

# Housing Market Overview

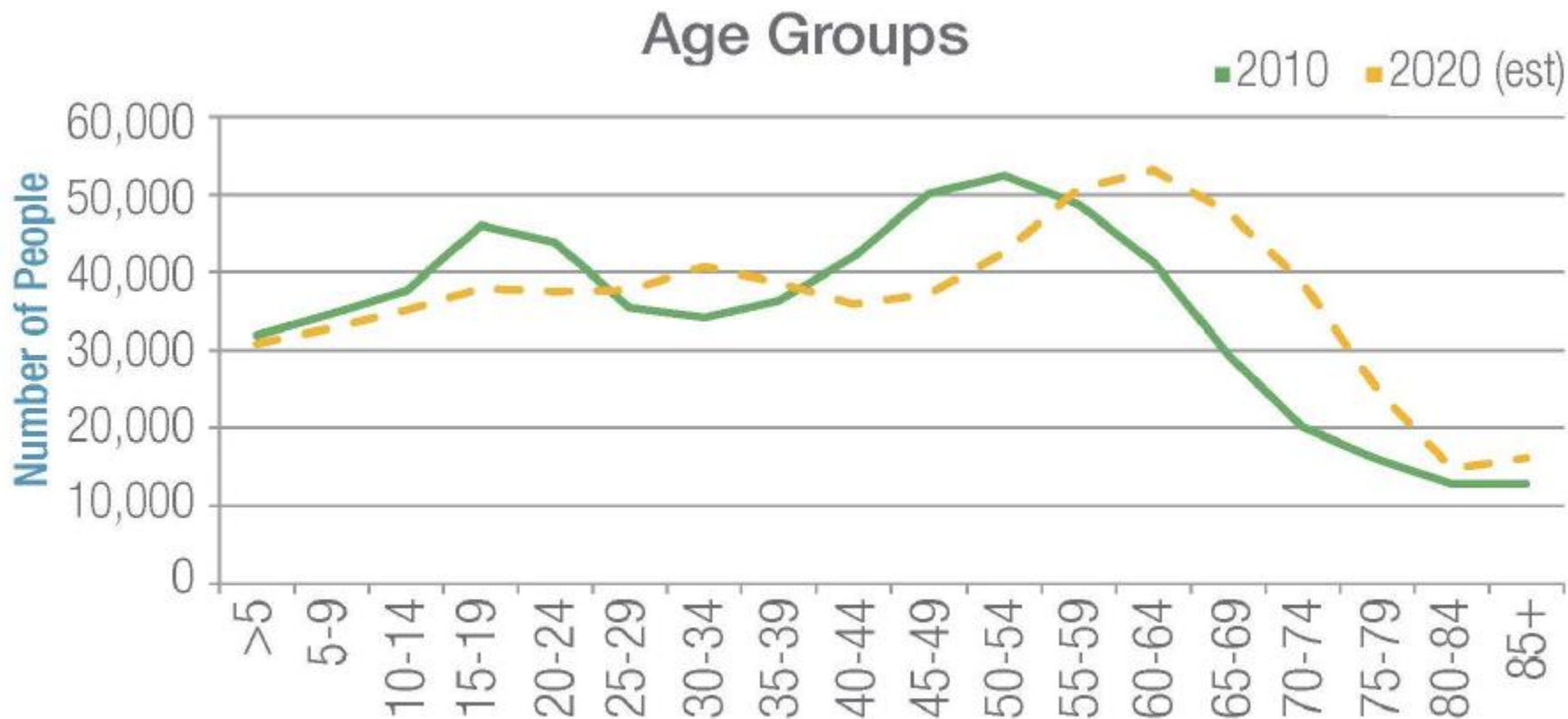
January 14, 2015 Testimony to House Housing, General, and Military Affairs  
by Maura Collins, Director of Policy and Administration



# Vermont's demographics

- We are old.
  - Median age: 42.5 years vs. 37.5 years for the US
- We are white.
  - 95% of Vermonters are white-only vs. 74% in the US
- We live in rural areas.
  - 66% of Vermont's housing units are in rural areas, compared to 22% for US
- We own our homes.
  - 71% homeownership rate in Vermont vs. 63% for US
- Our incomes are stagnant.
- We are not growing fast, but we are growing.

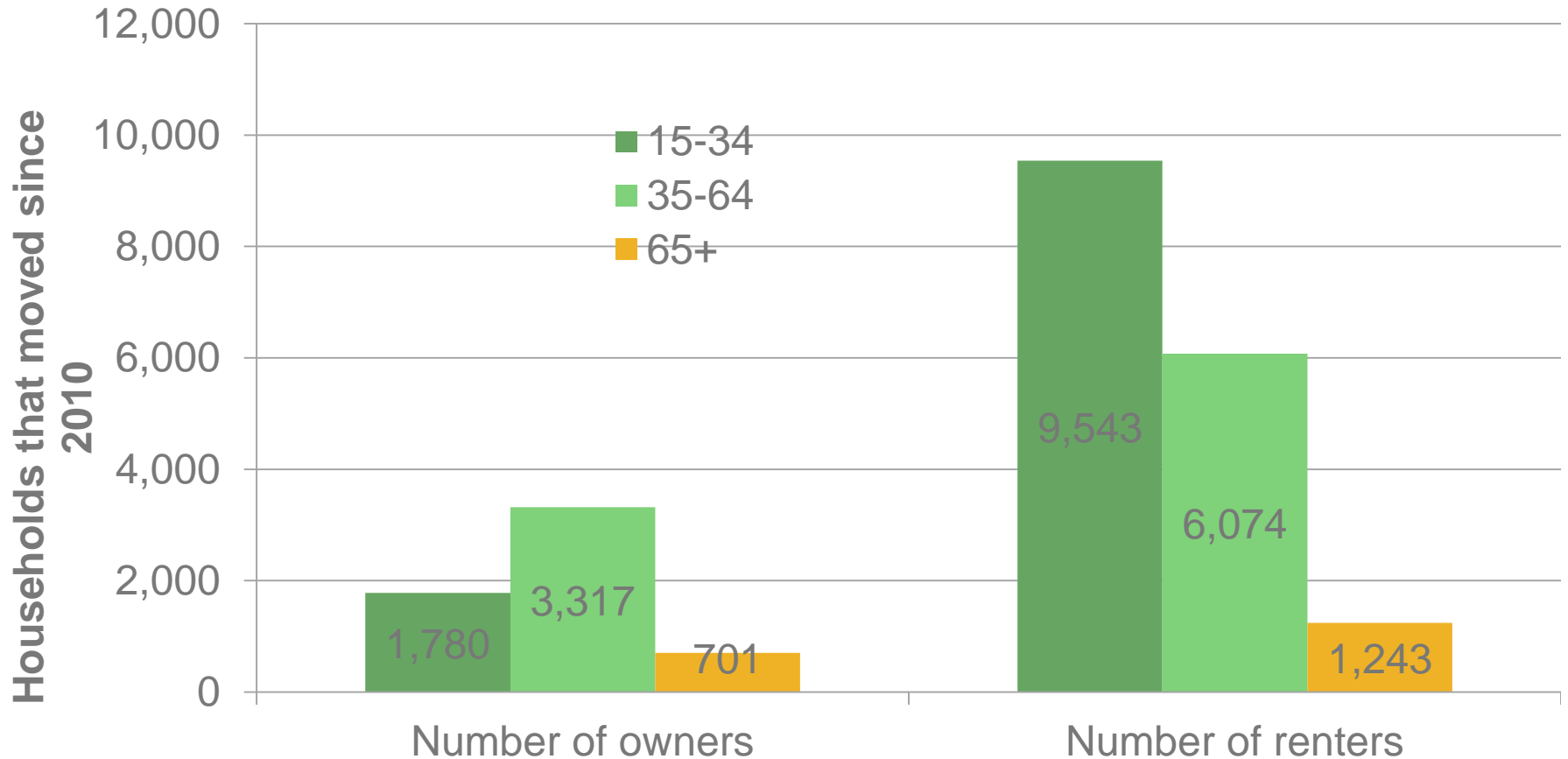
# Headline: Growing numbers of older Vermonters



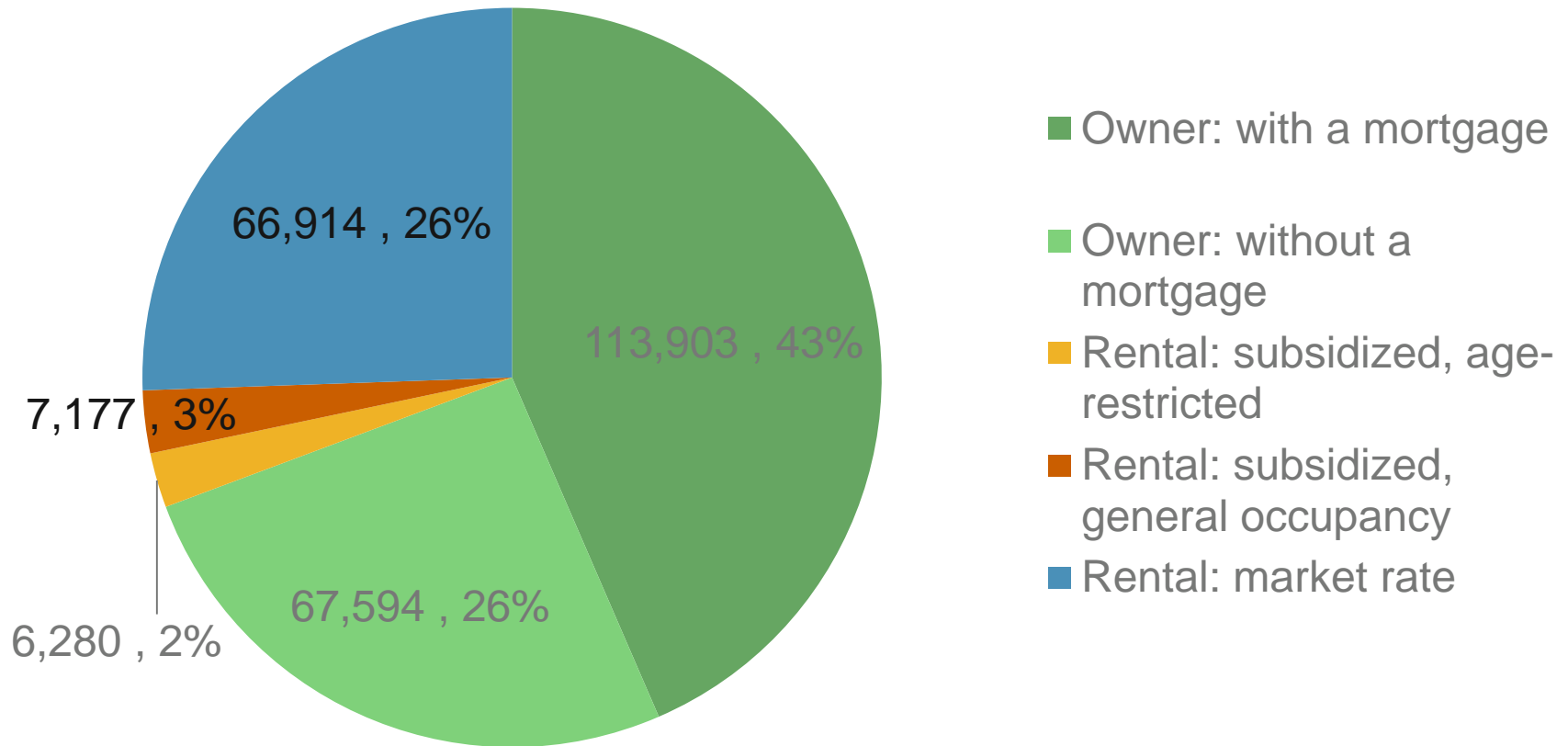
Source: 2010 Census, VT Population Projections, Aug 2013.

# But remember: Older homeowners least likely to move

Number of Vermont's recent movers, by age and tenure

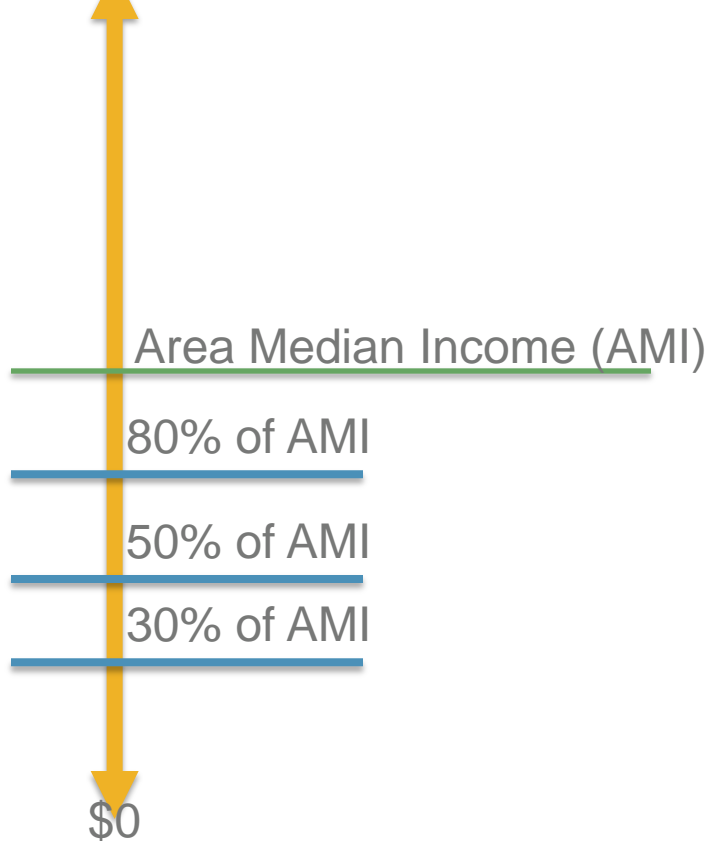


# How Vermont is housed



# Who lives in “affordable housing?”

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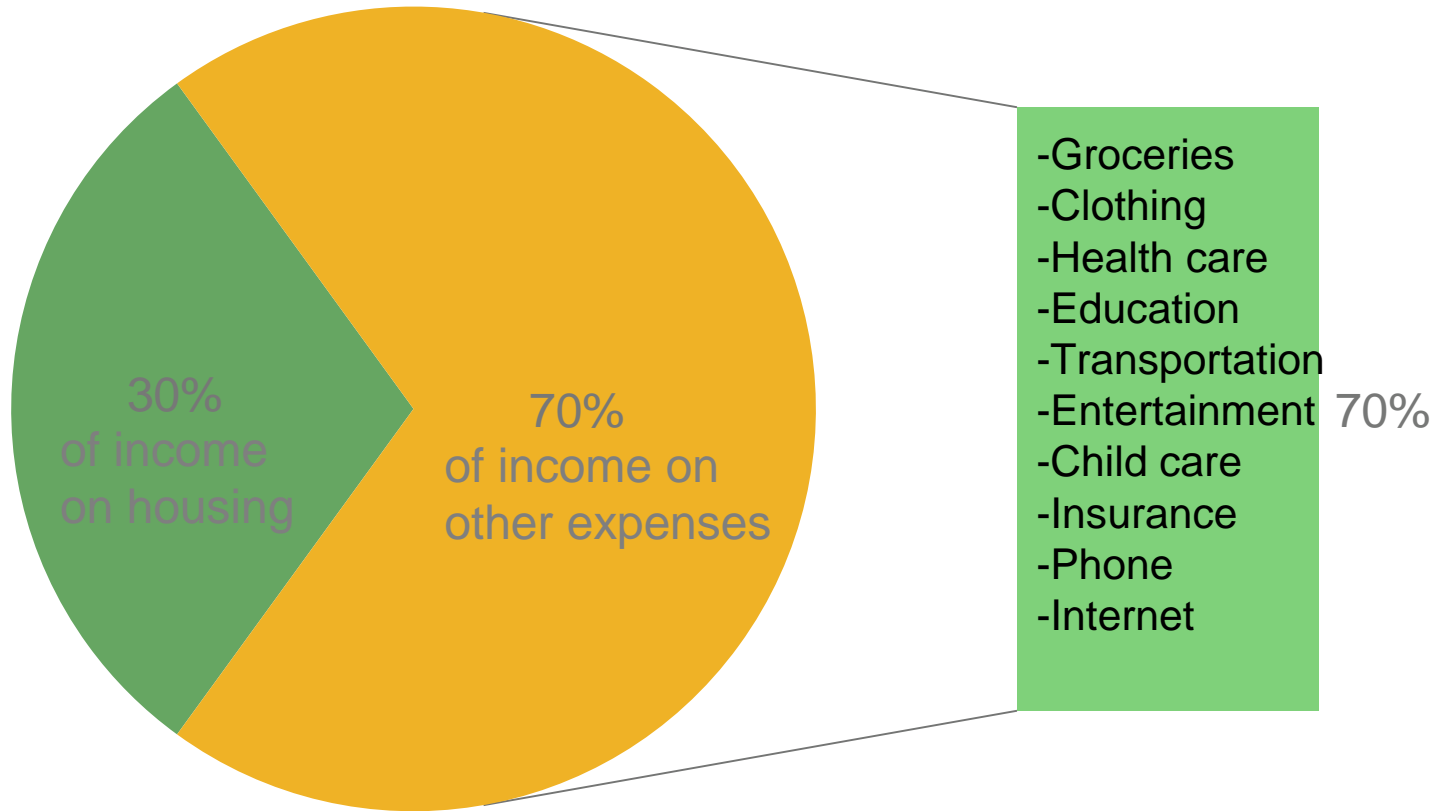
## Area Median Incomes in Vermont\*:

- \$68,800 Statewide
- \$63,900 in Bennington
- \$80,200 in Chittenden and Franklin
- \$67,200 in Lamoille
- \$72,000 in Washington
- \$69,600 in Windsor

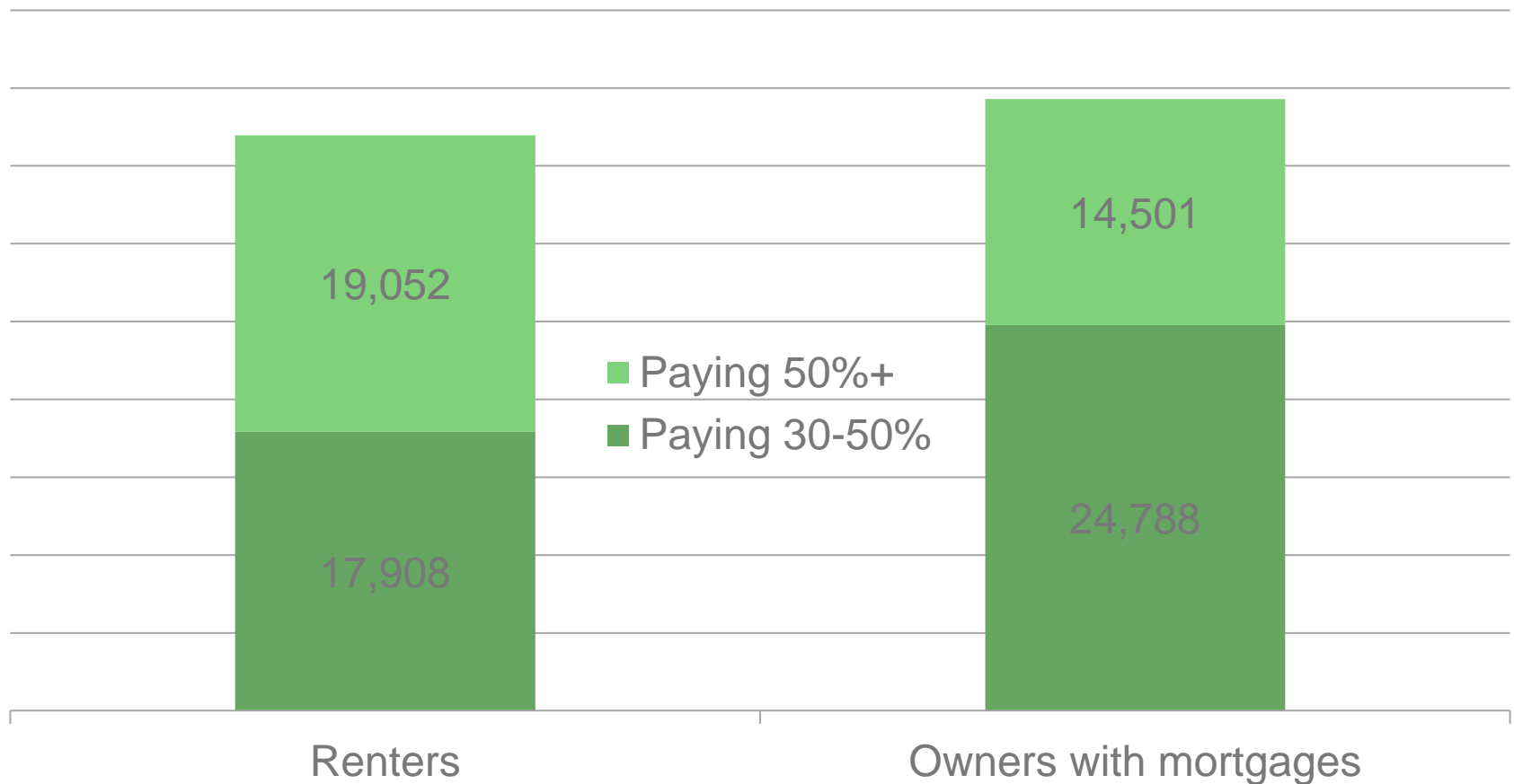
*\*Based on family of four, countywide*

*Source: HUD, 2014*

# What is affordable housing?



# Paying too much for housing = “cost burdened”

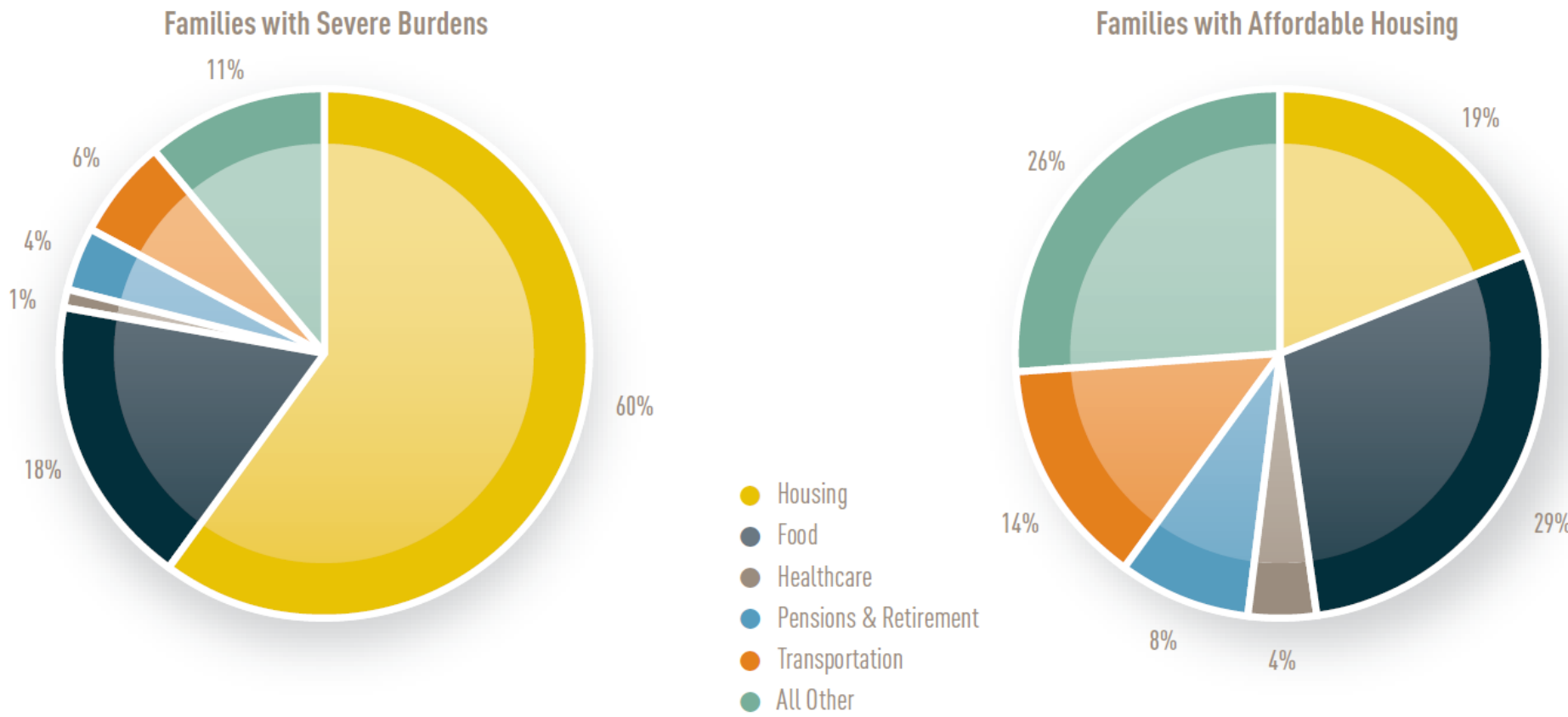


Source: VT HNA, 2015



# Low-Income Families with Severe Cost Burdens Have Much Less to Spend on Other Necessities than Those with Affordable Housing

Share of Average Monthly Expenditures for Bottom-Quartile Families with Children



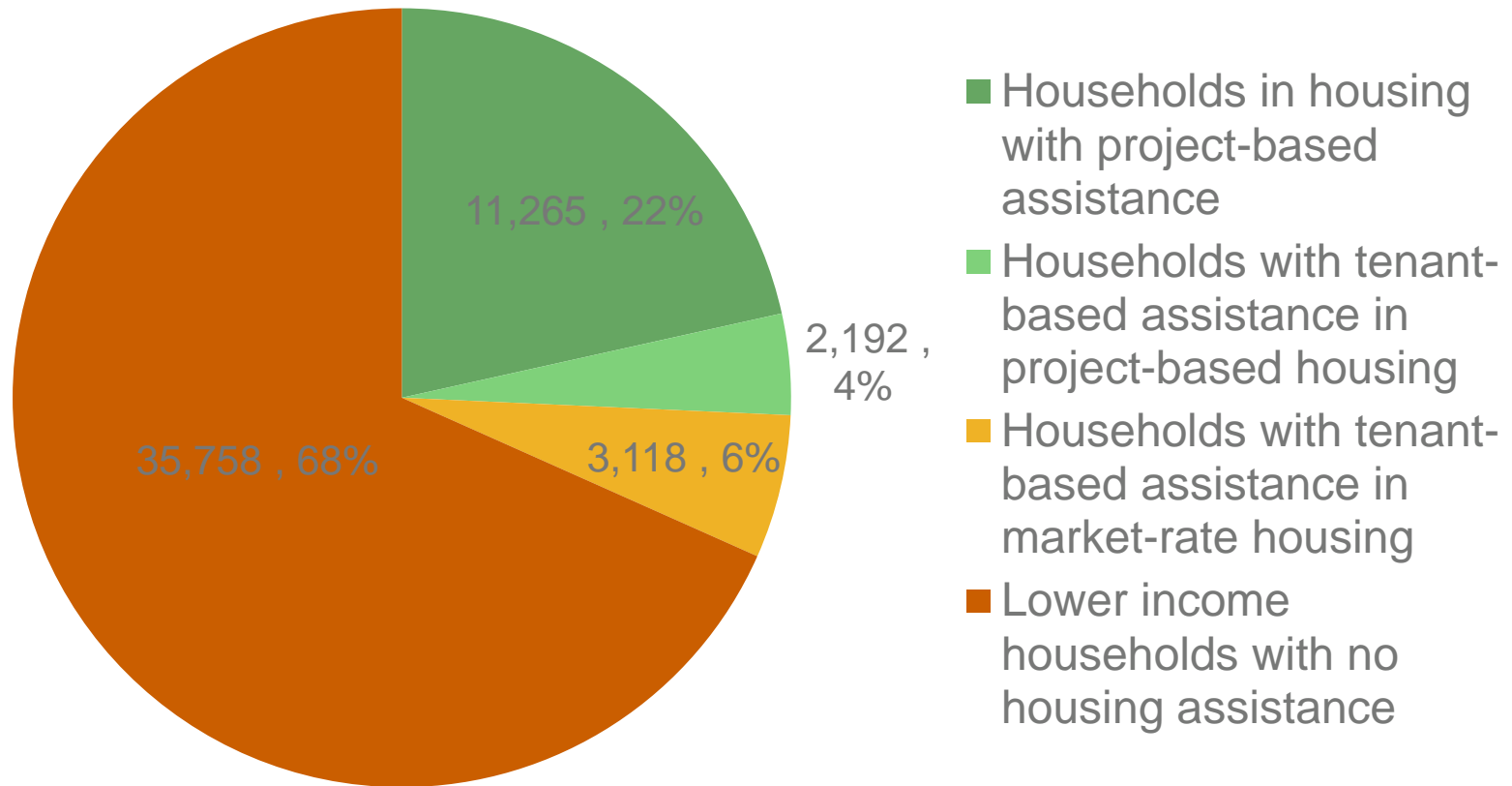
Source: [http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/son2013\\_chap6\\_housing\\_challenges.pdf](http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/son2013_chap6_housing_challenges.pdf)

# There may be 50 ways to leave your lover...

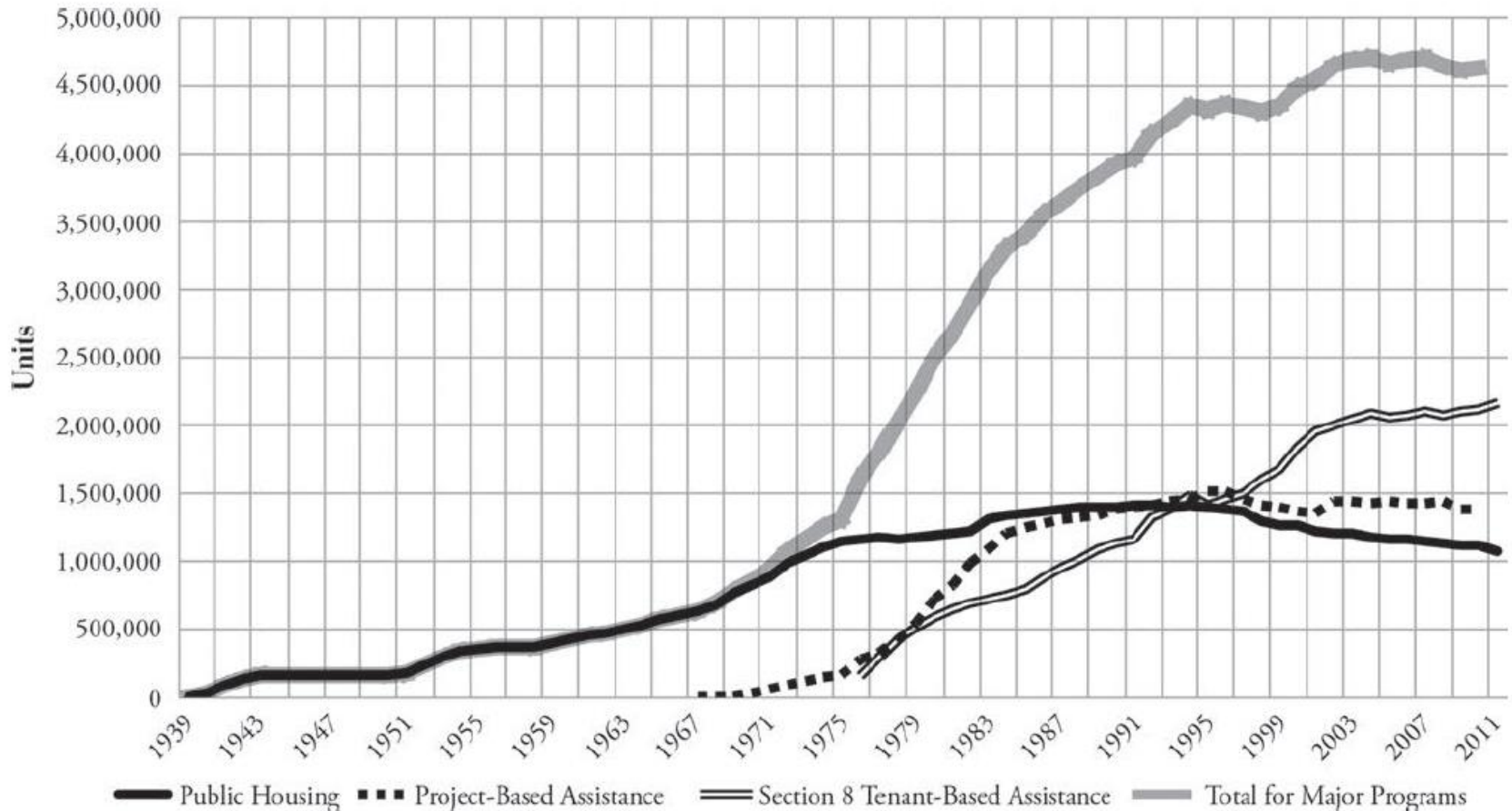
...but there are only three ways to make affordable rental housing:

- Public investment to bring down cost of construction or rehabilitation so rents can be set below market rates, but don't adjust for each household
  - Example: State and federal tax credits
- Deep rental subsidy so rents charged adjust based on each household's income
  - Examples: Public housing, "old" project based Section 8s, rental assistance programs
- Plain ol' cheap housing

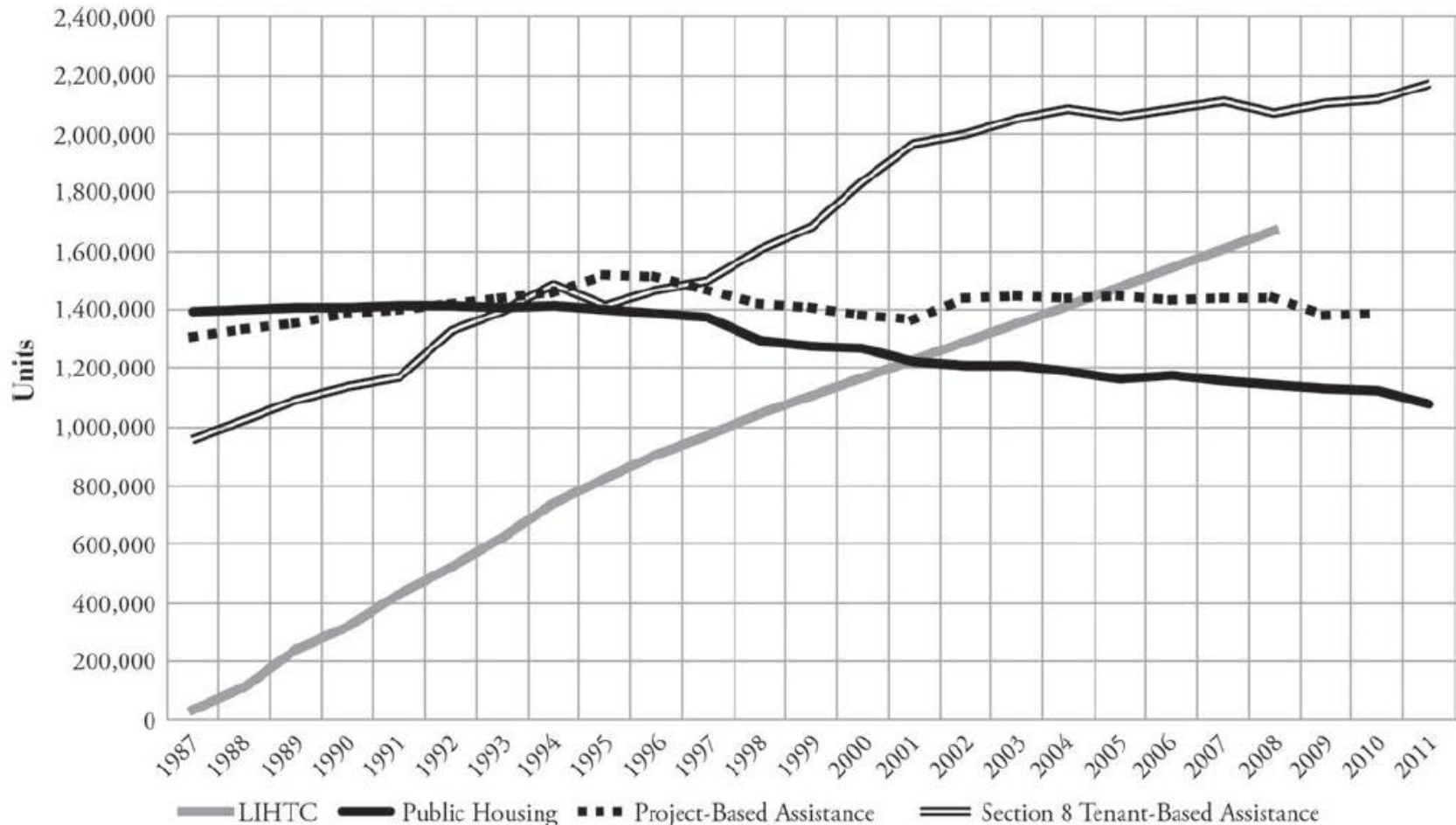
# How many lower income renters get assistance?



# History of public-private housing



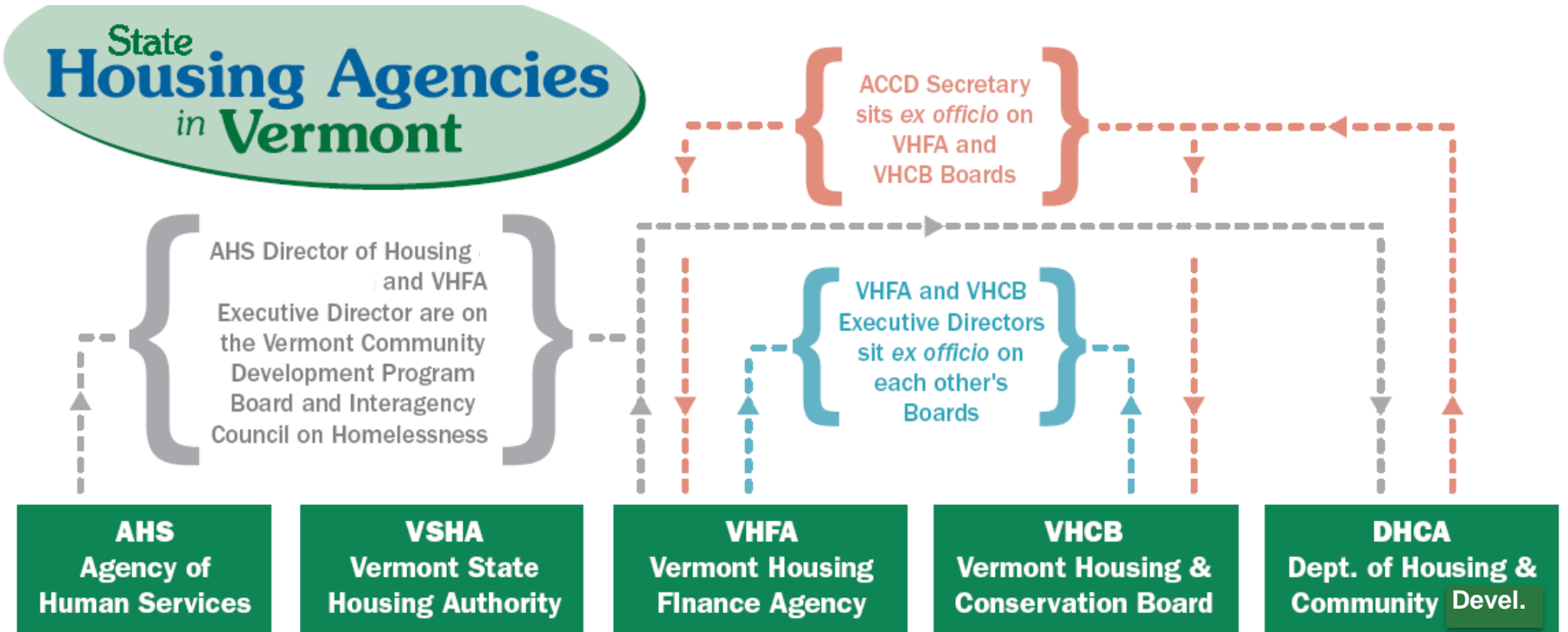
# Last 25 years of public-private housing



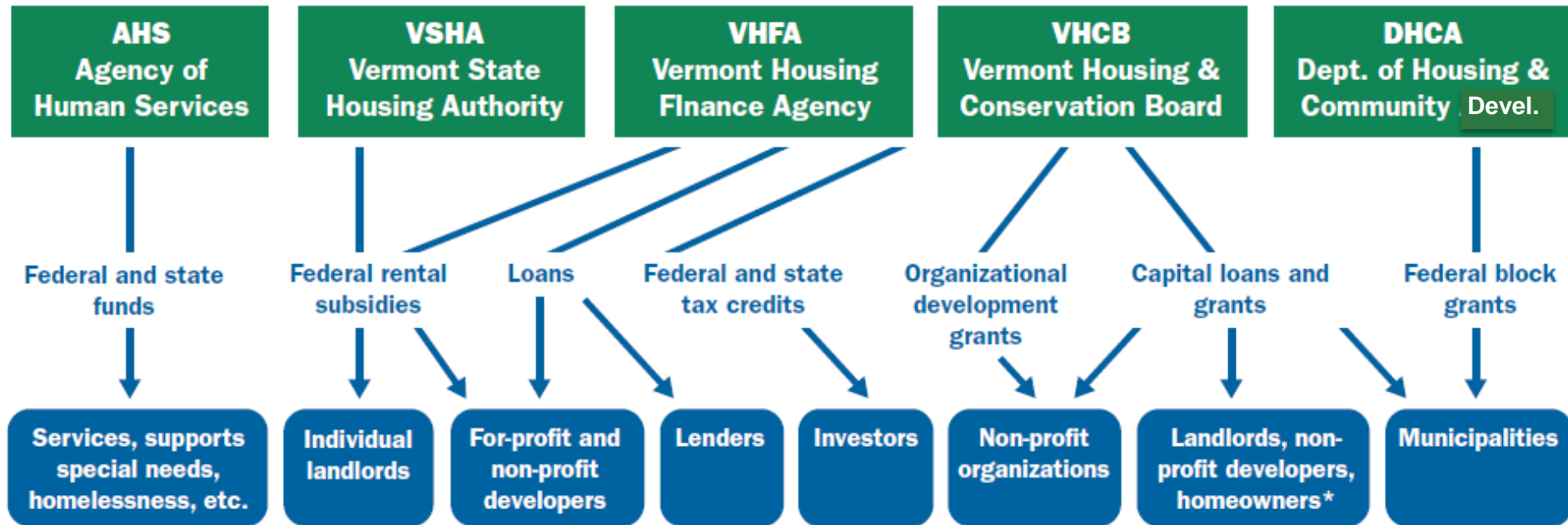
# Profile of Tax Credit residents in Vermont

- 40% are people over age 62. Average age is 55.
- Higher proportion of racial minorities (11% vs. 7% of all renters statewide)
- Median length of stay is just over 3 years.
- Median income is \$16,000
- Residents earn about 33% of the Area Median Income
- Rent charged is usually about 78% of median rent for area (average is \$800/month)
- 61% of residents receive a subsidy

# Vermont's State Housing Agencies



# How Vermont's affordable housing is funded





# How we work together

- **Planning**
  - ✓ Consolidated Plan, Housing Needs Assessment, Joint Committee on Tax Credits, Housing Council, Homeless Council, Preservation Council
- **Funding**
  - ✓ Co-fund projects, common application for multifamily developers
- **Policies**
  - ✓ Common tenant application, common design standards, energy efficiency standards
- **Project-specific opportunities**
  - ✓ MacArthur Foundation grant, Fair Market Rent survey, housing conference

# Meeting Vermont's Housing Policy Priorities

Priority	% of units	# Units
<b>Construction type</b>		
Preserved subsidized housing units (rehabilitation and/or refinancing)	65%	1,281
Rehabilitated units that were not formerly subsidized housing	12%	245
New construction	16%	323
Adaptively reused buildings	6%	124
<b>Project type</b>		
Project fixes safety and/or environmental concerns (blight and Brownfields)	2%	49
Special needs units (including accessibility or universal design)	12%	238
Downtown revitalization	3%	59
Designated Downtowns or Growth Centers	51%	994
Historic preservation (and/or also conserving some land)	24%	475
<b>Tenancy type</b>		
Mixed income developments	49%	961
Units for people earning under 30% area median income	49%	968
General occupancy (aka. family housing)	60%	1,171
Elderly housing	39%	773
<b>Additional factors</b>		
Access to public transportation	33%	641
Dense infill location or difficult site	20%	402
Energy Star or LEED certified	8%	163
Leveraging funding from outside Vermont	27%	534
Vacancy rate less than 3.5%	75%	1,478