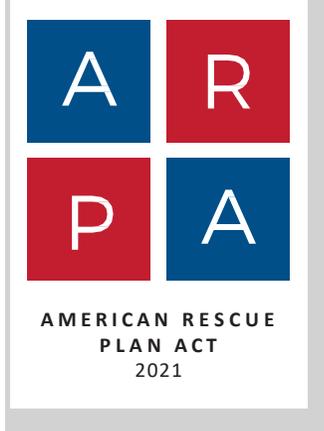
Affordable Housing has a Math Problem... “A” versus “a”

Area	Income level (% of median income)	INCOME THRESHOLD BY HOUSEHOLD SIZE**					MAX GROSS RENT AFFORDABLE (INCLUDING UTILITIES)***				MAX PURCHASE PRICE AFFORDABLE****		
		ONE	TWO	THREE	FOUR	FIVE		1	2	3	1	2	3
		PERSON	PERSON	PERSON	PERSON	PERSON	STUDIO	BDRM	BDRM	BDRM	BDRM	BDRM	BDRM
VERMONT	30%	19,500	22,250	25,050	27,850	30,050	487	521	626	723	70,000	84,000	98,000
(also applies to all	50%	32,500	37,100	41,750	46,400	50,100	812	870	1,043	1,206	118,000	142,500	165,500
10 counties not	60%	39,000	44,500	50,100	55,700	60,100	975	1,043	1,252	1,447	142,500	171,500	199,000
listed below*)	80%	51,950	59,400	66,800	74,250	80,200	1,298	1,391	1,670	1,930	191,500	230,000	266,000
	100%	65,000	74,200	83,500	92,800	100,200	1,625	1,740	2,087	2,412	240,000	288,500	333,500
	120%	78,000	89,000	100,200	111,400	120,200	1,950	2,087	2,505	2,895	288,500	346,000	400,000
CHITTENDEN	30%	22,550	25,800	29,000	32,200	34,800	563	604	725	837	81,000	98,500	113,500
FRANKLIN	50%	37,600	42,950	48,300	53,650	57,950	940	1,006	1,207	1,395	137,500	165,500	192,000
GRAND ISLE	60%	45,100	51,600	58,000	64,400	69,600	1,127	1,208	1,450	1,675	165,500	199,500	230,500
	80%	60,100	68,650	77,250	85,800	92,700	1,502	1,609	1,931	2,231	221,500	266,000	308,500
	100%	75,200	85,900	96,600	107,300	115,900	1,880	2,013	2,415	2,790	278,000	333,500	385,500
	120%	90,200	103,200	116,000	128,800	139,200	2,255	2,417	2,900	3,350	334,000	400,500	463,000
ADDISON	30%	19,700	22,500	25,300	28,100	32,470	492	527	632	757	71,000	85,000	102,500
	50%	32,800	37,450	42,150	46,800	50,550	820	878	1,053	1,216	120,000	144,000	167,000
	60%	39,360	44,940	50,580	56,160	60,660	984	1,053	1,264	1,460	144,000	173,500	201,000
	80%	52,450	59,950	67,450	74,900	80,900	1,311	1,405	1,686	1,947	193,500	232,000	268,500
	100%	65,600	74,900	84,300	93,600	101,100	1,640	1,756	2,107	2,433	242,000	291,000	336,500
	120%	78,720	89,880	101,160	112,320	121,320	1,968	2,107	2,529	2,920	291,000	349,500	403,500

Solving Affordable Housing Math

Thirty 2 Bedroom Apartments - Building Cost \$12 million to construct

Income	Maximum Rent	Annual Rent Generated by 30 units	Annual Operating Costs	Debt Capacity
30% AMI	\$626	\$225,360	\$246,960	\$0
50% AMI	\$1,043	\$375,480	\$246,960	\$1.7 million
60% AMI	\$1,252	\$450,720	\$246,960	\$3 million
*80% AMI	\$1,670	\$601,200	\$246,960	\$5.5 million
**100% AMI	\$2,087	\$751,320	\$246,960	\$8 million
***120% AMI	\$2,505	\$901,800	\$246,960	\$10 million



Housing Affordability

Eligible Ways to Use ARPA Funds



HOW TO USE ARPA MONEY TO SUPPORT AFFORDABLE HOUSING

- + Build new or extend municipal water and sewer *systems* to support the creation of new homes (rental and homeownership); buy down the cost of connection for income eligible units
- + Create a land bank: buy land and prep it for affordable housing for eventual transfer to a housing developer
- + Provide grants for creating [accessory dwelling units](#) or home repairs for income eligible homeowners or tenants
- + Fund a portion of the costs of developing safe, perpetually affordable apartments
- + Provide down payment assistance to income eligible home buyers negatively affected by the pandemic (work force, COVID survivors)
- + [Buy down the price](#) of existing homes for lower income home buyers



HOUSING PROMOTES PUBLIC HEALTH AND ECONOMIC RECOVERY FROM THE PANDEMIC

COVID-19 caused disproportionately high rates of job losses, housing instability, and infection rates among low-income Vermonters. By providing more safe, affordable housing, communities address inequities, promote health, and create economic benefits. The need is high but there is a critical shortage in housing supply that forces prices upward. About [38,000 households](#) across Vermont continue to pay more than 50% of their income for housing and are at high risk of [homelessness](#), foreclosure, and eviction. In growing towns, additional homes help [meet demand and mitigate these rising prices](#). In towns without [population growth](#), investing in existing buildings can revive downtown vibrancy and attract new residents. If your town needs to grow its grand list or tax base, or [fill vacant jobs](#), new residents in areas served by municipal water and sewer can help.



OTHER WAYS TO MAKE HOMES MORE AFFORDABLE

- + Form a local [Housing Committee](#)
- + Conduct a land use regulation [audit](#) to identify [zoning barriers](#) to affordable housing
- + Apply for a [state designation](#)
- + Institute [housing impact analyses](#) for identifying unintended housing impacts of proposed local policy changes
- + Consider donating or selling municipal land for housing development
- + Support housing projects throughout the development process
- + Find more ideas at [housingdata.org/toolbox](#)

On average, each home in a new neighborhood spurs \$117,000 in local income and \$22,000 in local tax revenue and supports 1.6 local jobs – in just the first year!



ONE VERMONT EXAMPLE

The [City of Montpelier](#) has modeled effective local approaches for helping housing, including funding some costs of developing [Taylor Street Apartments](#) and providing down payment assistance to home buyers and grants for creating accessory dwelling units.

Special thanks to [Vermont Housing Finance Agency](#) for helping us produce this content

“in-law apartment”

“accessory apartment”

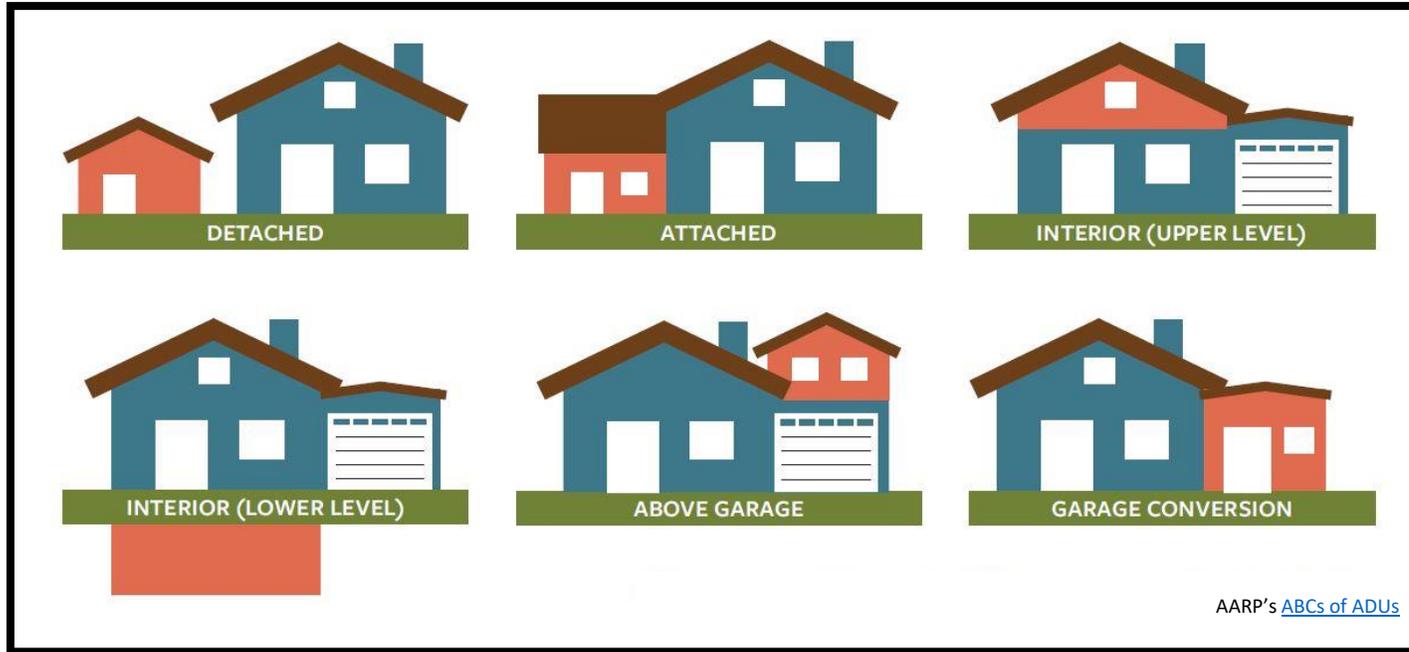
Accessory Dwelling Units

“multigenerational house”

“granny flat”

“sidekick”

“backyard bungalow”



What is an ADU?

Call them what you like – an ADU is a separate living space within a house or on the same property as an existing house.

Why create an ADU?

Because they are:

- Relatively low cost of development
- An affordable housing option
- Able to house people of all ages
- Just the right size
- Good for the environment
- Community compatible
- Protected in Vermont law ([24 V.S.A. § 4412](#))

Ways to use ARPA for ADUs:

- Create a grant program to help fund the cost of creating an ADU for rental to an income-eligible tenant
- Use ARPA to funds to assist income-eligible, senior homeowners to create ADUs so they can age in place; partner with [Homeshare Vermont](#)

YEAR	1950	2017
Average square footage of new single-family homes	983	2,571
Number of people per household	3.8	2.5
Square feet of living space per person	292	1,012

Want to learn more about ADUs?

- [VT DHCD](#)
- [VHFA](#)
- [AARP](#)



Municipal Wastewater



Is wastewater a factor preventing new housing in your community?

Is wastewater a threat to your community's health?

Is wastewater an obstacle to providing important community services?

Is wastewater an impediment to your economic vitality?

Resources to learn more and get started:

- [DHCD](#)
- [ANR](#)

7 NEW LOTS + 24 NEW UNITS + 1 NEW BUSINESS



Small Home: Barre, VT



Small Lot 4-plex: Winooski, VT



Mixed Use: Groton, VT



Mixed Use: Fairfax, VT



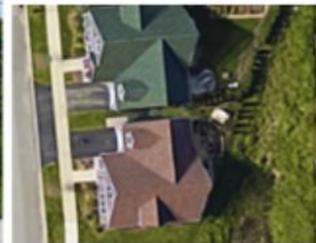
Cottage Infill: S. Burlington, VT



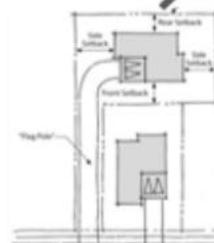
Duplex: Shelburne, VT



Adaptive Re-Use: Putney VT



Reduced Setbacks: Williston, VT



Flag Lot: Barre, VT



Detached ADU: Burlington, VT



Attached ADU: Corinth, VT

New Resources, Solutions & Progress



Nearly 2100 new affordable housing units created and/or preserved to-date. Approximately 1/3 of these units have been set-aside for those experiencing homelessness.



An additional 1900 units of affordable and middle-income housing is expected to be created with the remaining “recovery funding”. Approximately 1/3 of these units have been set-aside for those experiencing homelessness.



With the additional Covid Recovery funding committed to build affordable housing over the last year, *we have more than tripled the affordable housing production* compared to the average of the preceding 5 years.



Collectively, we helped more than *1800 households exit homelessness into permanent housing*, many with subsidies and services.