

SEDHGA Housing Roundtable

Maura Collins Testimony, January 9, 2020

- Over the last 20 years:
 - Income has gone up just [about 2% a year](#). Same for Chittenden County as it is for the state overall.
- But Chittenden is expensive:
 - Rents have gone up [almost 5% a year](#) and
 - The median price of homes that sold is [over 6% a year](#).
- Why is this happening? I can only speak to what's behind the escalating housing costs:
 - [Supply](#): In the 1980s Vermont was increasing its housing supply by 1.8% every year. In the 1990s that dropped to 1.4%. In the first decade of the millennium it was just over a half a percent. Since 2010 it's now 0.16% annually. That's a 91% drop in what we are adding to our housing stock each year!
- So while Chittenden County's prosperity compared to rest of state is undeniable, so are its escalating costs.
- People are frustrated – I was quoted as such in the BFP yesterday.
- Charlie spoke to how many are [cost burdened](#) and feel like they don't have enough options for their housing.
 - 30% of homeowners and 51% of renters are cost burdened
- See it in comments on articles : we aren't doing enough.
- The drop off in housing construction is exacerbating what we've been seeing since the millennium: it's not just individuals being hurt. It's become so systemic that it is measurably hurting our economy. Collectively being an unaffordable state is impacting our economy:
 - Recent reports by all three rating agencies all cite Vermont's limited population and business growth as an economic factor weighing down ratings.
 - In Moody's July 2019 credit opinion that upgraded the City of Burlington's rating to Aa3, the agency explicitly connected the limiting force affordable housing plays on a strong economy.
 - Quote from that: "While the city continues to improve policies and grow the affordable housing stock it remains an ongoing challenge given current demographics." (Source: [see page 2 of my memo to Treasurer Pearce](#))
- Appreciate Tom's comment about diversity and inclusivity. Vermont is 95% white, but Chittenden County is far more diverse. This is where the growth is. And having Vermont be more welcoming in all ways, including affordability, is how we can change this demographic future for Vermont.
- Several recent rating agency reports suggest that big investments in affordable housing can be highly supportive to improving or strengthening a state's rating.
 - Cite: California, other big cities with unaffordable housing. (Source: [See my memo to Treasurer Pearce](#).)
- If we had adequate affordable housing and in-migration created by the availability of affordable housing would be expected to be a credit positive for the state.
- This Senate Committee asked the State Treasurer to study how the state could build 1,000 units over the next 5 years. If this came to be it means that **each year** for the next 5 Vermont could expect:
 - Over \$23 million in local income;
 - 322 local jobs supported each year;
 - \$4.4 million in taxes and revenues for government.(Source: [ourhomes-ourvoices.org](#) report for 100 homes, which I x 10 to get to 1,000 homes and / 5 for 5 years.)
- So if the state was able to dramatically increase its investment in housing, we could ensure that the decade we just began reverses the curve of lower supply and we can get back to creating more homes each year.
- We were proud to issue the state's last housing bond –a great partnership with the Treasurer's Office, VHCB who administers the funds, the Governor, and the legislature who crafted the language. It also involved the investors of that bond – VSECU and People's United Bank were 2 major local investors, and then its success is credited to the housing developers who turned that investment into hundreds of homes across the state.
- A large investment and continued support for affordable housing will help not only the residents of the housing but the economy overall.