

FINAL: Chittenden County Housing Needs Assessment

On January 25, 2012 the Steering Committee accepted these Analysis Reports with the understanding that as a part of the final ECOS product they remain open for amendment until the whole product is finalized.

1/25/2012

An ECOS Analysis Report

Chittenden County's housing stock is dominated by older owner occupied homes. Its largely white population is becoming older, its households are becoming smaller, and the small number of non-white residents is growing. These demographic shifts, coupled with a rising demand for rental housing, new options for improving home energy efficiency and a growing urgency to address housing and transportation cost burdens among residents create a unique opportunity for the region. Planning today can help this become a region in which housing is fair, and residential buildings and neighborhoods are located and designed with the health of occupants and the sustainability of the greater community in mind.



ENVIRONMENT | COMMUNITY | OPPORTUNITY | SUSTAINABILITY
A SUSTAINABLE FUTURE FOR CHITTENDEN COUNTY

FINAL DRAFT: Chittenden County Housing Needs Assessment

AN ECOS ANALYSIS REPORT

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HIGHLIGHTS

Chittenden County's housing stock is dominated by older, owner occupied homes. Its largely White population is becoming older, its households are becoming smaller, and the small number of non-White residents is growing. These demographic shifts, coupled with a rising demand for rental housing, new options for improving home energy efficiency and a growing urgency to address housing and transportation cost burdens among residents create a unique opportunity for the region. Planning today can help this become a region in which housing and associated costs are affordable, access to housing is fair, and residential buildings and neighborhoods are located and designed with the health of occupants and the sustainability of the greater community in mind.

Opportunities exist both to improve the housing conditions of today's Chittenden County residents and to guide future development in a way that improves long run sustainability. Housing issues were consistently noted by surveyed area employers as a serious problem. Recent data illustrate the following specific serious needs among some of the county's residents:

- Approximately 500 people in Chittenden County were homeless during the January 2011 one-night count, clearly demonstrating gaps in the spectrum of housing options and services that would have kept these people housed.
- Some Chittenden County residents do not have equal access to housing opportunities in Chittenden County. The county's growing population of non-White residents, residents with disabilities, and single-parent families are more likely to experience poverty and less likely to become homeowners than other types of households. The availability of sufficient housing options for all residents, regardless of their race, disability status, or membership in other protected classes, ensures that residents have an opportunity to reach their potential as contributing community members.
- Approximately 4,000 owner households and 6,000 renter households living in Chittenden County pay more than half of their incomes for housing expenses. Given the severe strain this places on a household's budget, these households are at much higher risk of foreclosure, eviction, homelessness, and frequent moving—all of which harm residents and the community.
- Nearly 60% of the county's housing stock was built before 1980—when lead-based paint was widely used, most home insulating, heating and energy technology was inefficient, and building and accessibility codes did not yet accommodate all types of residents. If not properly maintained or retrofitted to meet the needs of current residents, this older portion of the housing stock, may threaten residents' health, especially among the county's growing population of elderly residents and among lower income residents with limited capacity to make repairs or improvements.
- More than 11% of Chittenden County residents commute 25 or more miles to work—with potential adverse effects on both the health of the driver and the environment. In addition, with the exception of some neighborhoods in Burlington and Winooski and a few other blocks in the county, the vast majority of the county's working residents pay more than 45% of their income for the combined cost of housing and transportation.

- The county's population is expected to continue growing, albeit at a slower pace than in the past decade. Between 2010 and 2015, demand for additional owner homes is likely to be lower than prior levels of home building in the county. However, the number of renter homes needed will require an increased pace. Tools to ensure adequate housing supply for renters include renovation and conversion of existing buildings as well as new construction.

The ECOS project provides Chittenden County with a rare opportunity to consider the broad context surrounding housing needs of its current and future residents. There are clear connections between housing and public health, economic competitiveness, energy needs, and the future of the county's natural resources. The ECOS project analysis reports on these additional topics demonstrate this interdependency. By casting a wider net and examining the full range of effects of municipal policy decisions and actions and the context in which they are being made, housing needs can be addressed in a way that best promotes the long-run sustainability of the region.

INTRODUCTION

The ECOS Project Steering Committee is a broadly-based 60+ member partnership committed to implementing strategies to improve Chittenden County's long-term sustainability: economically, environmentally and socially. The Steering Committee has committed to a five-phase project:

1. Adopt common goal statements
2. Analyze reports regarding economic development, housing, energy, land use and transportation, natural resources and health/human services/education
3. Develop indicators tied to the goal statements
4. Prioritize implementation actions for the next five, ten and twenty years
5. Invest in high priority implementation actions.

The results will inform regional, municipal and other plans as they are updated. This report is part of ECOS' Phase Two.

This report was prepared by Vermont Housing Finance Agency (VHFA) for the Chittenden County Regional Planning Commission—a recipient of a U.S. Department of Housing and Urban Development (HUD) Regional Sustainability Grant who is using this grant to conduct the ECOS project. The scope of work for this analysis was proposed by VHFA, and then refined over the course of two meetings with key stakeholders of housing developers, government housing funding agencies, and non-housing partners such as transportation, energy, planning and business professionals. It was further refined based on HUD input and guidance.

This housing analysis report estimates current housing needs in Chittenden County and projects trends for the next five years, examining housing issues in the following four areas:

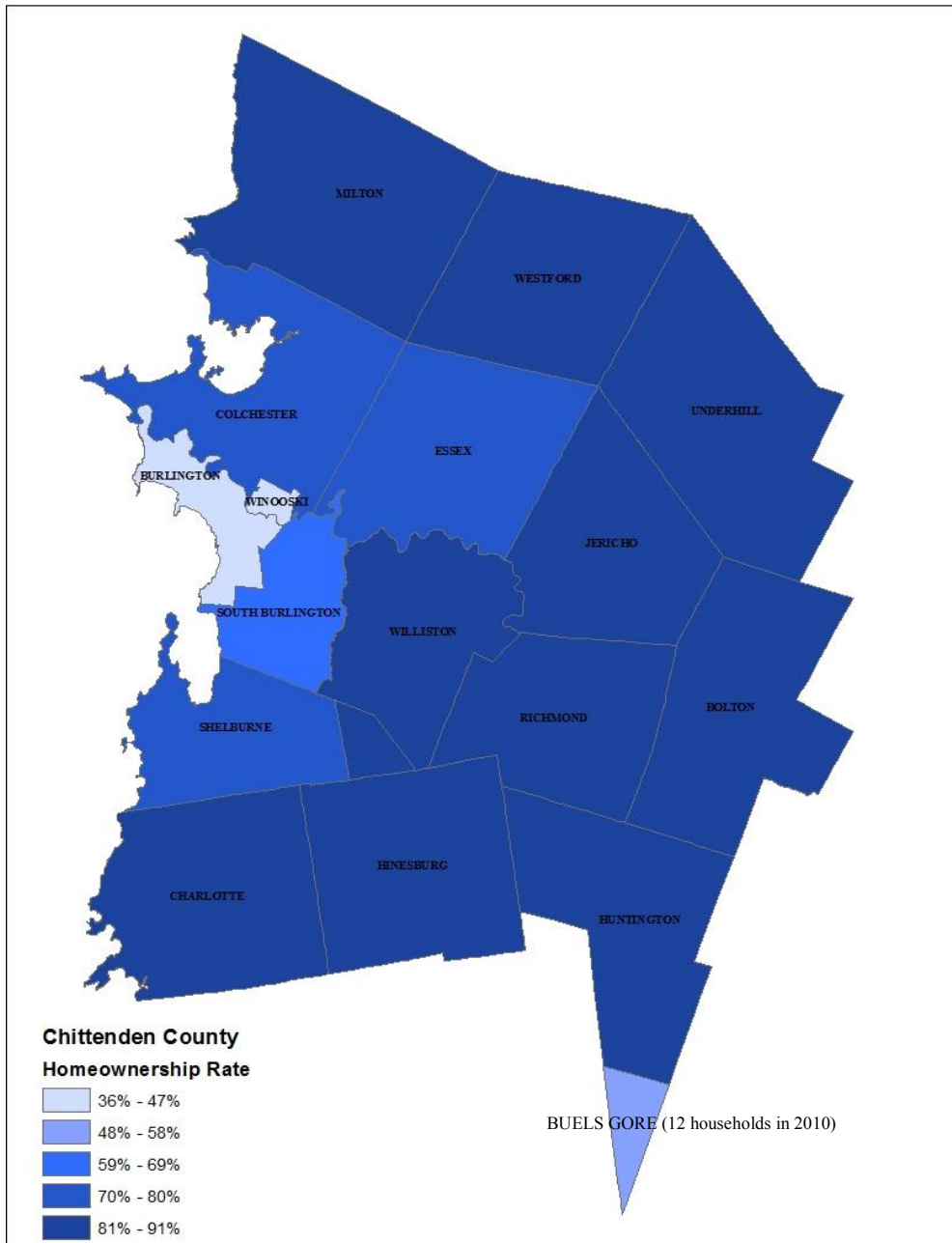
- Housing choice fairness
- Affordability of housing options
- Characteristics and location of housing stock
- Growth of the housing stock

Although a range of national and state data sources were used to conduct the analyses described here, most information came from the Census 2010 for Chittenden County, Summary File 1. Unless otherwise noted, this is the source of all statistics presented throughout this report.

BACKGROUND

Chittenden County is the home of approximately 62,000 households, 24% of all households in Vermont. Two-thirds of the county's households own their home, and the other third rent.

The county's homeownership rate is lower than the state rate of 71%, although the range within the county is extreme, from 36% in Winooski to 91% in Underhill. It's much more likely for the outer ring of towns to have higher homeownership rates (above 80%) than the "inner city" areas of Burlington and Winooski.

Figure 1. Chittenden County homeownership rate, 2010

Source: Census 2010, Summary File 1.

The median income among Chittenden County households is approximately \$60,000. About 14% (over 8,000 households) of the county's households earn less than \$20,000 annually and 41% (about 24,000 households) earn \$50,000 or less.

Renters have lower incomes on average than homeowners. A full 30% of Chittenden County's renters earn less than \$20,000, compared to just 6% of households who own their home. Three-

quarters of the county's renter households earn under \$50,000 compared to one-quarter of owners.¹

HOUSING CHOICE FAIRNESS

All Chittenden County residents deserve fair and equal access to housing, regardless of their membership in a protected class and should not face discrimination based on prohibited basis under the Fair Housing Act and related law. In addition, fair housing laws require assuring that municipal policies and planning do not foster discrimination.

Impediments to fair housing choice are defined by the federal government as any actions, omissions, or decisions that restrict, or have the effect of restricting, the availability of housing choices, based on membership in a protected class.

There are seven federally protected classes and five additional classes added by the State of Vermont.

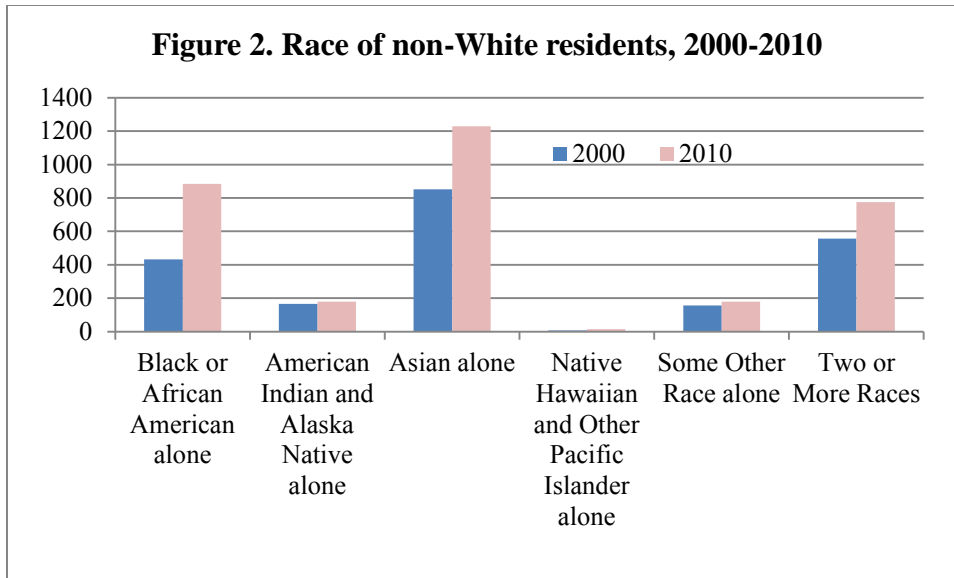
Federally protected classes	Additional classes protected by the State of Vermont
Disability	Age
Familial status	Gender identity
National origin	Marital status
Race	Receipt of public assistance
Color	Sexual orientation
Religion	
Sex	

Although having a low income does not alone place a household in a federally protected class, receipt of public assistance is a class protected by Vermont state law. Furthermore, it has become increasingly recognized that integrating people of all ages, incomes, races, and ethnicities provides one of the most effective paths to sustainability.²

Ensuring equitable housing choices helps communities thrive. Residents with fair access to decent, safe housing in locations conducive to employment and services are more likely to reach their potential in becoming successful learners, employees or business owners, and contributors to the sustainability of their communities.

Race and ethnicity

Although 95% of Chittenden County households are headed by someone who identified themselves as being White alone (i.e. not as any other racial group), the number of householders associating themselves with a race besides White increased dramatically between 2000 and 2010. The number of these households increased by 50%--far more than the 8% increase in householders identifying themselves as White alone.

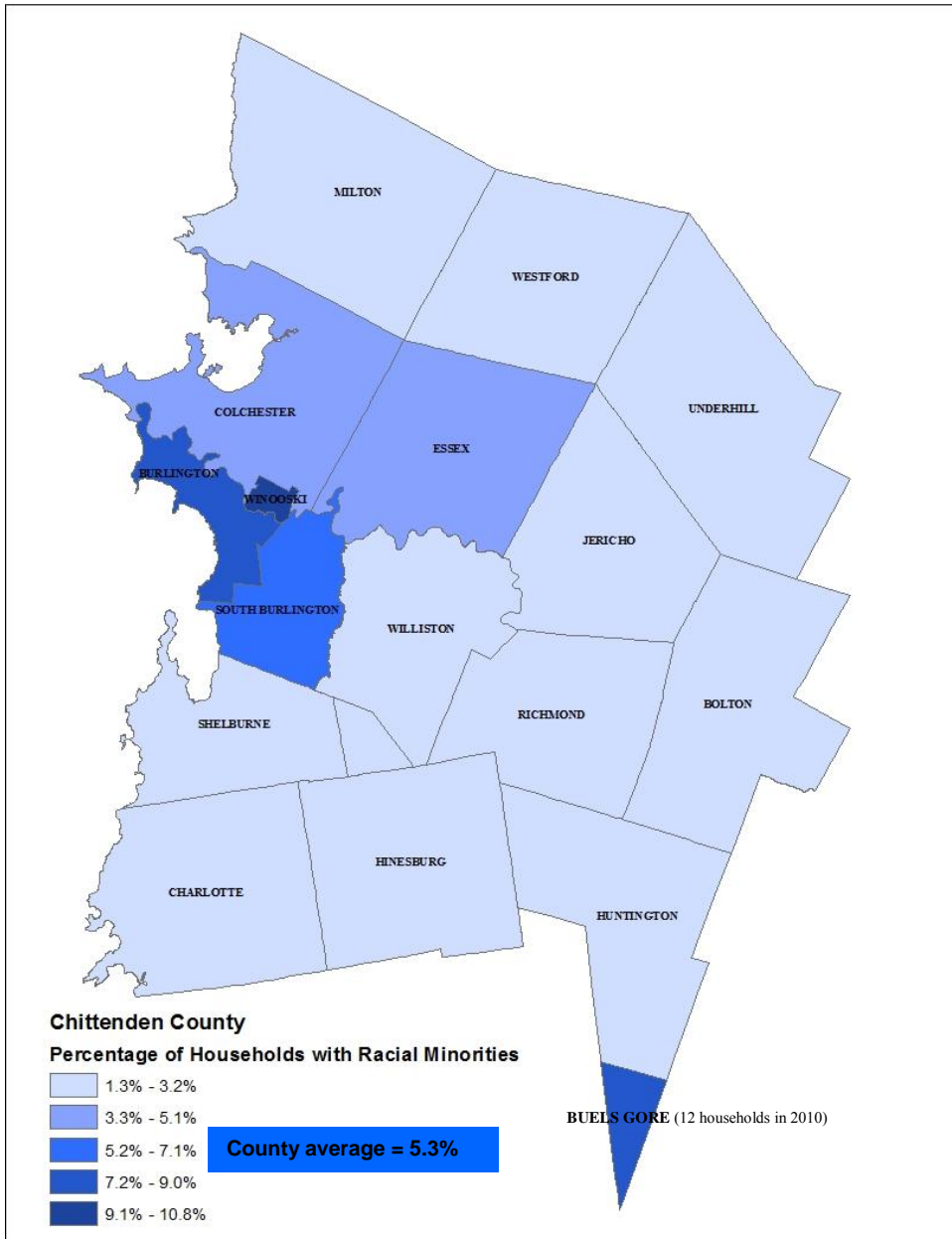


Source: Census 2010, Summary File 1.

The communities who gained at least 100 households headed by someone who was not White alone are Burlington, South Burlington, Winooski, and Essex. A total of 1,089 additional non-White households located in Chittenden County between 2000 and 2010.

The county's non-White households are more likely to live in Burlington and the immediately surrounding towns of Winooski, South Burlington, Colchester, and Essex than they are to live in the outlying towns.

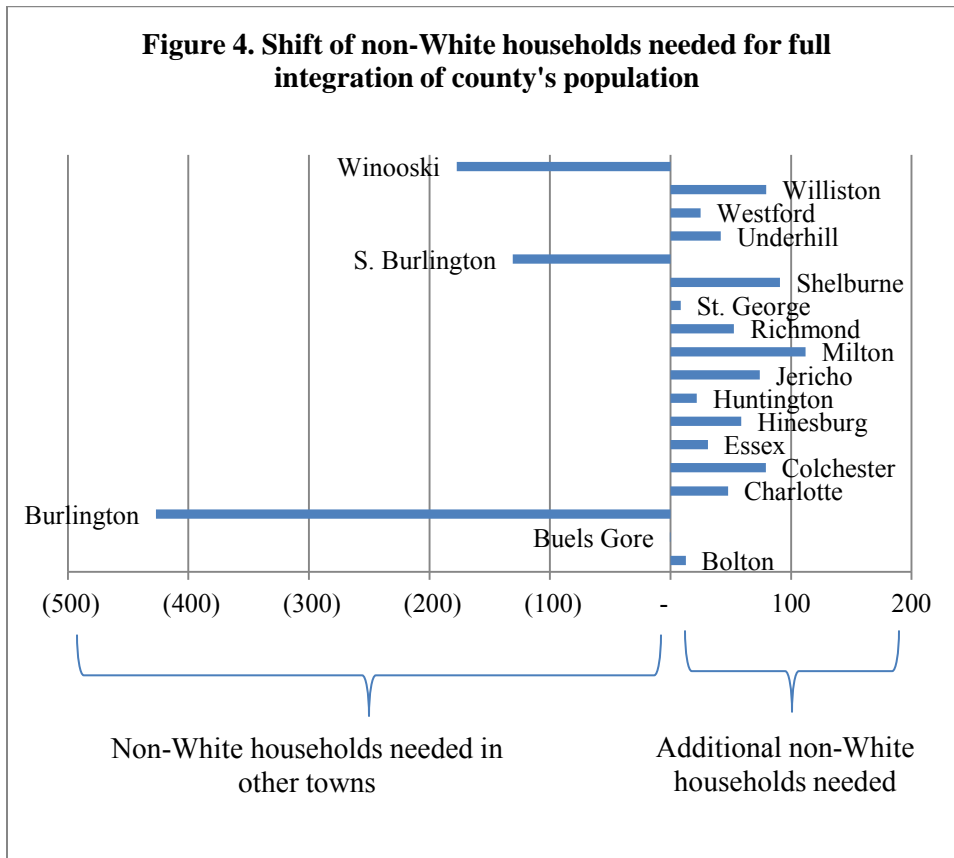
Figure 3. Non-White Chittenden County households, as a percentage of all households, by town, 2010



Source: Census 2010, Summary File 1.

Residential segregation is a measure of the degree of separation of groups living in the county. A lack of integration limits housing opportunities and creates economic and societal problems which hamper regional sustainability such as reinforcing prejudicial attitude, narrowing opportunities for interaction, and concentrating the incidence of poverty and other social problems.

For the entire population of Chittenden County to be fully integrated, 735 households (1.2% of all households in the county) would need to shift to a different town within the county. If 735 households who were non-White from Winooski, Burlington, and South Burlington moved into the county's other towns, and 735 White alone households moved from these outer towns into the cities of Winooski, Burlington, and South Burlington, then non-White households would comprise the same portion of each town in the county (5.3%).



Source: VHFA analysis of data from Census 2010, Summary File 1.

Income

Reflecting a national pattern, households in Chittenden County headed by someone who is African-American have a lower median income (\$40,865) than households headed by someone who is White alone (\$60,297).³ Insufficient income directly restricts a household's housing choices by making many options unaffordable.

Figure 5: Race of Household Head

Race of Household Head	Median Income	Margin of Error
White	60,297	+/- 1,376
African-American	40,865	+/- 5,687
Asian	54,417	+/- 10,580
Two or more races	52,358	+/- 12,820

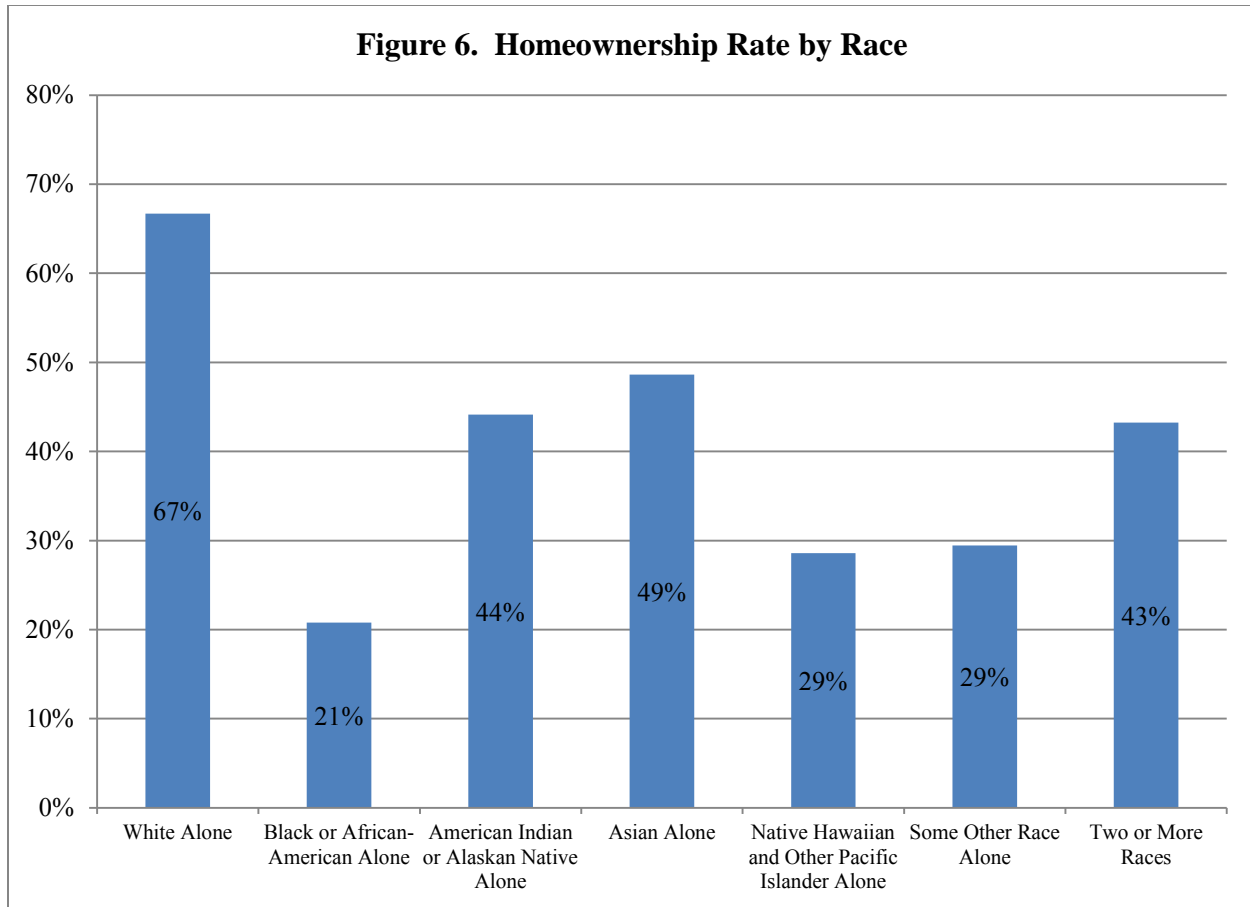
Source: U.S. Census Bureau, American Community Survey, 2005-2009.

African-American households are disproportionately represented among county households earning \$50,000 or less. Although 41% of all county households earn \$50,000 or less, the percentage of households headed by someone who is African-American in this income range is much higher—62%.⁴

Other types of minority households, including Asian households and households headed by someone who is two or more races had median incomes that are not significantly different from other households. However, the county's non-White households (23%) are more likely to be living in poverty when compared to White households (10%).⁵

Homeownership

Non-White Chittenden County households are less likely to be homeowners than are White households. This ongoing discrepancy indicates an impediment to fair housing choice, which has also been documented in the both the state of Vermont's 2011 Analysis of Impediments to Fair Housing Choice and the City of Burlington's 2010 Analysis of Impediments to Fair Housing Choice.⁶



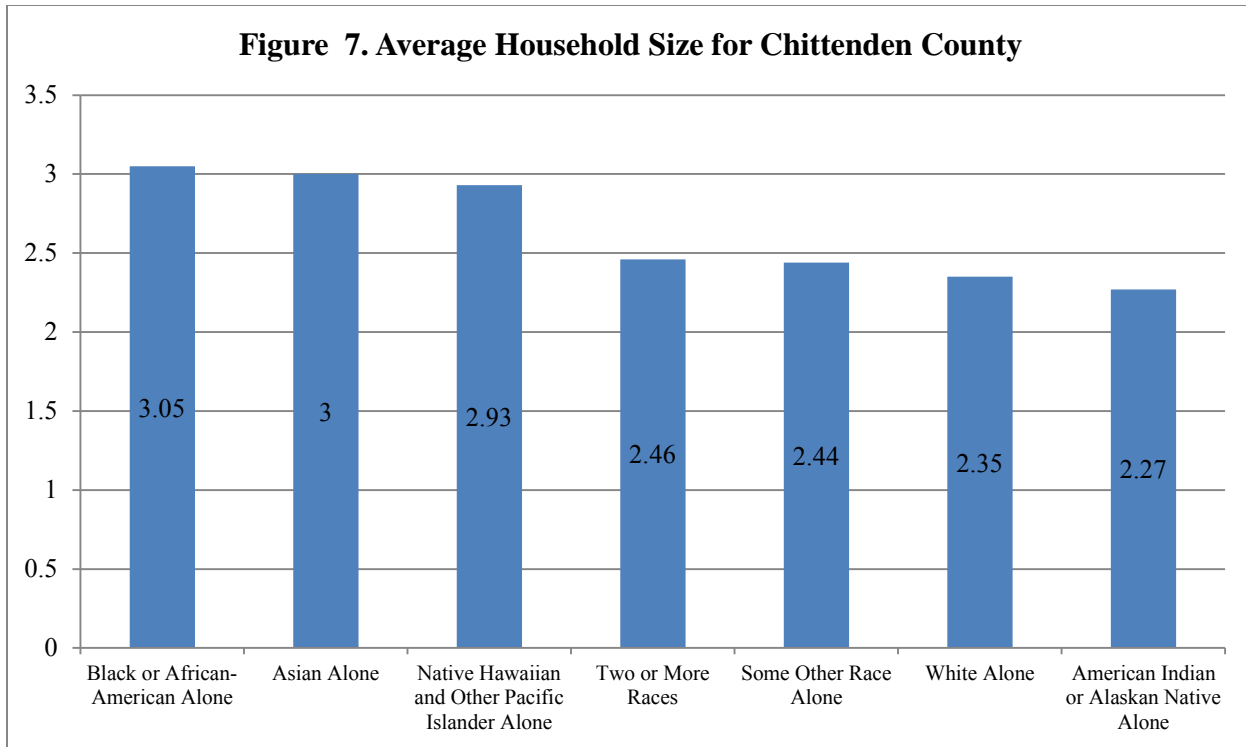
Source: Census 2010, Summary File 1.

Federal and state laws prohibit discrimination in the financing and lending practices involved in real estate transactions. Based on comparisons to White applicants, Chittenden County applicants for home purchase and refinancing loans who were not White alone in 2008-2010 had higher denial rates (27% vs. 19%) and lower origination rates (64% vs. 71%).⁷

Unfortunately, available data does not allow distinguishing the effects of race and income on homeownership and mortgage lending. Since non-White county residents have lower incomes on average than White residents, it is possible that differences in financial conditions are playing a role in the likelihood of buying or refinancing a home.

Household size

White households are smaller on average than households headed by racial minorities, while Black or African-American households are among the largest. This is not a unique finding for Vermont or the nation as a whole; although in Chittenden County as described below it could be partially attributed to the influence of some non-White refugee households who have settled in the region.



Source: Census 2010, Summary File 1.

Refugee Households

The Vermont Refugee Resettlement Program (VRRP) is a local field office for the U.S. Committee on Refugees and Immigrants. Since 1980, VRRP has served as Vermont's only resettlement program. In this role, the organization has helped thousands of refugee families resettle in Chittenden County and the surrounding area.

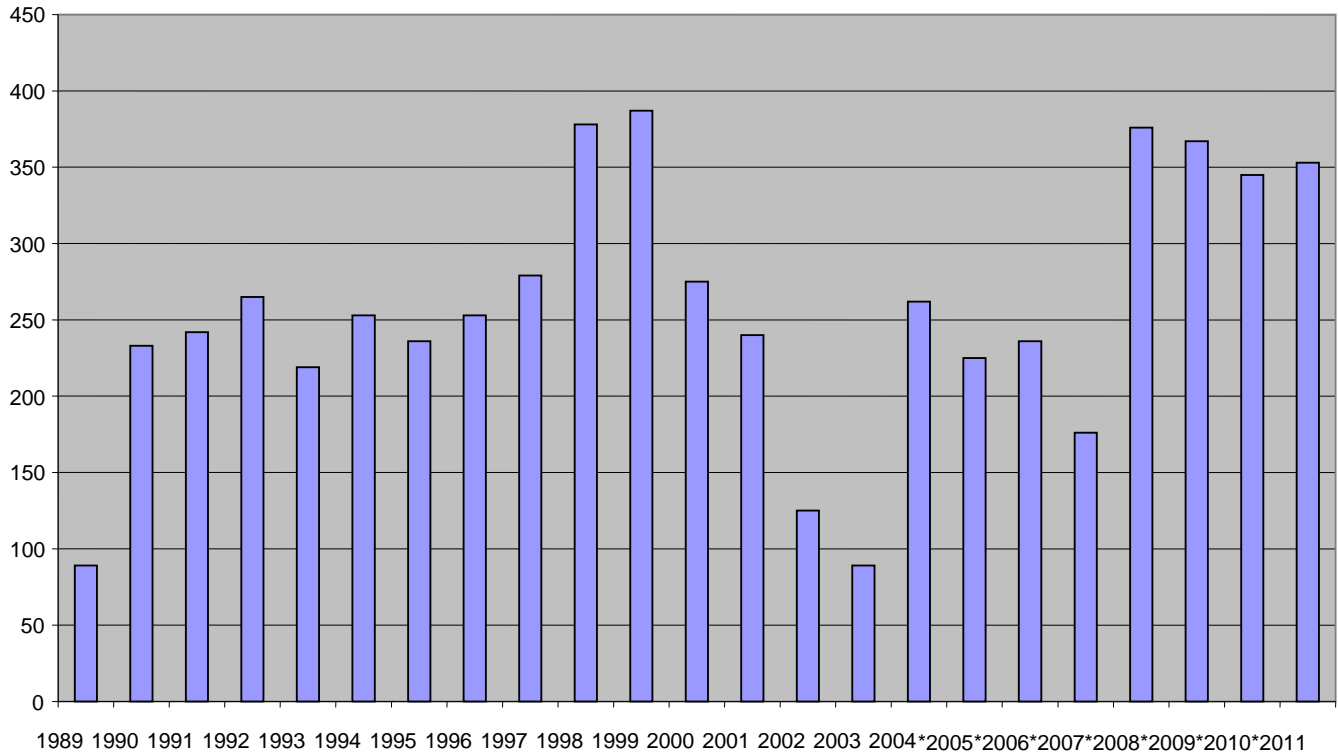
Reliable data on the number of refugees entering Vermont each year starts with 1989 when 36 Vietnamese and 53 people from other cultures were resettled here. In most cases, refugees sent to the United States have spent years (or even decades) in refugee camps near their country of origin. Upon arrival in the United States, refugees are provided with eight months of housing and direct services from VRRP staff and volunteers. Most refugees also qualify for state and federal support such as Section 8 Housing Vouchers, WIC, Three Squares Vermont and Temporary Assistance for Needy Families. A case worker from the Vermont Department of Children and Families' Economic Services Division is stationed at VRRP to address the specific needs of the refugee community.

Beyond the eight month transition period VRRP continues to offer refugees English language training and employment search & retention services. They also provide support groups for young refugees as well as offering professional translating services in twenty five languages.

Since 1989 over 5,500 refugees have entered Vermont from their nation of origin. An additional 400 have migrated here from other areas in the U.S. or have entered Vermont as asylees. While most early refugees were from Vietnam, the mix of nations represented has changed over time.

Starting in 1993, a substantial population of Bosnian residents began entering the US after fleeing the civil war in the former Yugoslavia. In total, over 1,700 Bosnians entered Vermont through VRRP between 1993 and 2004. Since that time, the largest refugee populations have come from Bhutan (771), Somalia (602), Congo (228) and Burma (207). Other nations represented in Vermont's refugee population include (but are not limited to) Azerbaijan, Kosovo, Iraq, Rwanda, Burundi, Togo and Burma.

Figure 8. Vermont refugees admitted by year
(*includes in-migrants from and asylees)



Source: Vermont Agency of Human Services, Vermont State Refugee Coordinator.

Most of these families have resettled in Burlington and Winooski. Contrary to the ongoing decline in household size throughout the county, families from many refugee areas are large and extended families tend to live together. This creates a pressing need for the limited rental housing containing three or more bedrooms outside of college campus areas.

Minority college students

As the county's largest institution of higher learning, the University of Vermont (UVM) has a growing number of students, faculty, and other staff who identify themselves as members of minority racial or ethnic groups. At the start of the 2009 academic year, then president of UVM, Daniel Fogel, touted that "1,132 ALANA [African, Latino, Asian, and Native American] students enrolled this fall, an 18 percent increase over last year. That gain is, in large part, due to a more than 50 percent increase in first-time, first-year ALANA students, making the Class of 2013 the most diverse in UVM history."⁸

As UVM's student body becomes more diverse, the number of racial minorities seeking rental housing in Burlington will grow unless the pace of on-campus housing development accelerates. Despite small gains in the number of on-campus housing options, increased enrollments during the past decade have prompted the number of students living off-campus to grow by approximately 40% to an estimated 6,400.⁹ According to Allen & Brooks' Residential Report for March 2011, UVM and Champlain College together will provide over 1,000 new student housing beds by fall 2012, reducing the number of students living off campus.¹⁰ The University of Vermont is also currently undergoing a major study of its residential housing needs for current enrollment and expected growth. The outcome of that analysis will be important for the cities of Burlington and Winooski, as well as immediately surrounding neighborhoods.

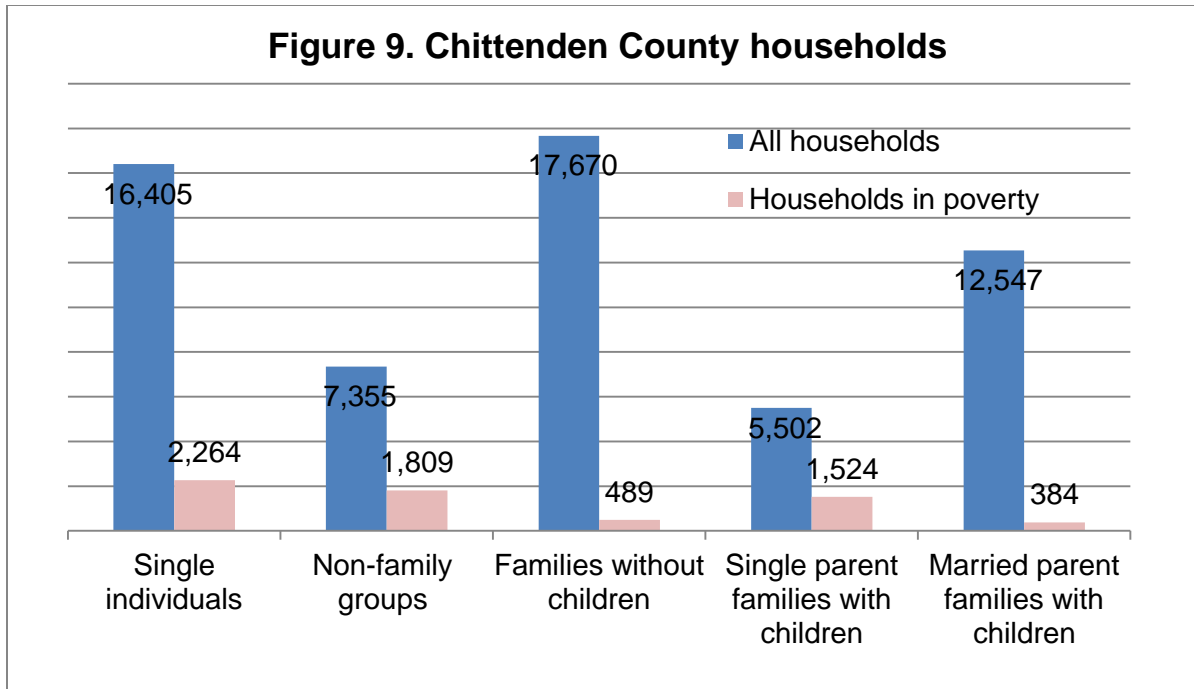
Types of families and households

Fair housing laws protect county residents from actions or policies that limit their housing choices due to the presence of children or marital status.

More than half of the households living in Burlington (59%) and Winooski (54%) are not families (i.e. singles and non-related adults). 28% of the county's households are people who are living alone, and again it's Burlington and Winooski that exceed the county average, at 36% and 37%, respectively. Underhill (14%), Jericho (16%), Westford and Charlotte (both 17%) are at the other end of the spectrum with the smallest proportion of singles living alone.

On average, more "family" households own their home than "non-family" households. 72% of the county's homeowners are families and 66% of renters were non-families in 2010. Exceptions are Burlington, Winooski and South Burlington, where it's somewhat more common for non-family households to be homeowners than the county-wide average.

Chittenden County households living in poverty are more likely to be single adults (with and without children) and non-family groups than other household types.¹¹ Single-parent families with children have the greatest likelihood of living in poverty (28% of these families live in poverty—a higher percentage than for any other household type).

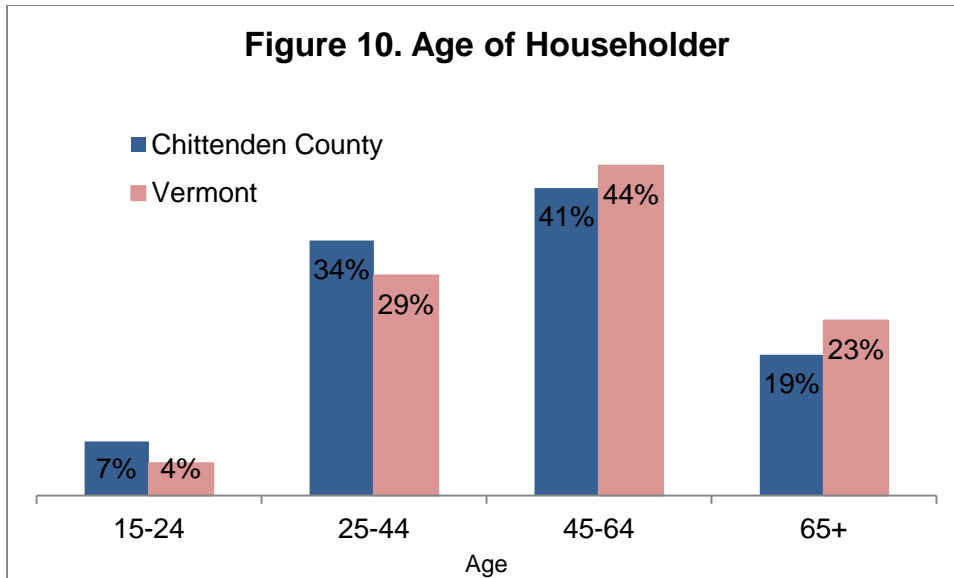


Source: U.S. Census Bureau, American Community Survey, 2005-2009.

Age of county residents

Promoting fair and affordable housing for elders, including low-income elders who rely on public assistance, will be a major challenge in the coming years, as the baby boom generation ages and the number of elderly residents increases.

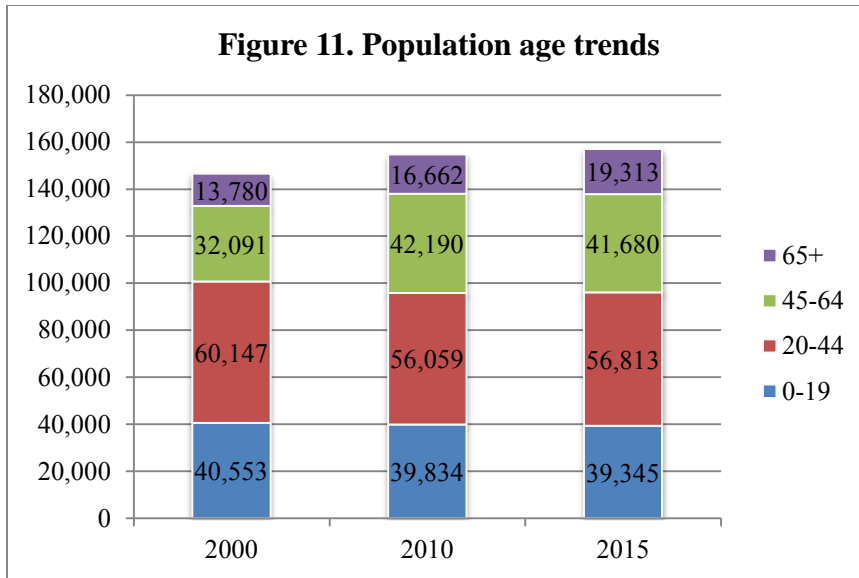
The age of Chittenden County's population is somewhat unique, when compared to other Vermont counties, due primarily to the prevalence of young people and students. More households in Chittenden County are headed by someone who is younger than 45 and fewer are headed by someone aged 45 and older, when compared to the state as a whole.



Source: Census 2010, Summary File 1.

Despite the county's relatively youthful population, it will experience the same aging trend occurring statewide and throughout the U.S. In 2010, Vermont was ranked 11th in the U.S. for having the highest proportion of people aged 65 and older (14.3%). By 2030, the state's proportion is expected to continue to rise to 24.4%.¹²

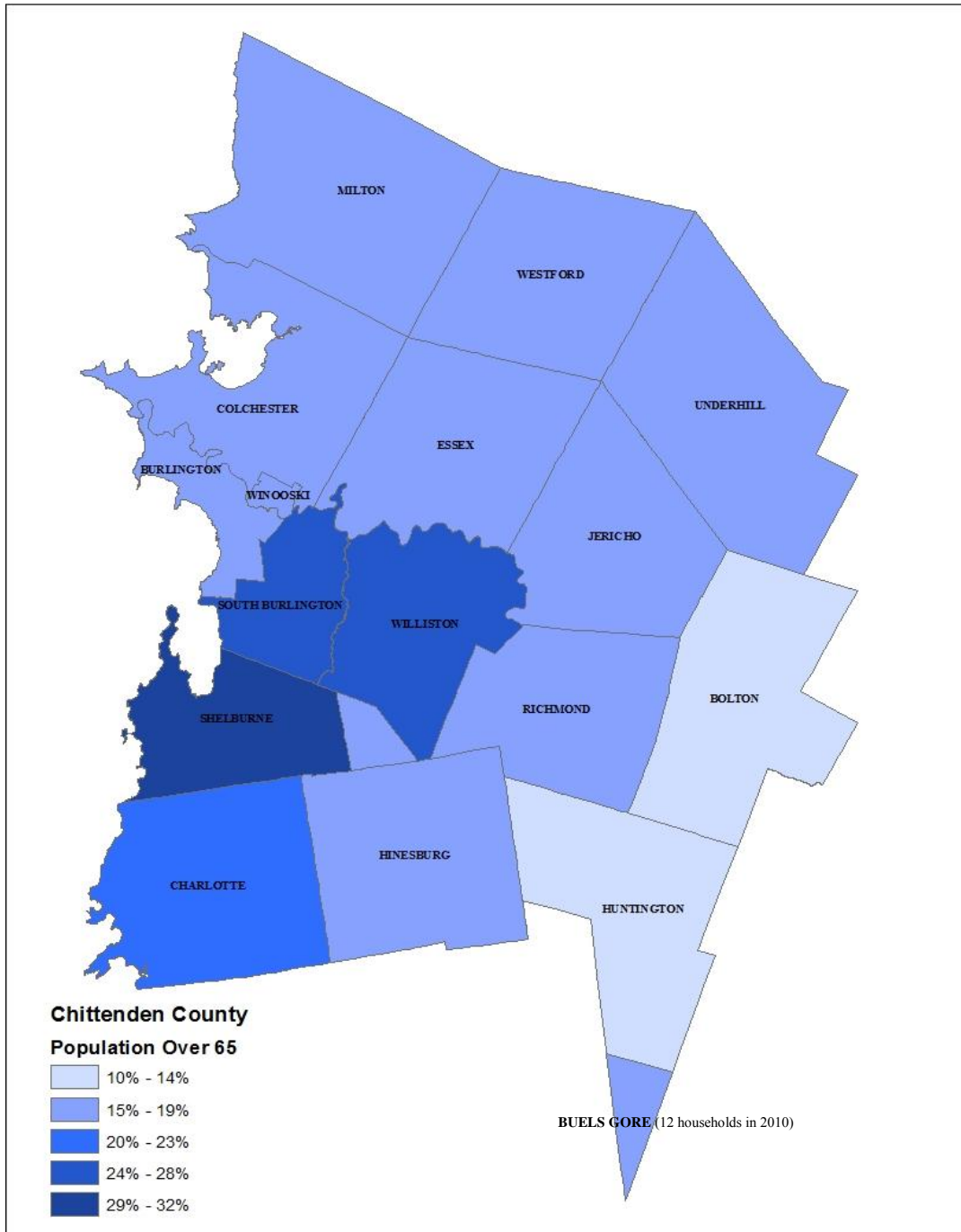
In fact, the segment of the county's population aged 65 and older is the only segment expected to grow between 2010 and 2015, both in terms of the number of people in this age group and in terms of the portion this age group comprises of the total population. This means that all of the county's growth during these years will be due to its older residents.



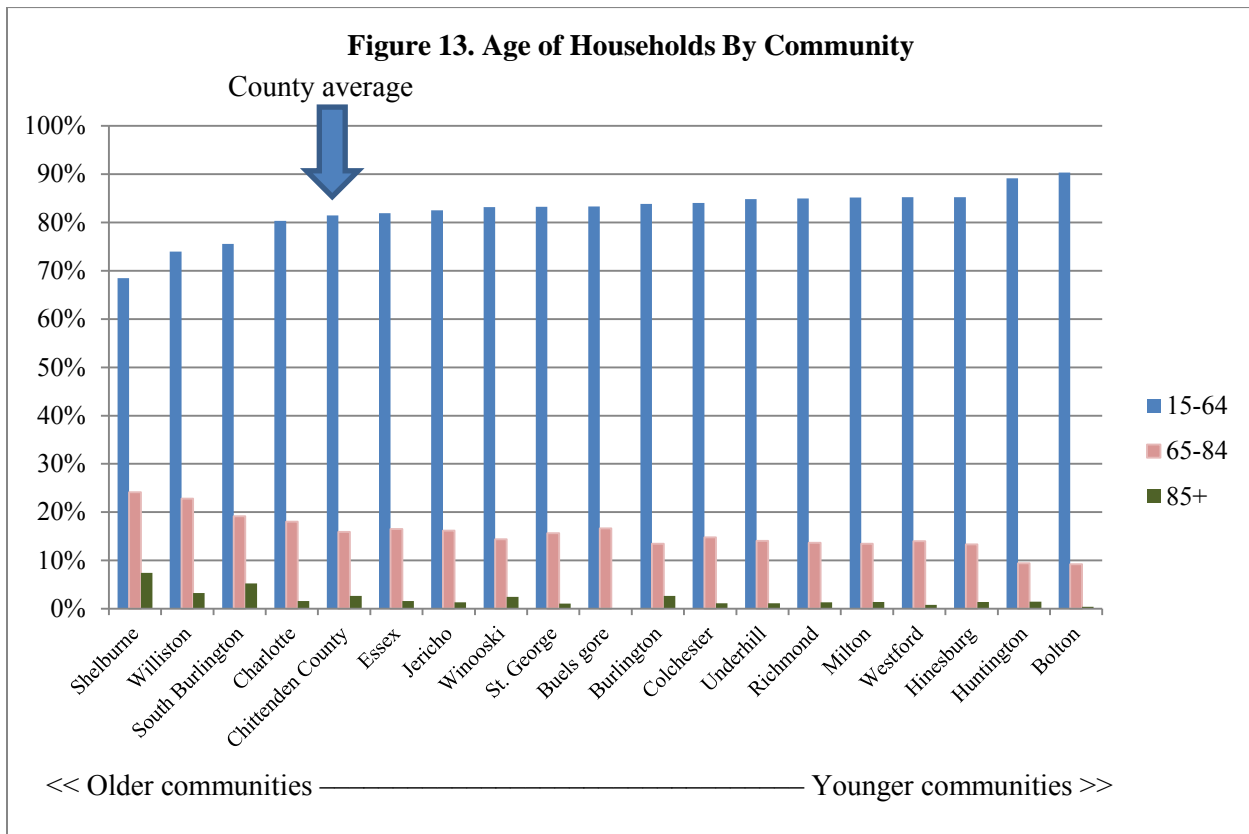
Source: ESRI's Community Analyst estimates.¹³

Chittenden County's oldest communities are the southern/western towns of Shelburne, Williston, South Burlington and Charlotte. This is not surprising because Shelburne, Williston, and South Burlington have built housing targeted to seniors. Some of the youngest towns in the county are those that are farther from the Burlington core such as Hinesburg, Huntington and Bolton.¹⁴

Figure 12. Senior Chittenden County householders (aged 65+), as a percentage of all households by town



Source: Census 2010, Summary File 1.



Source: Census 2010, Summary File 1.

Older households are often considered more stable and less likely to move. However, among older households it is the very elderly households aged 85+ who are the most likely to move. Amazingly, Vermont has seen a 23% increase in in-migrants from other states of households aged 85 and older. By comparison, New England's rate overall is just 6.5% of in-migrants aged over 85.¹⁵

Burlington and South Burlington each house 26% of all of the county's 85+ year old households, which means that more than half of the county's oldest households are concentrated in these two communities.

People with disabilities

Equitable and fair housing choice ensures physical accessibility of individual homes and accessibility of services for all residents regardless of individual disabilities.

About 14,000 people in Chittenden County were identified as disabled in 2010. The majority of these were adults, and the likelihood of a disability increased with age. Although just under 3% of children were disabled, more than half of people aged 75+ were disabled.

The most common type of disability for adults is a physical one. This is true both of working age adults and seniors over 65. This type of disability likely impacts the type of housing and physical accessibility features needed by these households.

Also, the income of people with disabilities is far below the general population, reducing their ability to afford housing and further limiting their housing choices. In 2010, over 4,000 working age adults had a cognitive disability, limiting their ability earn a living sufficient to pay for housing and other basic expenses or to reach their maximum employment potential. That same year, 21% of working age adults living with a disability were also living in poverty, compared to 10% of those without a disability.¹⁶

People living with a disability who cannot work may receive Supplemental Security Income (SSI) or “disability income.” In 2010, 2,443 adults living in Chittenden County received SSI assistance which provided \$726 monthly for an individual living in the community.¹⁷ Few housing options exist in the county with rents or mortgage payments affordable to persons living on SSI. According to state/federal guidelines, housing costs are affordable when they consume 30 percent of a household’s income or less. Thus, a person living on SSI should not, according to these guidelines, spend more than \$218 on housing and utilities. Unfortunately, very little housing in the county is available at this price. For more information, see the Housing Affordability section of this report.

The Vermont Center for Independent Living (VCIL) has a Home Access Modification program for homeowners who need specific modifications made to their home so it can be fully functional and enjoyed by the resident. Since the funding for this program is limited, each year for the past three VCIL has only been able to complete an average of six home modifications, and always has another four in process at any given time.¹⁸ Eligibility for this program is limited to homeowners who earn less than 80% of the HUD determined median income, adjusted for family size.

People who are homeless or have other unique housing needs

Homelessness can occur for a variety of reasons ranging from loss of income needed to pay for housing to mental illness and addiction. Often, people who are homeless have experienced multiple problems. Despite the complexity of its causes, homelessness is more common among some protected classes and demonstrates the tough challenges ahead in equalizing housing choices in Chittenden County.

Each January, staff at the county’s homeless shelters and social service agencies attempt to count everyone who is homeless on one specific day. This annual census is notoriously difficult because of the difficulty finding, identifying, and not double-counting individuals. Nevertheless, it is the best estimate of the local prevalence of homelessness locally, and provides some indications of the characteristics of people who are currently homeless.

In January 2011, there were just under 500 people counted as homeless in Chittenden County. 10% were unsheltered and the others were living in shelters (60%) or transitional housing designated for the homeless (30%). Excluded from this count are the many people who were “precariously housed” (those who were “couch-surfing” or had another type of unstable housing at the time).

Of the county’s 500 homeless people, 116 were identified as severely mentally ill, 103 suffered from chronic substance abuse, 50 were victims of domestic violence, and 18 were identified as veterans.

People who are homeless face additional barriers to becoming re-housed, for a variety of reasons. Typically a contributing factor to their homelessness is a disability of some sort: most often a mental health diagnosis, substance abuse, or a combination of both. Even for those households

who have never been homeless before and are faced with that reality only briefly due to financial constraints, re-establishing housing can bring stigmas and a questionable rental history of which future landlords may be wary.

In Chittenden County, there are 396 beds specially set aside for people who are homeless. Of those, 47% are emergency shelter beds, 28% are transitional housing beds designed for households staying up to two years, and the remaining 25% are permanent supportive housing beds which come with wrap around supportive services for people needing additional assistance.

45% of the beds (177 in total) are for family households that have children, and the other 54% (219) are for individuals. 45 of the 396 beds are set aside for chronically homeless individuals, those who are disabled and have either been homeless repeatedly over the past year or for a very long duration of time.

In addition to people who experience homelessness, other types of Chittenden County residents require specialized housing options:

- Frail elders (service needs)
- Victims of domestic violence (safety and fear of stalking)
- People with disabilities (physical accessibility, supportive services, access to transportation and other services)
- People with bad credit, bad landlord references
- Ex-offenders
- Youth (no rental history)

The housing designated for these populations are as varied as the households themselves and there is no single inventory of housing options for all households. There is a Directory of Affordable Rental Housing (www.housingdata.org/doarh) that inventories all the project-based subsidized rental housing in the state, including Chittenden County. An effort is currently underway to add specialized housing purposefully built for specific populations such as group homes, licensed care homes, and homeless housing programs to the rental housing directory.

Fair housing documentation, education and enforcement

In order to ensure fair and equitable housing in Chittenden County and across the Vermont, the U.S. Department of Housing and Urban Development funds two Fair Housing Initiatives Programs (FHIPs). These include the Fair Housing Project of the Champlain Valley Office of Economic Opportunity and the Housing Discrimination Law Project of Vermont Legal Aid. The Fair Housing Project offers fair housing-related education and outreach programs for property managers, nonprofit housing providers, municipal officials, social service agencies and other interested parties. The Housing Discrimination Law Project defends the civil rights of victims of housing discrimination by pursuing justice on their behalf. They investigate complaints of housing discrimination, pursue litigation when necessary, and enforce both federal and state fair housing laws.

Since 2007, the Fair Housing Project has handled 406 fair housing-related inquiries from people who believe they have faced discrimination. 83% of these calls involved discrimination on a federally prohibited basis, while 17% involved state prohibitions. 248 of the inquiries related to disability discrimination including a majority involving a request for reasonable accommodation. The next most prevalent prohibited basis was familial status (the presence of minor children) with

51 inquiries. This is consistent with the identified shortage of affordable multi-bedroom units and an aging housing stock built before accessibility features were prevalent.

While those two federally-protected classes are well over half of all inquiries, discrimination based on receipt of public assistance is the third most common form of inquiry. As housing costs have increased and the vacancy rate in Chittenden County has remained low, the impact of illegal discrimination based on receipt of public assistance has grown. The rental market for those holding vouchers is artificially constrained because some landlords refuse to participate in the program. In addition, the value of the Voucher has not increased commensurate with rental prices.

HOUSING AFFORDABILITY

For most households, the costs of housing consume more of their income than any other type of expense. If a household's housing expenses and income fall out of balance, its members have fewer dollars for other critical needs. In a growing number of communities, unaffordable housing has led to foreclosure, eviction, and homelessness. Lack of affordable housing puts the stability of individual residents and their neighborhoods at risk.

The cost of housing was rated a serious problem by most area employers surveyed during this study. Adverse effects include losing recruits for job openings and higher expenditures when non local candidates take positions here--for sign-on bonuses and reimbursement for relocation expenses. Employer perceptions about the affordability of housing in the county is discussed in greater detail in Appendix 2.

The likelihood of paying unaffordable housing costs increases as income decreases.¹⁹ Cost burdened residents with low incomes face especially serious financial risks. They are much more likely to have difficulty paying their mortgage payments or rent than their higher income counterparts or households with affordable housing costs. Both owners and renters who are low income and cost burdened are at risk of foregoing other essential goods and services, such as food, child care, and health care should their income take an unanticipated decline.

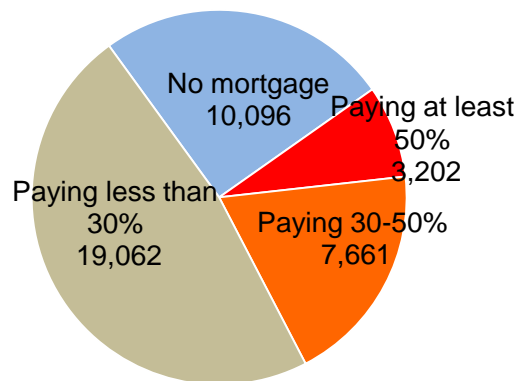
A recent research report from the Center for Housing Policy found that compared to families spending less than 30 percent of their income for housing, those spending more than 30 percent were much more likely to have moved in the previous 24 months. If these moves were unplanned or involuntary, they tended to have negative consequences on the children in those families. Noted Jeffrey Lubell, executive director of the Center, "affordable housing may help low-income families with children avoid unplanned moves." In addition to the direct disruption to families, frequent moves can reduce neighborhood stability and present challenges for schools and other service providers.²⁰

A recent study of the Vermont Child Poverty Council examined a variety of data related to the greatest problems facing the state's children. The Council noted that "without stable and safe housing, children may change schools frequently or may not be ready to learn in school." This means that children who lack affordable housing have a reduced likelihood of becoming successful adults.²¹

Affordability of homeownership

As of 2010, about 40,000 households in the county (65%) owned their homes. Unfortunately, for many of these homeowners, the financial burden of paying a mortgage, homeowners insurance, property taxes, utility expenses and other housing fees is unaffordable because they consume more than 30% of the household's income. About 30,000 county households own their homes and have mortgages. An estimated 36%, or 11,000, of these households have mortgage payments and other housing expenses that consume more than 30% of their incomes.

Figure 14. Chittenden County owner households, by percent of income spent on mortgage and other housing expenses

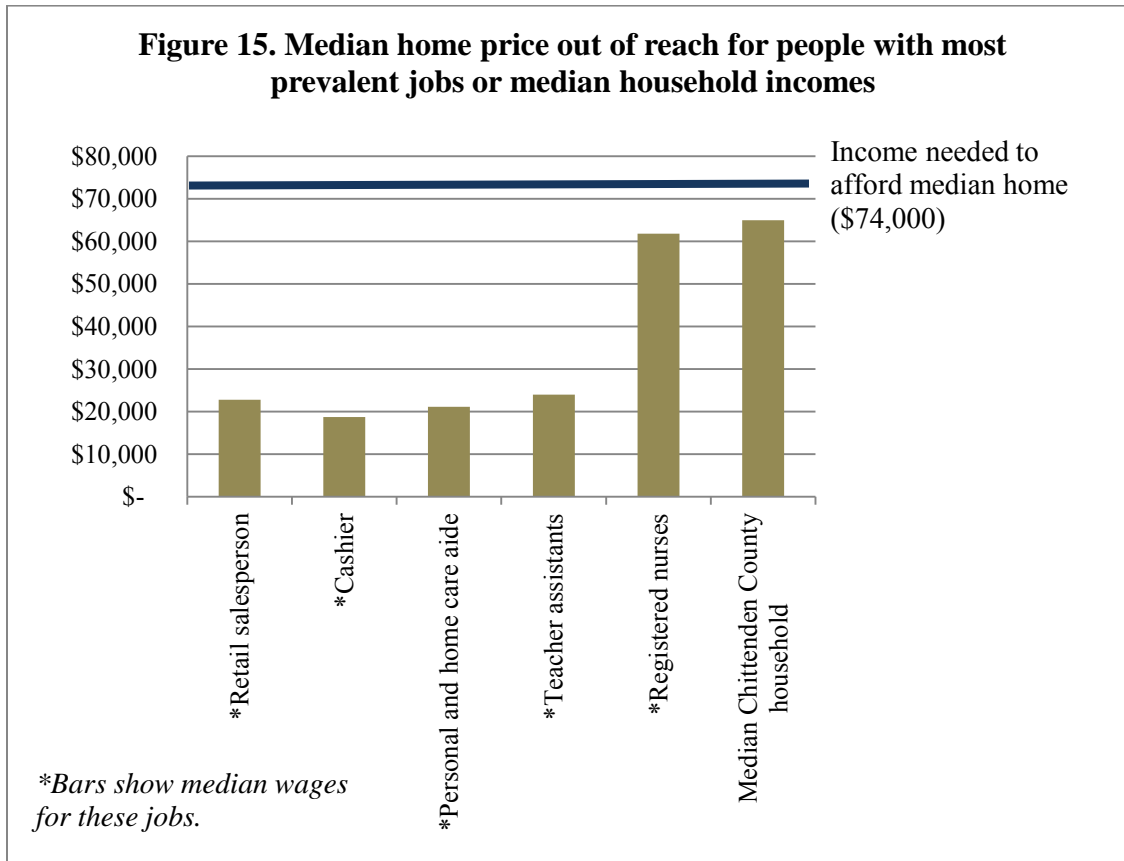


Source: U.S. Census Bureau, American Community Survey 2005-2009.

An estimated 3,200 of the county's cost burdened households pay an alarming 50% or more of their incomes for their mortgage and other housing expenses. Another 800 without mortgages spend this much for non-mortgage related housing expenses such as utility expenses and homeowners insurance.²² Owner households spending more than 50% of their incomes for housing have little buffer against unanticipated income declines, home repair costs, or other family emergency expenses. Also, "housing costs" include variable factors such as utilities and taxes which can fluctuate from year to year without a corresponding increase in income.²³ While renters may be able to move to a more affordable unit when such variable factors increase or income decreases, homeowners face higher transaction costs of moving.

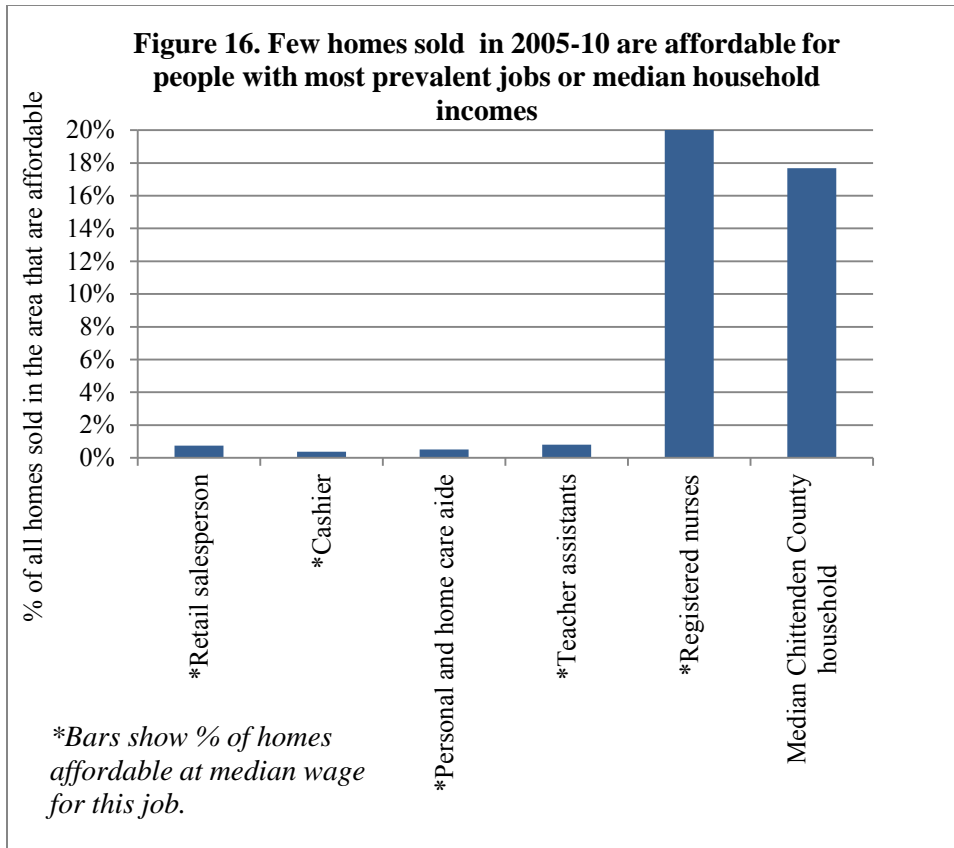
The median price of homes sold in Chittenden County in 2010 was \$247,000.²⁴ To afford the monthly mortgage payments and associated expenses of buying a home at this price, a household would likely need an annual income of \$74,000, assuming that it had upfront cash of \$20,000 for a 5% down payment and for closing costs.²⁵ Unfortunately, most county households have incomes less than \$74,000. In search of lower priced homes, some households locate in towns further away from the county's employment centers, as discussed later in this report's section on "Location of Homes".

The median income of households in Chittenden County is \$60,000.²⁶ The most prevalent occupations in the county pay substantially less than this. The five most common jobs in the county are retail salesperson, cashier, personal and home care aide, teaching assistant and registered nurse. None of these occupation types have median wages high enough to afford to buy the median priced home for sale in the county.²⁷



Source: VHFA analysis of data from the Vermont Department of Labor and Vermont Department of Taxes. Affordability estimate is based on average interest rates for a 30-year mortgage, average closing costs, taxes, insurance premiums, and fees, and a 30% housing payment ratio.

About half of Chittenden County's households have no more than one wage earner, making the wages of individual workers a key factor in determining what home price is affordable.²⁸

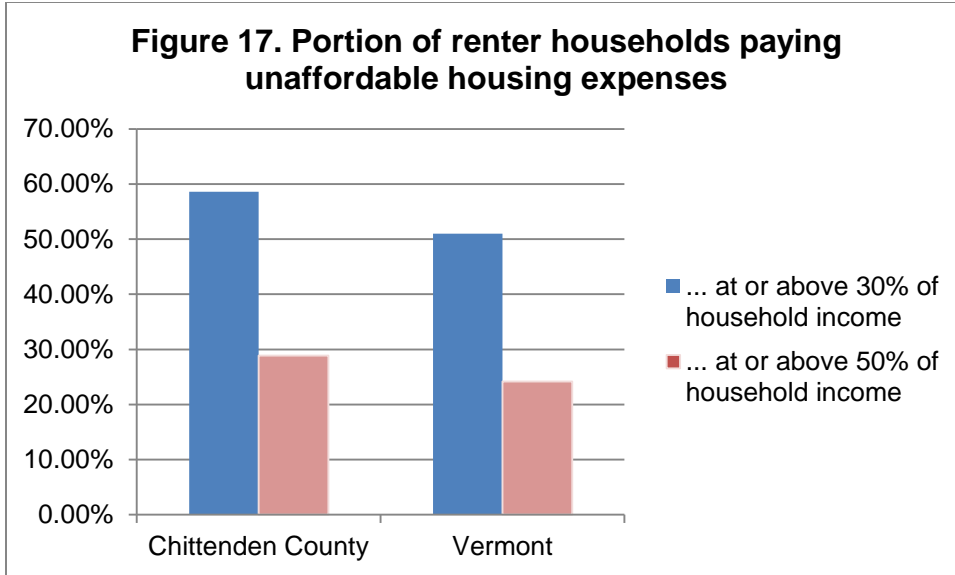


Source: VHFA analysis of data from the Vermont Department of Labor and Vermont Department of Taxes. Affordability estimate is based on average interest rates for a 30-year mortgage, average closing costs, taxes, insurance premiums, and fees, and a 30% housing payment ratio.

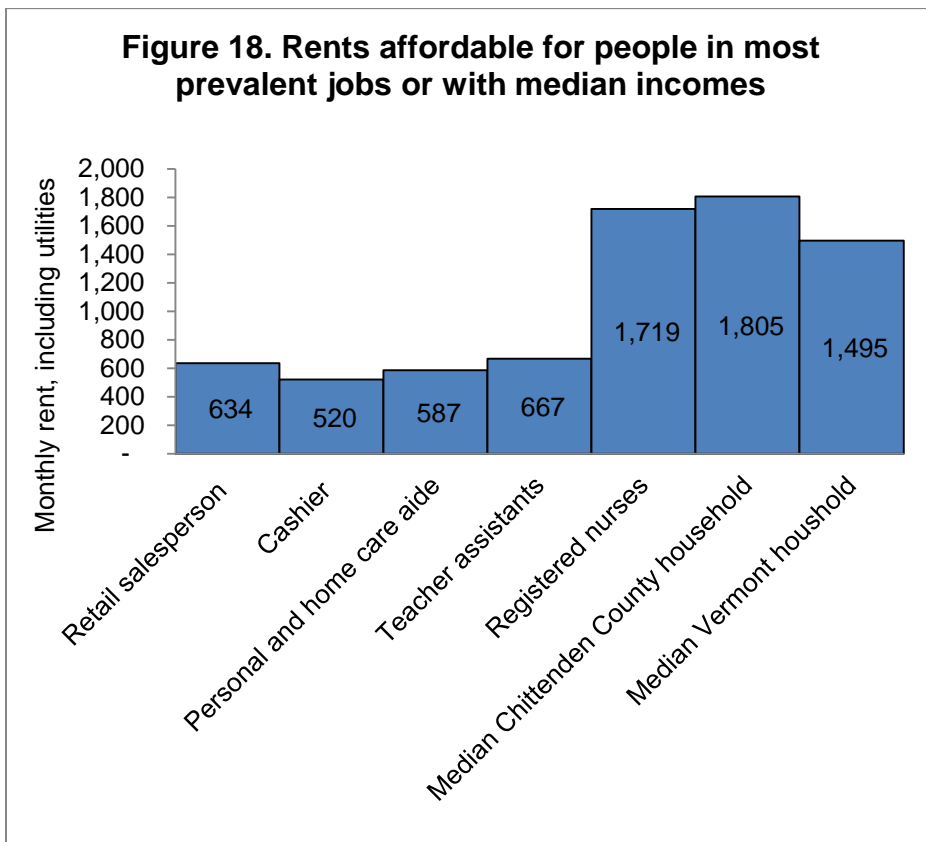
Affordability of rental housing

Approximately 22,000 households in Chittenden County (35%) rent their homes. Unfortunately, these households are even more likely to be cost burdened by their housing expenses than the county's homeowners, according to Census Bureau estimates. More than half (59%, or 12,600) of the county's renter households lack housing they can afford without spending more than 30% of their income for their housing expenses. About 6,000 of these households pay an extremely challenging 50% or more of their income housing expenses.²⁹

Few of the county's most prevalent jobs pay enough to afford prevailing rents. An average 1 bedroom apartment in the county rents for \$921 per month.³⁰ Although this level is affordable to the median income household, it requires retail salespeople, cashiers, personal aides, and teaching assistants (the most common occupations) to spend well over 30% of their income, assuming they are at median wage levels and have no other source of income.



Source: Census 2010, Summary File 1.



Source: VHFA analysis of data from the Vermont Department of Labor and U.S. Census Bureau's American Community Survey 2005-2009. Assumes that rents of 30% of income are affordable.

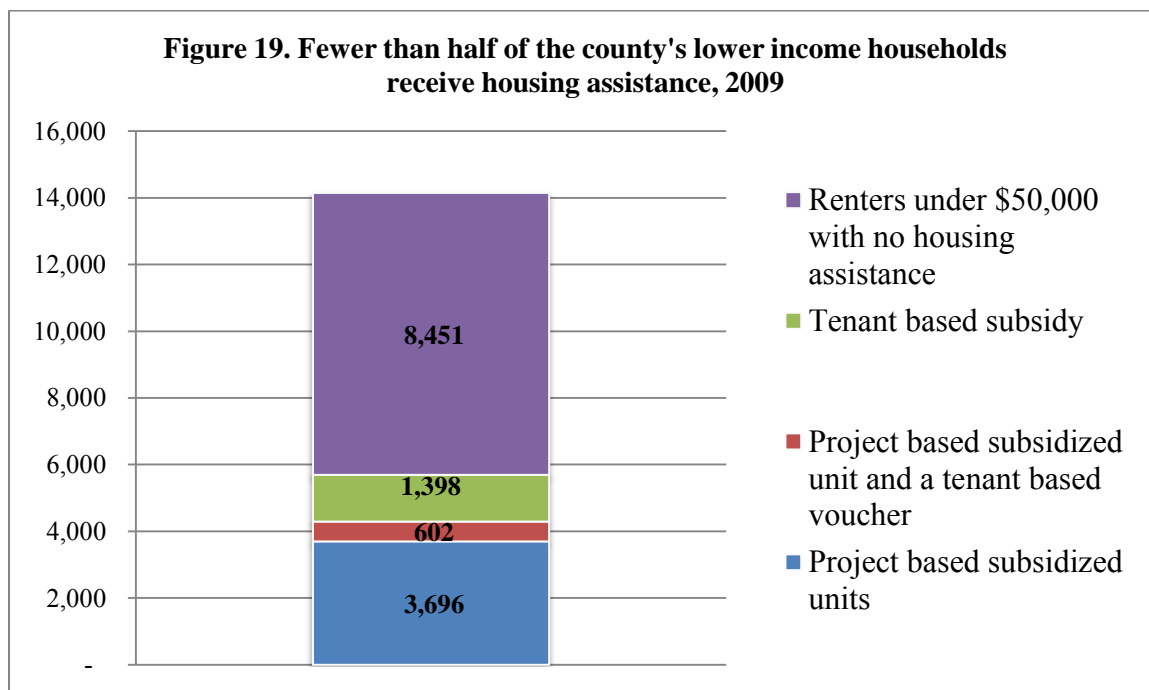
Housing assistance helps improve affordability for some households

Federal, state, and local housing programs use two approaches for making rental units more affordable for eligible tenants: project based assistance and tenant based assistance.

Approximately, 5,700 households with lower incomes (of less than 80% of the area median) live in housing with rents made affordable through either project based or tenant based public subsidies.

About 4,300 units are in specific housing projects that received federal or state funding to construct or rehabilitate the property (“project based subsidy”). Although a small portion of these are “market rate” units with no income restrictions, eligibility for most of these units is limited to households with incomes of up to 80% of the median depending on the types of public programs involved. About 2,000 qualified lower income Chittenden County households receive tenant based rental assistance through the federal Section 8 program to help pay their rent and are allowed to use their “tenant based subsidy” in most any unit.³¹

Unfortunately, the county’s lower income households outnumber the stock of rental housing funded through project-based subsidies and the number of households with tenant-based rental vouchers by more than 2:1. Of the estimated 14,000 county households with incomes less than \$50,000, only 40% receive assistance through rental housing assistance programs.



Source: VHFA analysis of estimates from the American Community Survey 2005-2009, HUD, and the VT Directory of Affordable Rental Housing.

Owners of rental housing developed through project based public financing have contracts with non-profit or government agencies that provide them with the subsidies or below-market interest

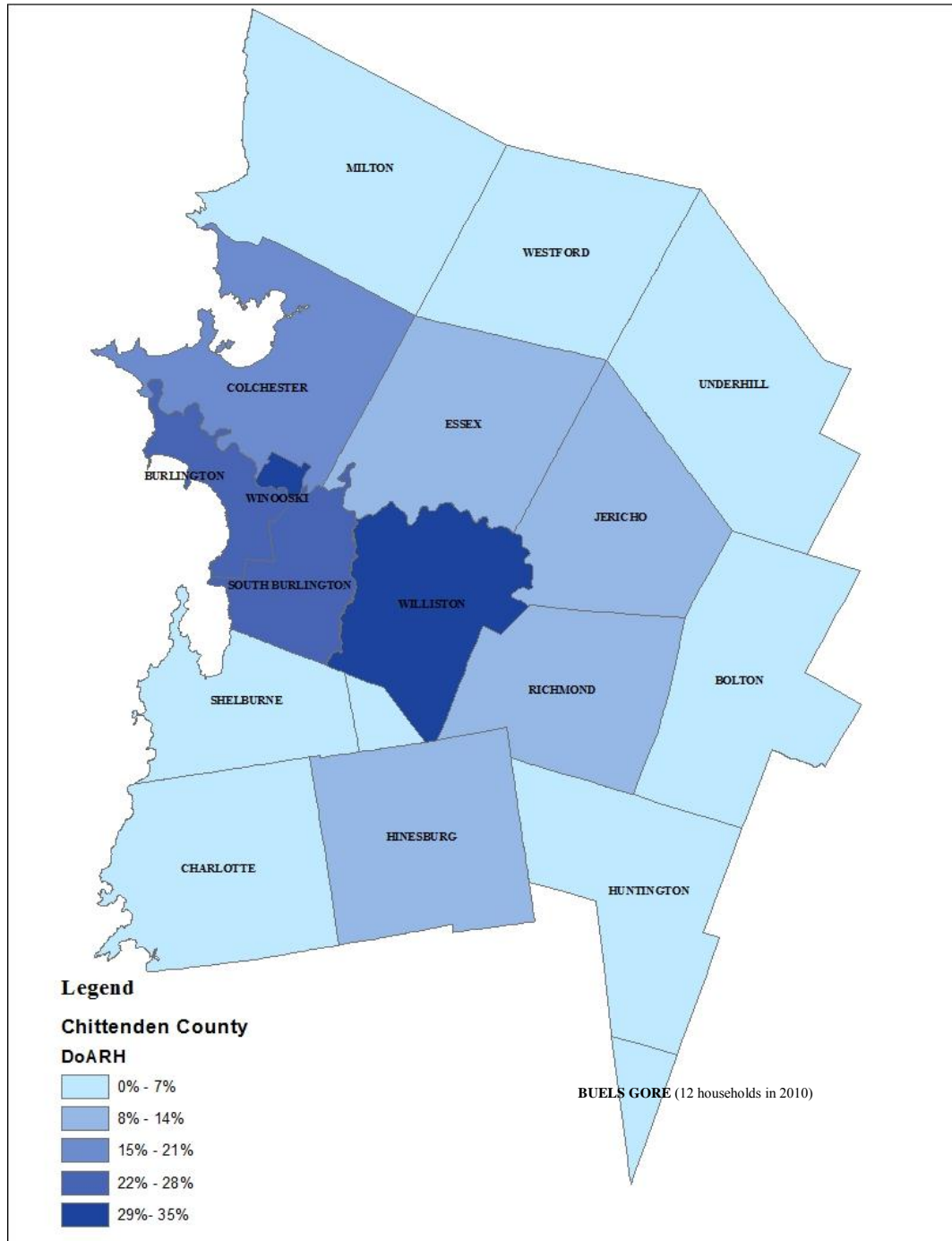
rate loans they need to provide decent, affordable housing. Typically, programs provide financing during a project's construction or rehabilitation in return for long-term commitment to maintain the building and keep rents affordable. When these commitments expire, housing that was once affordable to lower income households becomes vulnerable to rising rents and/or declining maintenance.

Approximately 300 rental units, including several projects in Chittenden County, have been identified as at risk of loss from Vermont's affordable housing stock because the contracts between owners and public entities targeting them to lower income households will expire in less than 15 years.³² Although efforts are underway to preserve these units in the state's affordable housing stock, pressures will continue to mount as additional affordability commitments expire in the future. Preserving these units (in which some public funds have already been invested and which currently house lower income renters) will likely require consuming limited future resources, effectively reducing the number of new units that can be brought online.

Geographic distribution of housing assistance

20 percent of the county's total rental housing stock is subsidized through project-based subsidies. This housing is spread throughout the county, with higher concentrations in the communities of Williston (33% of rental stock), Winooski (32%), Burlington (23) and South Burlington (22%).

Figure 20. Percentage of rental housing stock comprised of housing with project based subsidies

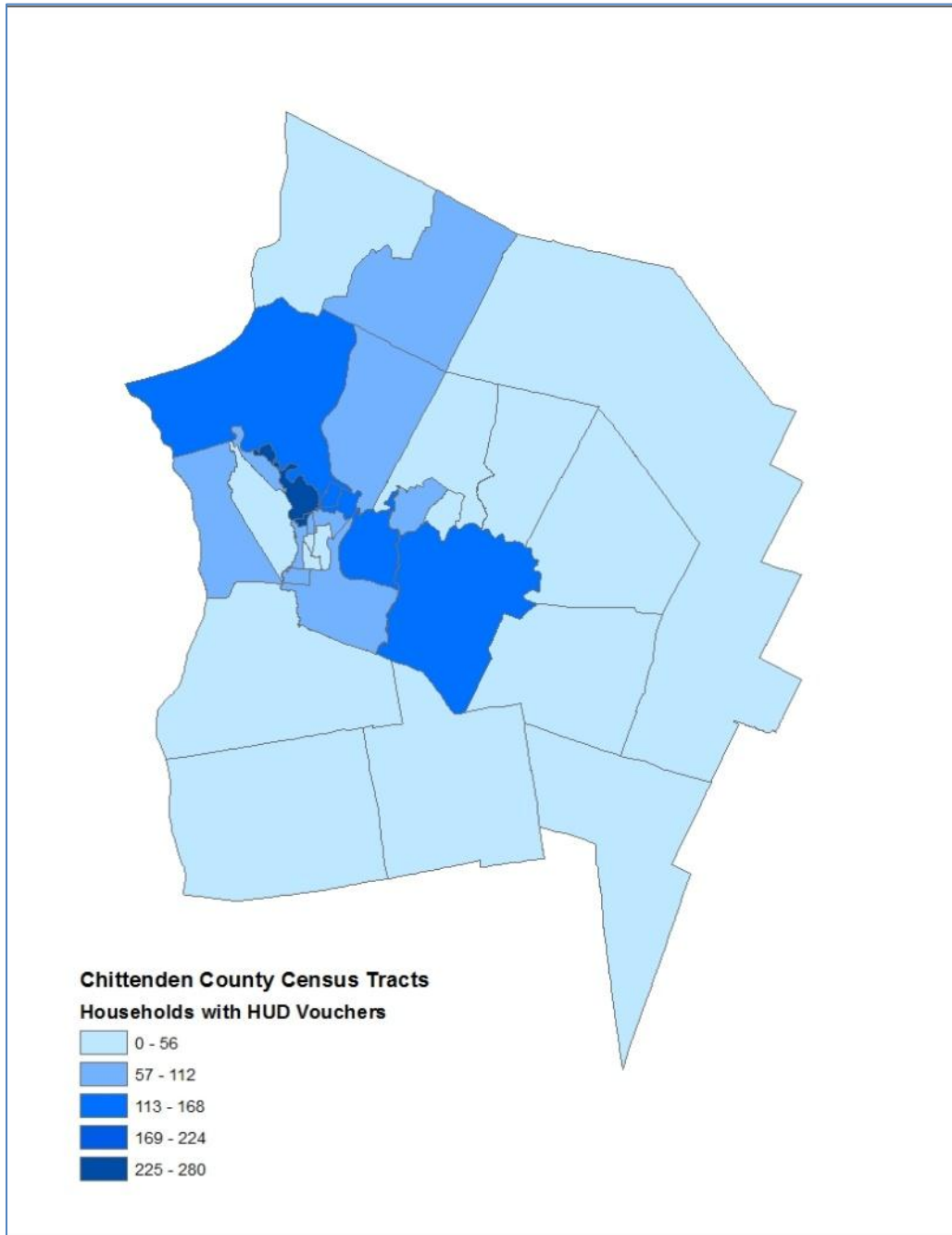


Source: Census 2010, Summary File 1 and VT Directory of Affordable Rental Housing.

The distribution of the county's 2,000 households receiving tenant-based rental assistance is constantly changing since these households may bring their rental assistance (voucher) with them

if they leave one apartment and move to another. As of 2008, when HUD last reported on the location of these households, they were primarily in towns near Burlington.

Figure 21. Number of households with Section 8 HUD rent vouchers, 2008

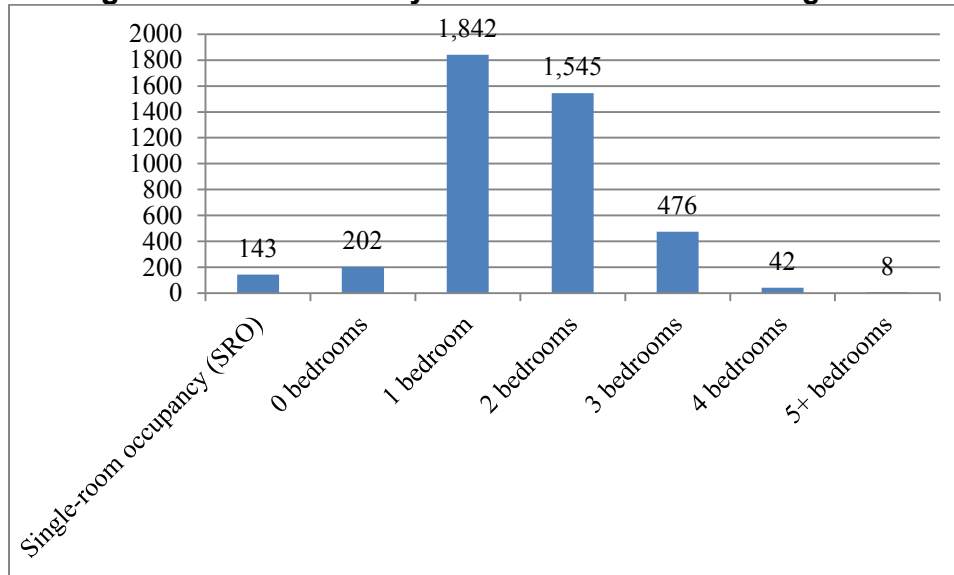


Source: HUD, "A Picture of Subsidized Housing: 2008".

Unit size and age of targeted tenants in units with project-based assistance

Most Chittenden County rental units with project based assistance are very small. Although this is where market data shows the greatest demand for rental units, larger families – especially refugees who may have larger family sizes – may find few options among the affordable rental housing stock.

Figure 22. Size of county's subsidized rental housing stock

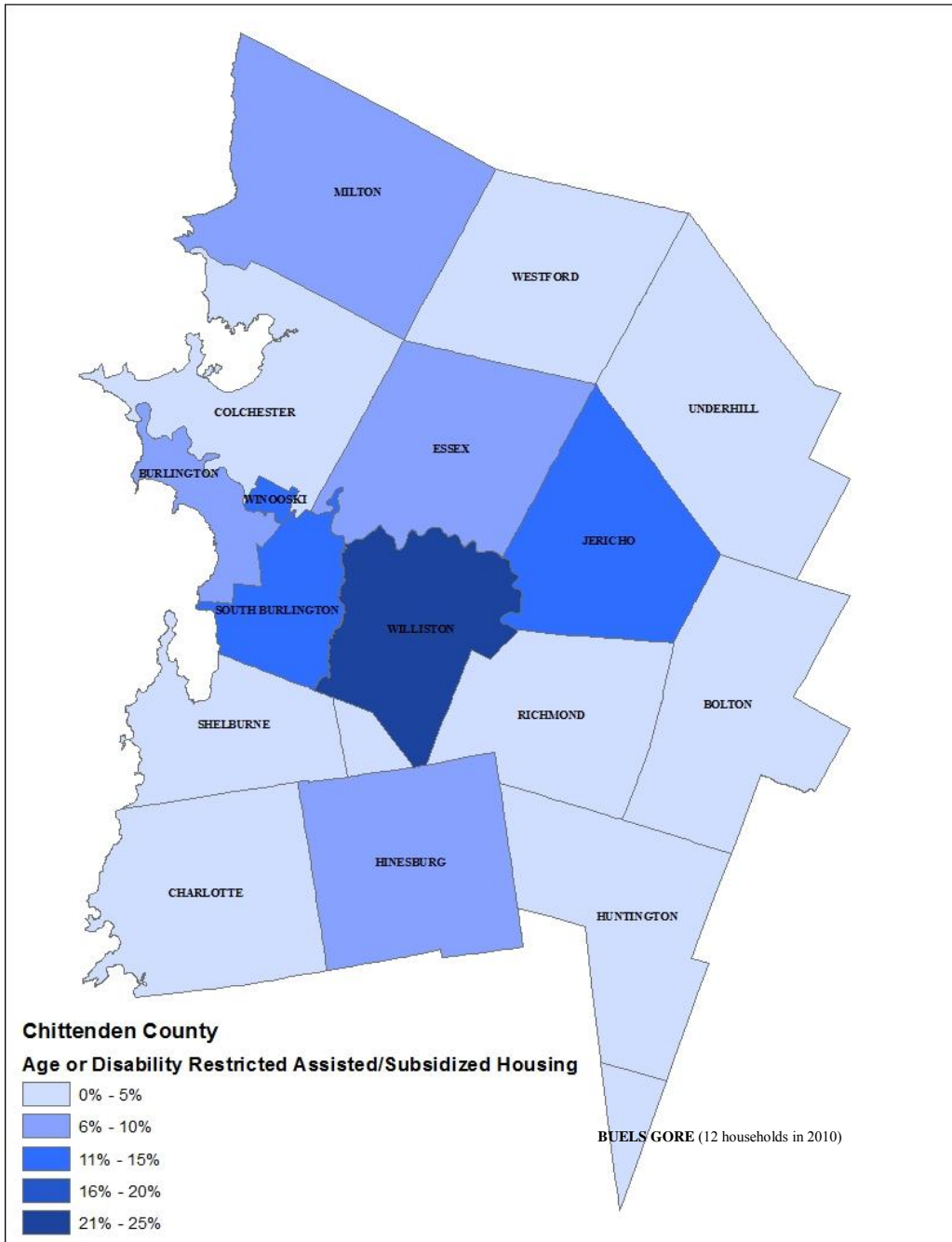


Source: VT Directory of Affordable Rental Housing.

44 percent of the 4,300 units in the county's assisted rental stock are one bedroom units dedicated to serving lower income elderly or disabled occupants.

Just over 1,300 of those units are restricted to only elderly households (either 55 or 62 years of age), 94 are restricted to disabled households, and another 479 are restricted to either elderly or disabled households. This leaves a stock of 2,420 units for non-elderly and non-disabled households in need of project based subsidized rental housing.

Figure 23. Age or disability restricted apartments as a percentage of all rental housing, by town



Source: VT Directory of Affordable Rental Housing.

Experience shows that it is often easier for developers to gain local acceptance for age-restricted subsidized housing rather than subsidized housing for families or people with disabilities.

Affordability of caring for and housing elderly households

Older households are living independently for longer thanks to advances in both health care and housing adaptations that allow for safe, healthy, independent living. Community based housing (whether independent or in a community setting outside of a public nursing home), is both a priority of the state due to lower public costs, and the growing number of older households.

As householders age, they become both more likely to own a home and more likely to own their home outright with no mortgage. While the value of homes peak when householders are between 55 and 64 years old, outstanding mortgage amounts steadily decline as a homeowner ages. This indicates that older homeowners have far more equity in their homes than their younger counterparts.

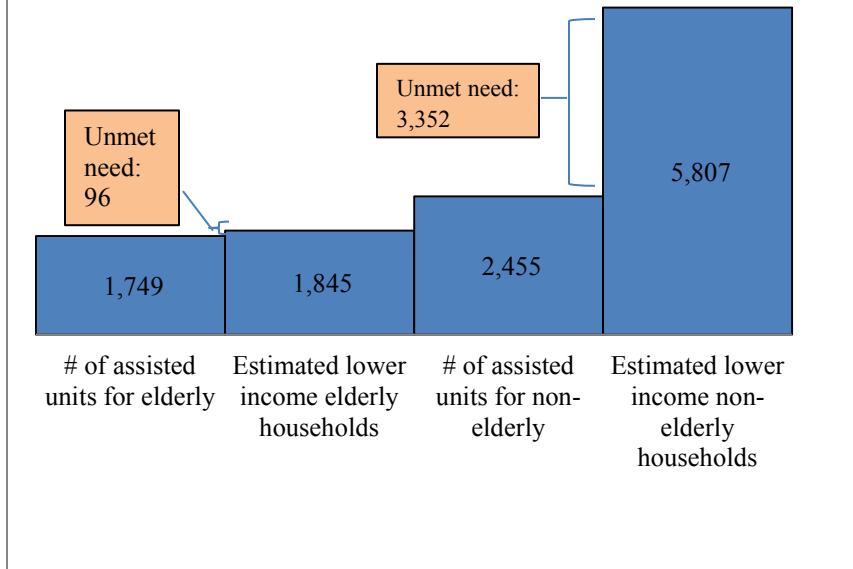
About 70% of the county's homeowners over 65 have no mortgage, compared with 15% of younger owner households.³³ After home prices peak for homeowners aged 55 to 64, the older a homeowner, the lower the likely average value of their home. Therefore, since older homeowners live in homes with lower average values, those with mortgages have average monthly payments of about \$200 less per month.³⁴

Regardless of age, it's important to remember that the lower a household's income, the less likely they are to afford their housing whether it be owned or rented. To the extent that Chittenden County's population of 1,800 lower income elderly households is likely to continue growing for many years to come, housing assistance may play a critical role in supporting this population.³⁵

Some elderly homeowners turn to reverse mortgages as a way of tapping their home's equity to support the costs of living independently, including their health care costs. Just over 1,000 Vermonters had Home Equity Conversion Mortgages – reverse mortgages which allow elderly households to receive cash payments against the equity in their homes, if the accumulated equity has reached a certain threshold.³⁶

For elderly households who rent, many live in publically subsidized housing. That said, the region has been successful in meeting the unmet demand for age-restricted housing and now the unmet need is far less than that of younger households. While there is unmet need for both age-restricted housing and other non-restricted housing, the gap for elders is far smaller than other household types.

Figure 24. A supply and demand comparison of assisted rental units and lower income renters in Chittenden County, 2010



Source: Census 2010, U.S. Census Bureau, American Community Survey 2005-2009, VT Directory of Affordable Rental Housing.

The struggles to house the growing elderly population are shifting from where to find appropriate housing units to how to afford the housing and care needed as people desire to age in place. A survey of over 500 Vermonters aged 50+ by AARP Vermont in 2010 found that 47% thought that there was enough affordable housing in their community to meet their needs.³⁷ While this suggests that many older Vermonters aren't worried about the amount of housing stock available in their community, their perception is likely based on available housing and not on a full assessment of the local market. Also, this opinion may be based on the number of available housing units, not the services available in those units. The services needed in the homes of Vermont's aging population may be one of the most critical senior housing needs for the future.

As more people choose community based housing, there will be a greater need to provide services in many locations, tailored to the individual, driving up the cost of service delivery. According to the AARP survey, 58% were planning on tapping Medicare or Medicaid to pay for their long term care needs, despite the fact that long term care isn't an eligible expense for Medicare and only people who are very low income and eligible for Medicaid can have some covered. This indicates an unrealistic view among many near-elders about how they will pay for their housing and care needs.

65% of survey respondents want to receive their long term care services provided in their homes, and another 18% plan to move to an assisted living facility. This matches with a state policy focus of increasing the availability and affordability of community based housing options to allow people to age in place, but again, cost of that housing and care is the concern.

Community-based housing is experiencing increased pressure to care for people who historically have been served by group living such as nursing homes. Vermont's Department of Assisted and

Independent Living reports that, “Vermonters have increasingly expressed their preference to receive long term care services at home as evidenced by a contraction of the state’s institutional capacity. Over the last twelve years, 600 Vermont nursing facility beds have closed (from roughly 3,900 to 3,300) shifting care into the home and community-based system.” The report goes on to say that, “although nursing homes contribute significantly to the state’s long term care system, they house only 3.3% of Vermonters age 65 and older and 12.5% of those aged 85 and older. Individuals 85 years old and older have shown a precipitous drop in their use of nursing homes over the last 14 years. This is most likely a result of increased use of home based services, declining disability and poverty rates, and greater housing options such as Assisted Living.”³⁸

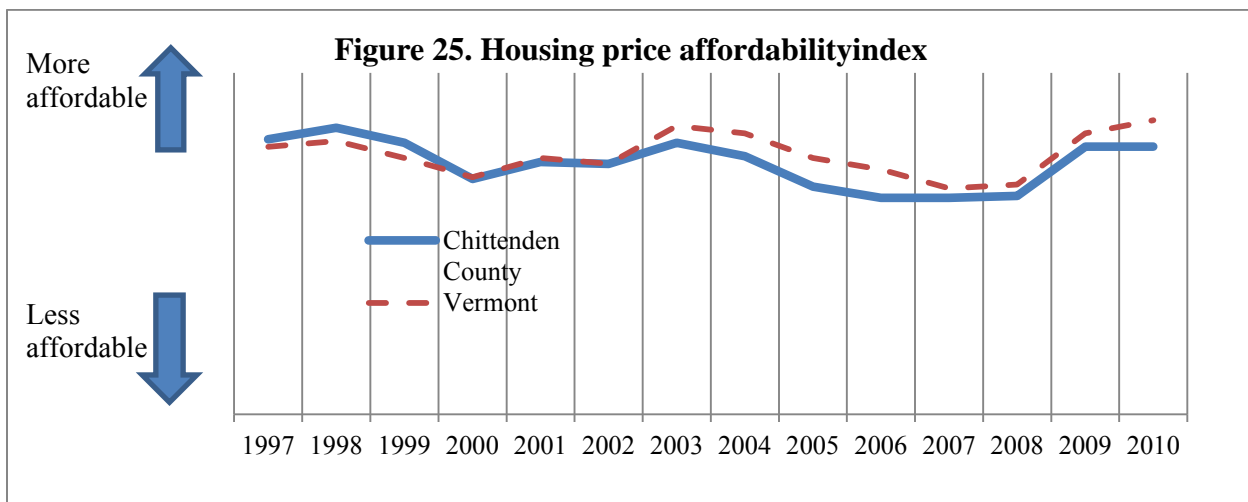
As more frail elders choose home based and community based housing options, the cost of housing and providing necessary supportive services for this population has transferred from nursing homes to private affordable housing providers. Reimbursement rates for Residential Care Homes (RCH) and Assisted Living Residences (ALR) are much lower than comparable nursing home rates despite the fact that the cost of delivering the services is the same and similar levels of care provided.

A report by Vermont Housing Finance Agency in 2007 reported, “Nursing homes, Assisted Living Residences, and Residential Care Homes struggle each year to stay under budget and above water financially. Without adequate reimbursement, some RCHs and ALRs will not be able to continue to offer low-income seniors the housing they will desperately need in the future.”³⁹

Drivers of county housing cost trends

Homes become unaffordable when purchase prices, rents, and associated housing costs are out of balance with household income levels. Among the many possible drivers of housing cost trends, low vacancy rates, rising fuel costs, and a tightening of mortgage credit are likely to be most responsible for increased rents and home sales prices in Chittenden County during recent years.

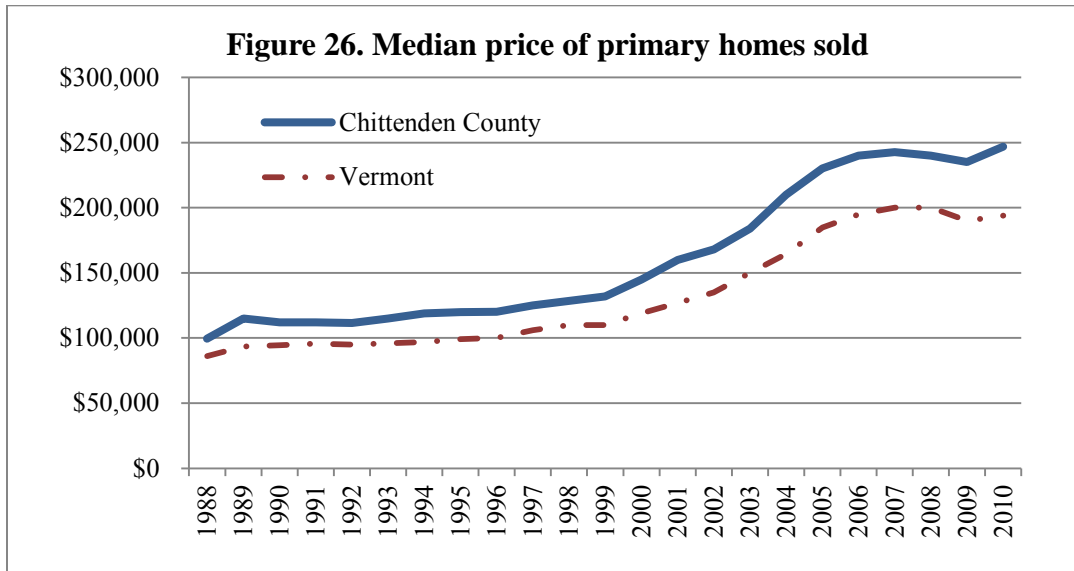
The use of a housing price “affordability index” helps demonstrate long term trends associated with sales prices and mortgage interest rates, property taxes, and insurance costs. Although falling interest rates and new federal tax breaks helped qualified buyers in 2008-2009, these improvements are stagnating and may be reversed when interest rates and home prices begin to increase again.



Source: Allen & Brooks, Residential Report, March 2011.

Home prices

The median price of homes used as primary residences (rather than vacation homes) has risen 70% in Chittenden County since 2000. As of 2010, the median price of primary (non-vacation) homes sold in the county was \$247,000—27% higher than the price statewide.⁴⁰



Source: VT Department of Taxes, property transfer tax data.

There was a precipitous drop in the volume of home sales during and after the recent recession. This was not surprising due to unprecedented economic instability. Still, many housing market researchers expected volumes to rebound but the continued slow pace is in part attributed to the federal home buyer tax credits offered in 2009 and 2010. Many would-be buyers purchased homes sooner than planned because of that financial benefit, thereby artificially “stealing” those future buyers who acted earlier than normal.

Although Chittenden County’s housing vacancy rates have risen slightly since the 2008 recession, they remain at levels that are substantially lower than the state or the U.S. Estimates of the vacancy rate among the rental units in the county in 2010 range from a low 1.4% to 3.6%.⁴¹ Among owner occupied units, 1.4% were vacant as of 2010.⁴²

Financing costs and mortgage insurance

Current historically low interest rates help some buyers but may only be available to households with stellar credit. Households with lower credit scores pay dramatically higher interest rates. Less than 40% of Americans have credit scores that would qualify them for the best rate possible.

New fees charged since the recession on most home loans to offset perceived risk remain high. These fees, charged when loans are sold on the secondary market, occur in the following circumstances:

- Adverse market fee (charged for all loans)
- When a borrower's credit score is below 750 (60% of U.S. buyers have scores below this)
- When the down payment is less than 40%
- When buying a condominium with less than 25% down payment
- When buying a mobile home with less than 40% down payment

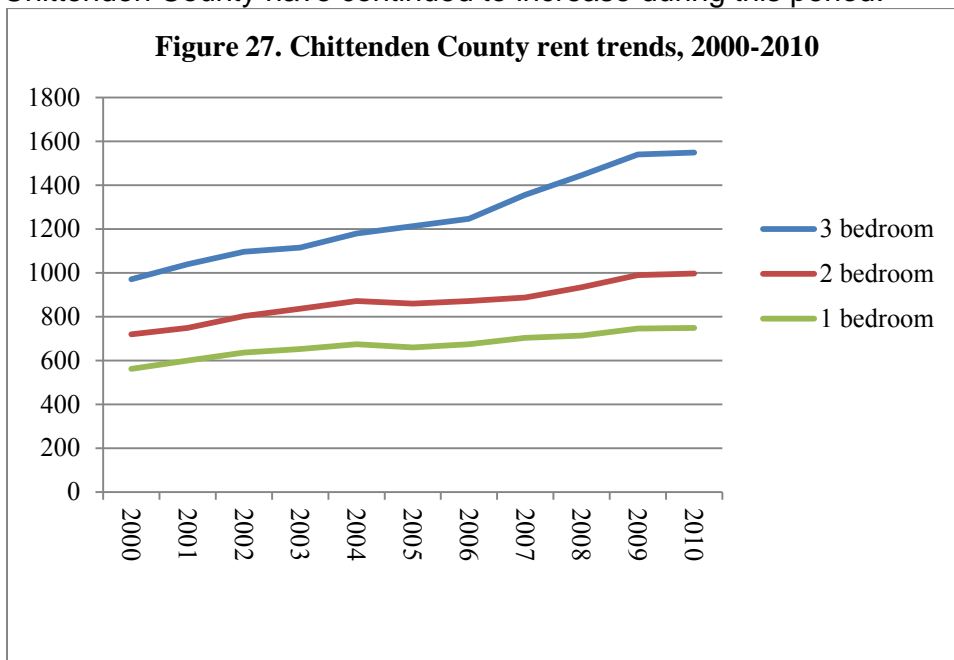
Calculating exact fees for a borrower depends on the unique circumstances of the type loan, type of loan and the borrower's financial strength. A borrower with less than 20% down and average credit could easily rack up three points on their home loan, which adds to the total costs already needed at closing.

Mortgage insurance, typically required of a borrower with less than a 20% down payment, has also become much more difficult to obtain. Most private and government mortgage insurance companies are not insuring mobile homes and lower cost condominiums can be very difficult to insure. The premiums and fees for mortgage insurance have also risen since the recession.

As with the rest of the country, the mobile home and condominium markets in Chittenden County have been affected by the tightening of mortgage lending for these types of homes. Many mobile home owners are effectively trapped because they cannot sell their home without eligible buyers who can access mortgage financing. Condominium owners are similarly constrained as lenders have ratcheted up document and reserve requirements for condo associations and limited the number of condo projects eligible for traditional mortgage financing.

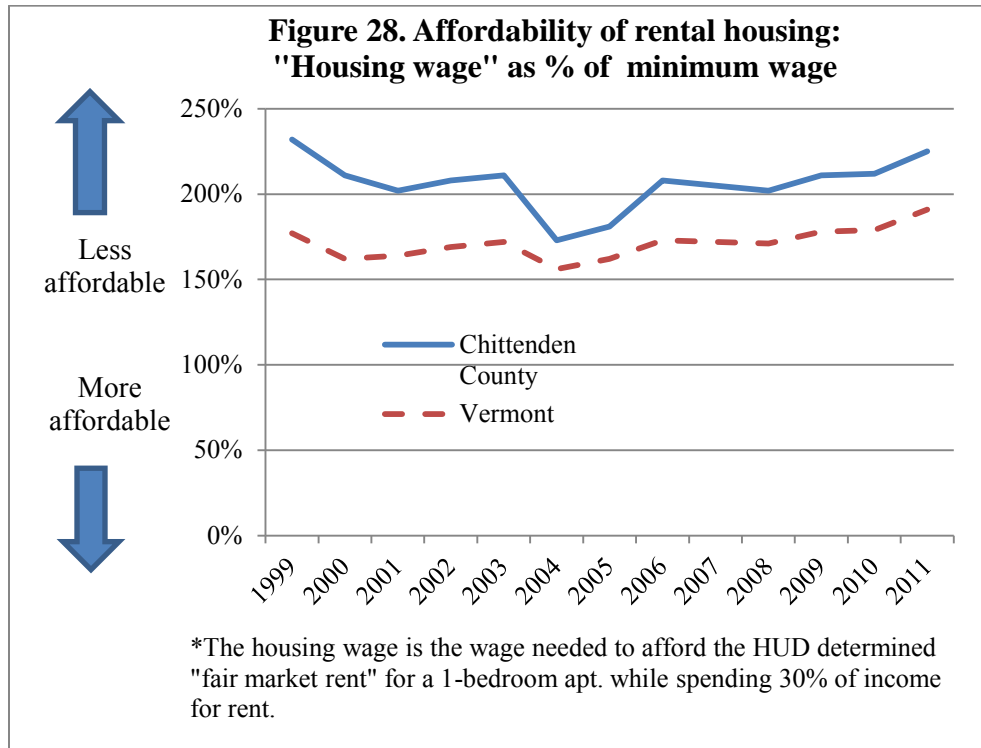
Rent trends

Unfortunately, renters have not shared in any improved affordability since 2004. Rents in Chittenden County have continued to increase during this period.



Source: Allen & Brooks, Residential Report, March 2011.

The “housing wage” is an index created by the National Low-Income Housing Coalition to help understand dynamics of the renter housing market. It indicates the income that would be needed for a household to afford prevailing rents while limiting their expenditures for housing to 30% of their income. In Chittenden County, the housing wage for a 1 bedroom apartment is \$18.35 per hour—well above the minimum wage of \$8.15 that many renters.⁴³

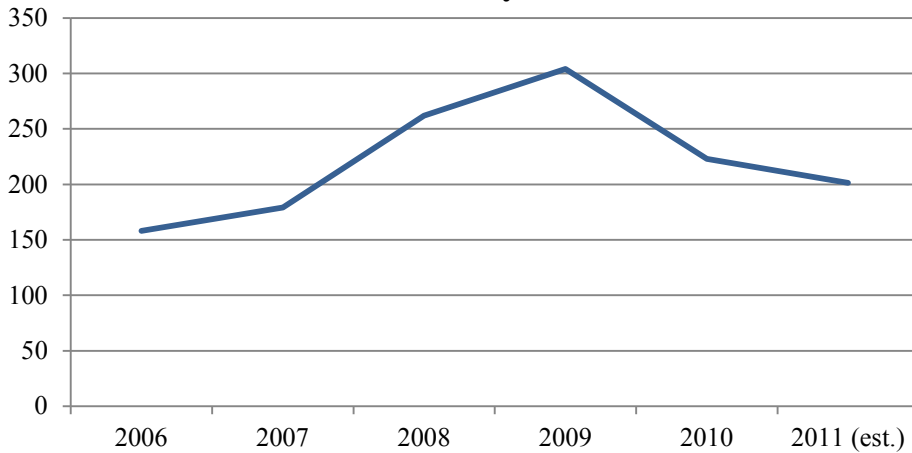


Source: National Low-Income Housing Coalition, *Out of Reach* reports 1999-2011.

Foreclosures

Relatively few homes in Chittenden County have been stricken by the wave of foreclosures that swept the U.S. during the recent recession. For residents who have suffered foreclosure recently, the most common reasons cited are job loss and income reduction, according to staff administering the Mortgage Assistance Program at the Vermont Department of Banking, Insurance, Securities, and Health Care Administration.

Figure 29. New foreclosure filings in Chittenden County



Source: VHFA analysis of data from the Vermont Department of Banking, Insurance, Securities, and Health Care Administration.

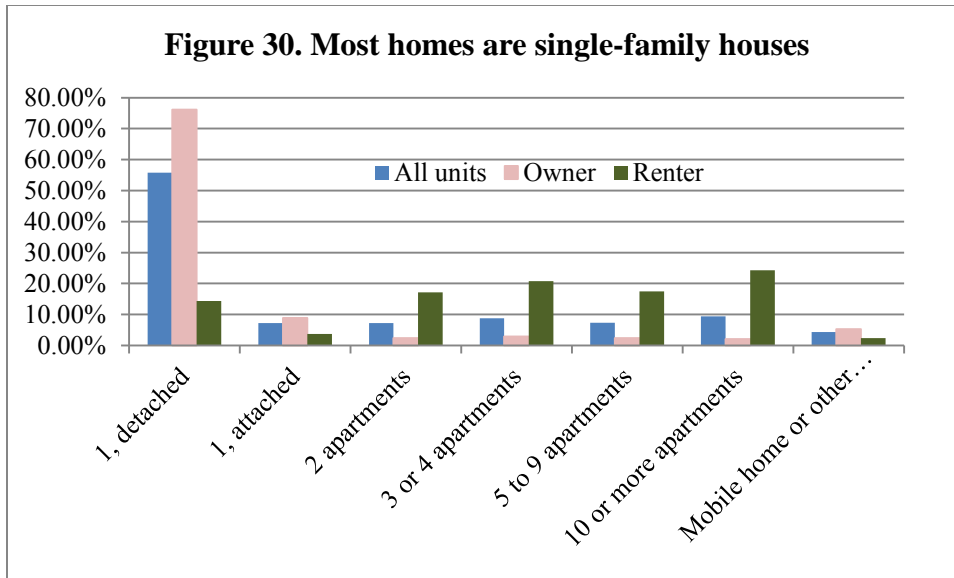
Although 22% of the state's home owners live in Chittenden County, only 14% of the 2010 foreclosures filed were from local homeowners.

CHARACTERISTICS AND LOCATION OF RESIDENTIAL BUILDINGS

The features of Chittenden County's residential buildings are intrinsically related to the long-term sustainability of the housing stock and its affordability for residents. Much of the county's housing stock was built prior to the ban of lead-based paint and many homes are candidates for energy efficiency improvements. Addressing these issues will help improve the lives of residents, the long-term affordability of the units, and reduce the negative effects of these homes on the environment.

Building types

More than half of Chittenden County homes (52%) are single-family, owner occupied homes.



Source: Census 2010, Summary File 1.

Vermont has the second highest proportion of vacation homes of any state in the nation, although Chittenden County has the smallest share of these homes, with only 3% of the housing stock being seasonal or vacation homes. 14 percent of Buels Gore and Charlotte's stock is vacation homes, followed by Bolton (11%) and Colchester (7%). There was a 488 unit increase in the number of new vacation homes in the past decade, with half of this growth happening in Burlington (77 units), Charlotte (64 units), South Burlington (57 units) and Colchester (53 units). While many communities have a stable share of vacation homes, Bolton had a high jump between 2000 and 2010 from 31 vacation homes to 68, bringing it from 7% to 11% of its housing stock.

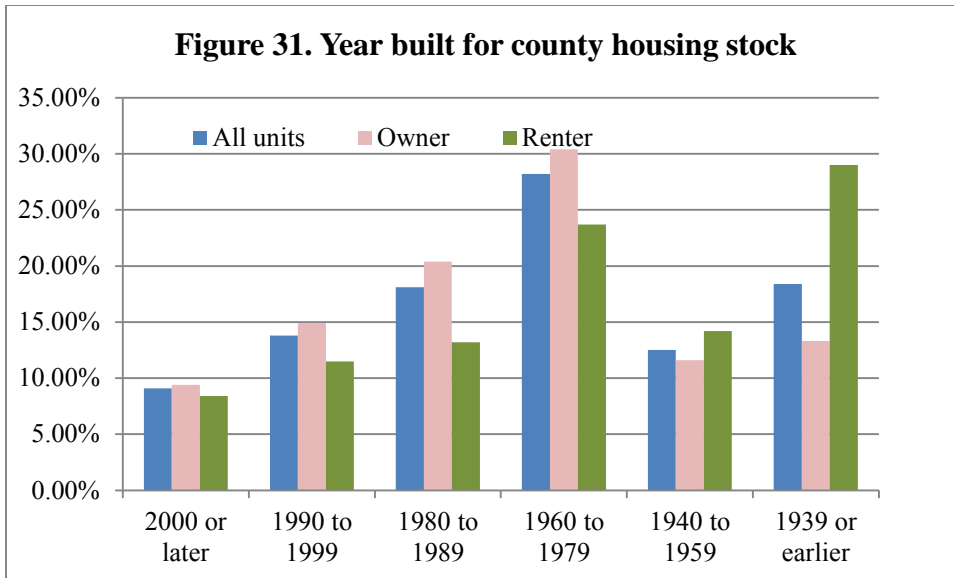
Indicators of home quality and durability

Like most of Vermont, Chittenden County's housing stock is fairly old. While it is not uncommon for someone to buy an older home and renovate it, the age of the area's housing is an indicator of its quality, safety, and efficiency.

Just under 20% of the region's homes were built before 1940, and an additional 40% were built between 1940 and 1980. Considering the majority of homes were built during a time when lead-based paint was widely used, new energy efficiency technology was not available, and building and accessibility codes did not accommodate all people or safety considerations, there is a good amount of the county's housing stock which is at risk of being unhealthy for its residents.

Age

Chittenden County's rental units are significantly older on average, with most built in or before 1968. Most owner homes were built in or before 1977.⁴⁴

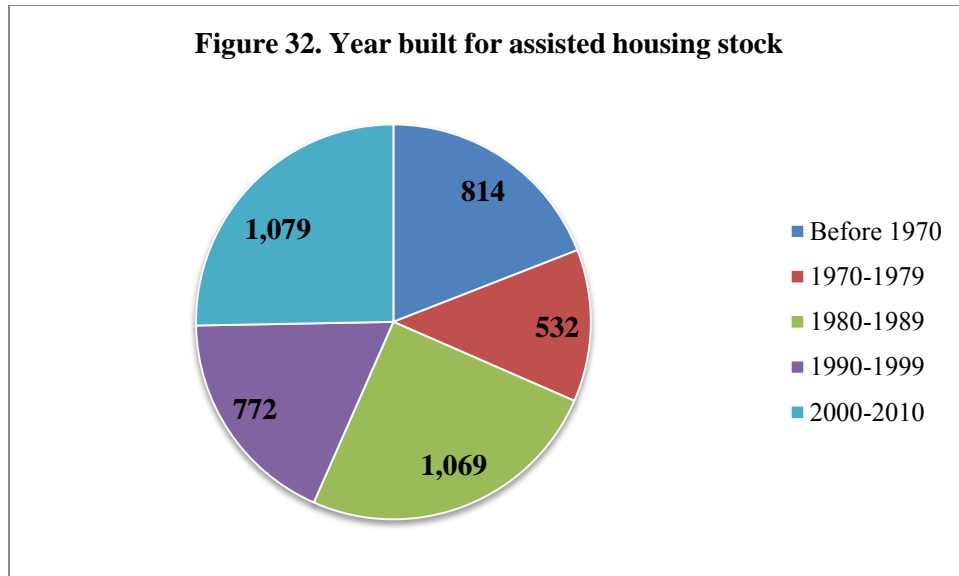


Source: U.S. Census Bureau, American Community Survey, 2005-2009.

Among the county's communities, Burlington, Winooski, and Essex have the greatest numbers of older homes (built before 1970).⁴⁵ For more community level information on home age, see Appendix 1.

About 37% of the county's owner housing stock and 52% of its rental stock was built before 1970. These homes are especially likely to be in need of energy efficiency enhancements and other types of repairs.

One-fifth of the county's project-based subsidized housing stock was built before 1970. Since these units are uniquely guaranteed to offer long-term affordable housing, maintaining and preserving the public investment in these units is particularly important. For this reason, much of the resources of the state's housing agencies have been focused on ensuring the long term viability of these existing units.



Source: VT Directory of Affordable Rental Housing.

Lead-based paint

59% of Chittenden County's residential housing stock was built before 1978 when lead was banned in residential paint. Of these potentially lead painted homes, about 14,500 were built before 1950 when lead-based paint was commonly used and actively promoted.⁴⁶

A small number of homes have received lead-based paint hazard reduction assistance through the Vermont Housing and Conservation Board and the City of Burlington (as of March 2009, about 2,000 homes statewide.) The health risks to the households in these units have been dramatically reduced through these programs.

However, the unmet need for lead paint hazard reduction is high. At least 12,000 Chittenden County homes are likely to contain lead-based paint. About 54% of these homes are owner occupied, while the remaining 46% are rented. It is likely that many of the 21,000 renter and owner homes built later, between 1950 and 1978, also contain lead-based paint.⁴⁷

An estimated 12-14% of the owner and rental housing built before 1978 is the home of a child under the age of 6.⁴⁸ This means that an estimated 4,000 Chittenden County homes with young children are likely to contain hazardous lead-based paint.

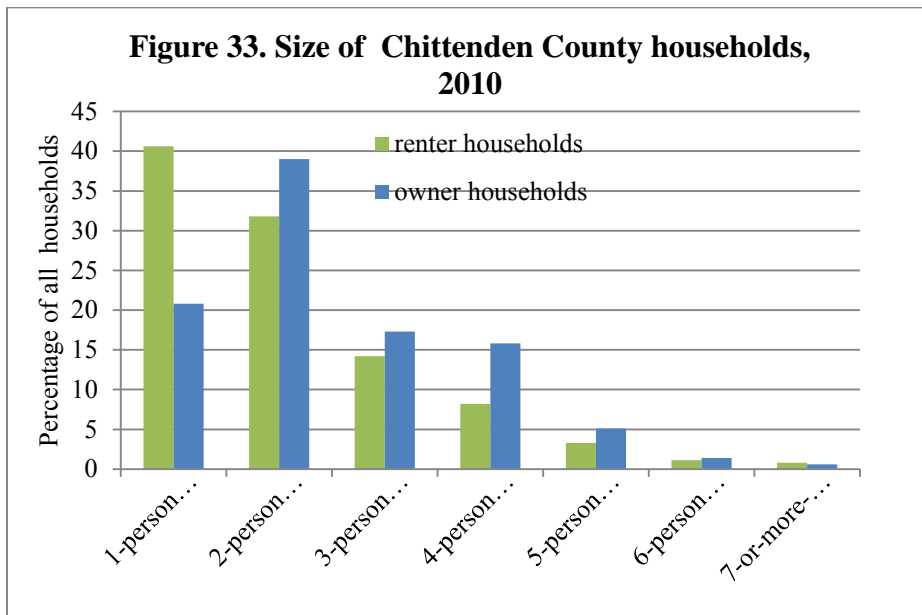
Young children, infants, and adults with high blood pressure are the most vulnerable to the effects of lead paint, according to the U.S. Consumer Product Safety Commission. In children, lead poisoning can cause irreversible brain damage and can impair mental functioning. It can retard mental and physical development and reduce attention span. It can also retard fetal development even at extremely low levels of lead. In adults, it can cause irritability, poor muscle coordination, and nerve damage to the sense organs and nerves controlling the body. Lead poisoning may also cause problems with reproduction. It may also increase blood pressure.⁴⁹

Other housing quality indicators

One of the few indicators available for the prevalence of uninhabitable housing is the Census Bureau's measure of homes that lack kitchens or complete plumbing facilities. This modest measure found that fewer than a thousand of the 62,000 Chittenden County homes met this criteria. However, this indicator underestimates the extent of poor conditions among the area's housing stock due to its narrow definition.

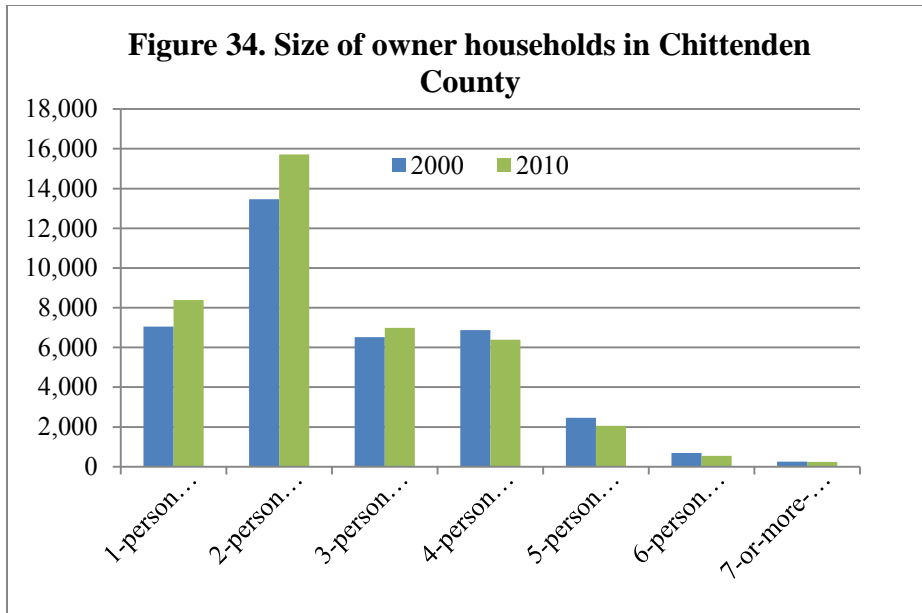
Size of households

Most Chittenden county households have 1-2 people (64%). In fact, the number of small households as a percentage of our population is likely to increase, as more baby boomers enter their senior years.



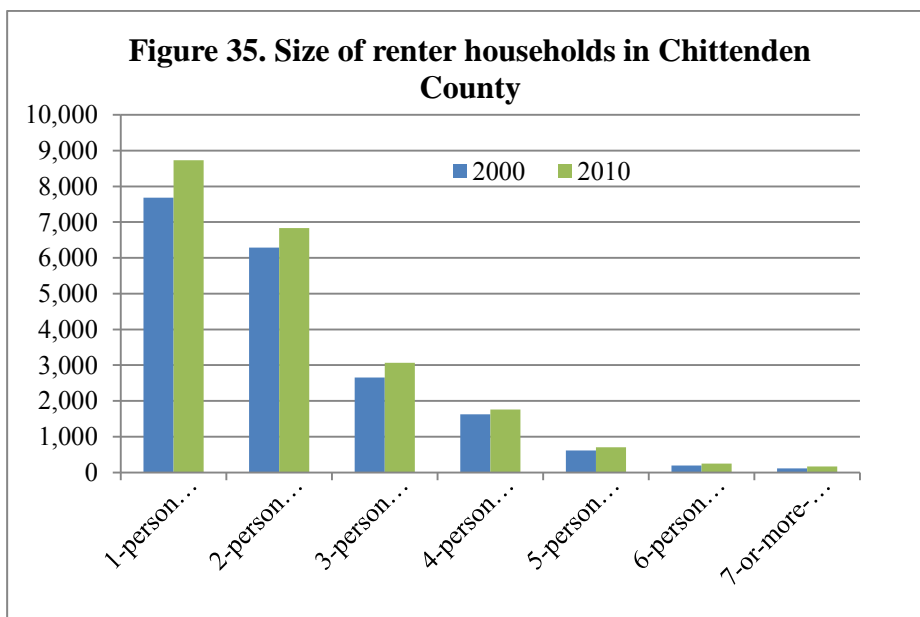
Source: Census 2010, Summary File 1.

The number of owner households with 4 or more people is declining. Virtually all growth between 2000 and 2010 among owner households in the county was due to those with 1 or 2 people.



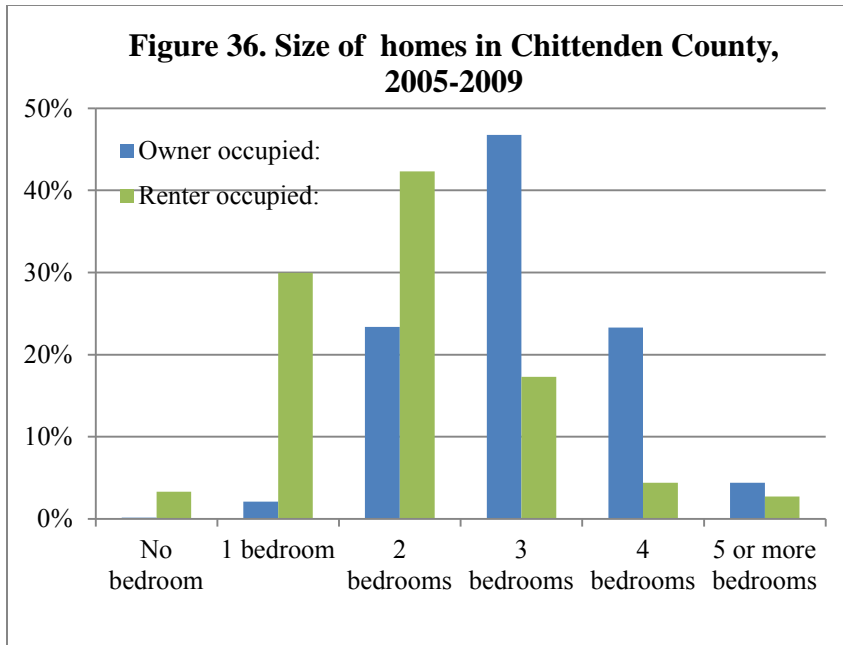
Source: Census 2010, Summary File 1.

As with owner households, most growth among the renter population in 2000-2010 was among smaller households. However, even the number of larger renter households increased.



Source: Census 2010, Summary File 1.

In spite of the decreasing number of larger households, three-quarters of new homes sold in 2009-2010 had 3 or more bedrooms. This type of development has contributed to a housing stock dominated by larger, owner-occupied homes—a trend that does not reflect the declining size of the county's households or the growing population of renters.



Source: U.S. Census Bureau, 2005-2009 American Community Survey.

Despite the prevalence of large owner homes, large units that are rental and/or affordable can be challenging to find. Unique families may need an affordable, large space to accommodate their members, such as large refugee families or extended families in which elders are being cared for by younger relatives. Large units are rare in the rental housing stock (because large families are rare), and come with a high price tag in the county's owner market.

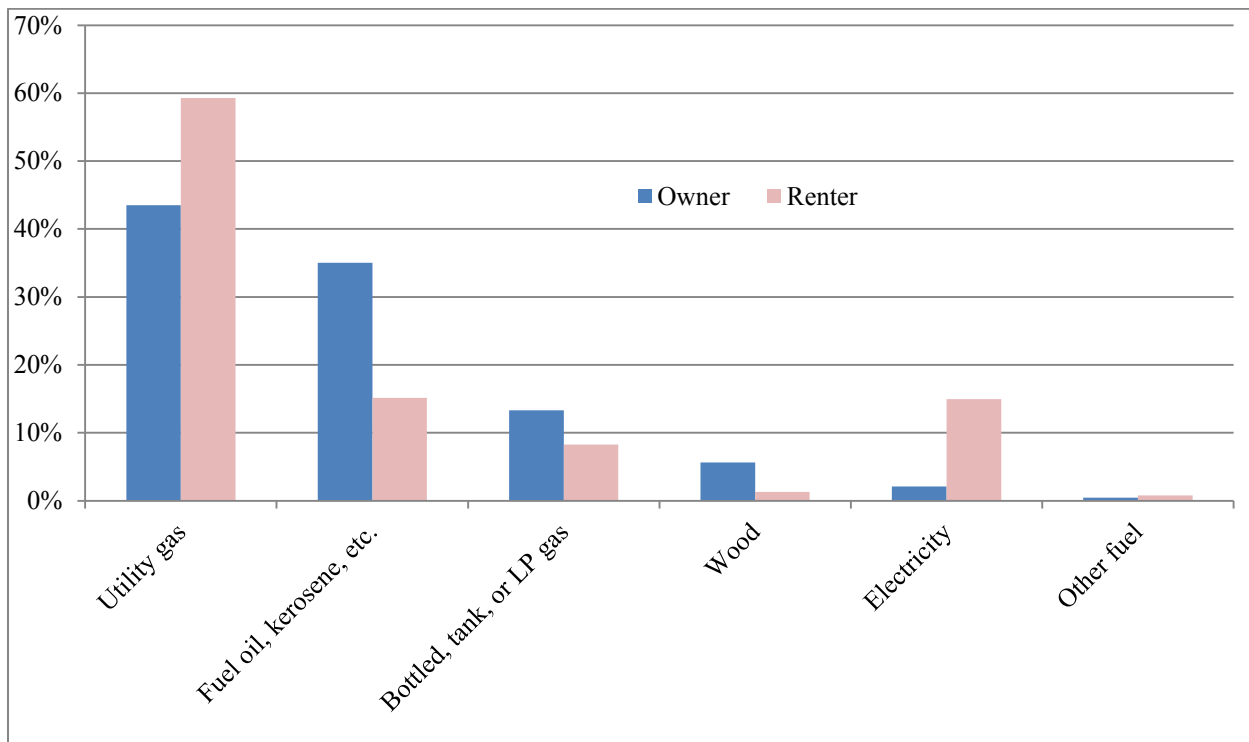
Figure 37. Larger Chittenden County homes cost more

Bedrooms	Average Sales Price	Median Rent
1	\$150,291	\$921
2	\$198,088	\$1,208
3	\$298,358	\$1,795
4	\$395,273	n/a
5	\$655,156	n/a

Source: VHFA analysis of data supplied by NNEREN for homes sold in 2010 and Allen & Brooks Residential Report, March 2011.

Home heating fuel

Gas is the most commonly used heating type for both owners and renters, which is not surprising considering the wide availability of gas service in much of the county, especially to available rental units focused in inner-ring communities like Burlington and Winooski.

Figure 38. Home heating fuel used in Chittenden County

Source: U.S. Census Bureau, American Community Survey, 2005-2009.

In light of rising fuel costs and Vermont's cold, long winters, home size and insulation quality is particularly critical to a resident's consumption costs and the broader impacts of fuel production and consumption.

Energy efficiency

Although a code that establishes a set of efficiency standards for existing homes has not yet been adopted, the Department of Public Service commissioned a study in 2009 examining the baseline efficiency of the housing stock. The study looked at specific characteristics like wall insulation, appliances, heating and hot water systems and determined a point at which the system is considered a "good" retrofit opportunity because of the level of savings potential if the system was upgraded. Most homes in Chittenden County have at least one opportunity for an efficiency upgrade.⁵⁰

Figure 39. Summary of Opportunities in Owner Occupied Homes

Home Feature	RBES Standards for New Homes	Criteria to Identify Homes with 'Good' Retrofit Opportunity	Percent of All Owner Occupied Homes with 'Good' Retrofit Opportunity
Wall Insulation	R-19	< R-7	22%
Flat Ceiling Insulation	R-38	< R-19	33%
Cathedral Ceiling Insulation	R-30	< R-11	5%
Floor Insulation over Unconditioned Space	R-30	No Insulation	63%
Foundation Wall Insulation >50% above grade	R-19	No Insulation	13%
Windows	U-0.50 max	> 25 s.f. of single-pane windows with no storms	11%
Air Infiltration	Seal all joints, seams, and penetrations in exterior shell	>13.0 ACH50	17%
Heating System (AFUE)	84% hot water boiler, 90% gas furnace, 83% oil furnace	Efficiency < 0.80;	12%;
		> 30 years old	9%
Central Air Conditioning	13.0 SEER	< 10.0 SEER;	0%;
		15 years or older	0%
Window Air Conditioners	n/a	15 years or older	2%
Ducts	Ducts in uncond. space sealed using mastic with fibrous backing tape	> 12.0 CFM25 per 100 s.f. of cond. space	21%
Water Heater	n/a	> 20 years old	6%
Hot Water Tank Wrap;	R-14;	No tank wrap;	72%;
Hot Water Pipe Insulation;	First 6' insulated;	No insulation;	76%;
Low Flow Shower Heads;	n/a;	No low flow devices	56%;
Faucet Aerators	n/a		16%
Refrigerators	n/a	15 years or older	34%
Freezers	n/a	15 years or older	19%
Dishwashers	n/a	15 years or older	16%
Clothes washers	n/a	15 years or older;	10%;
		Top-loading	66%
Clothes Dryer	n/a	15 years or older	14%
Lighting	n/a	No CFLs;	10%;
		CFLs in 10% or less of sockets	37%

Source: Vermont Energy Investment Corporation.

An estimated 60% of Chittenden County's homes were built more than 30 years ago (before 1980), making many of them good candidates for heating system upgrades. About 69% were built more than 20 years ago (before 1990), which them good candidates for water heater upgrade. For the 85% of the housing stock built more than 15 years ago (before 1995), replacing original window air

conditioners, refrigerators, freezers, dishwashers, clothes washers, and clothes dryers would be cost effective, due to recent technological advancements.⁵¹

Location of homes

More than 11% of Chittenden County residents commute 25 or more miles to work—with potential adverse effects on both the health of the driver and the environment. This section describes the housing impacts of home location. Information on the impact on public health and natural resources is presented in the separate ECOS analysis reports on these topics.

Proximity to transit

All but 80 of the 4,300 units of rental housing receiving project based public subsidies are within a half mile of public transit. Additionally, about 60% of the homes valued at \$205,000 or less (making them affordable to the median income household of \$60,000), are within a half mile of transit.⁵² The proximity of affordable rental housing and homeownership opportunities to public transportation is particularly important because it is utilized by people with lower incomes who rely on it as their primary mode of transportation.

Proximity to jobs

Affordable housing can often be found only at some distance from the work site. Housing too far from the place of employment was identified as a serious problem by 46% of county employers surveyed in this study.

This analysis looks at the location of homes relative to jobs for (1) Chittenden County's working residents and (2) all people who work in Chittenden County, regardless of the county they live in.

Chittenden County residents

Most employed Chittenden County residents (84% in 2009) also work in the county, but some travel as far as Barre and Hartford.⁵³ As shown below, 30% of the county's residents who work are employed in Burlington, but 16% commute to jobs outside of the county:

Figure 41. Place of employment for Chittenden County resident workers , 2009

Place of employment	Number of workers	Percent
Burlington city (Chittenden, VT)	20,770	30.2%
South Burlington city (Chittenden, VT)	10,328	15.0%
Essex town (Chittenden, VT)	7,682	11.2%
Williston town (Chittenden, VT)	5,557	8.1%
Colchester town (Chittenden, VT)	4,777	6.9%
Shelburne town (Chittenden, VT)	1,985	2.9%
Winooski city (Chittenden, VT)	1,631	2.4%
Hinesburg town (Chittenden, VT)	1,469	2.1%
Milton town (Chittenden, VT)	1,412	2.1%
Montpelier city (Washington, VT)	1,091	1.6%
Richmond town (Chittenden, VT)	810	1.2%
Waterbury town (Washington, VT)	783	1.1%
Hartford town (Windsor, VT)	723	1.1%
St. Albans city (Franklin, VT)	623	0.9%
Rutland city (Rutland, VT)	538	0.8%
St. Albans town (Franklin, VT)	501	0.7%
Jericho town (Chittenden, VT)	458	0.7%
Barre city (Washington, VT)	438	0.6%
Middlebury town (Addison, VT)	347	0.5%
Vergennes city (Addison, VT)	311	0.5%

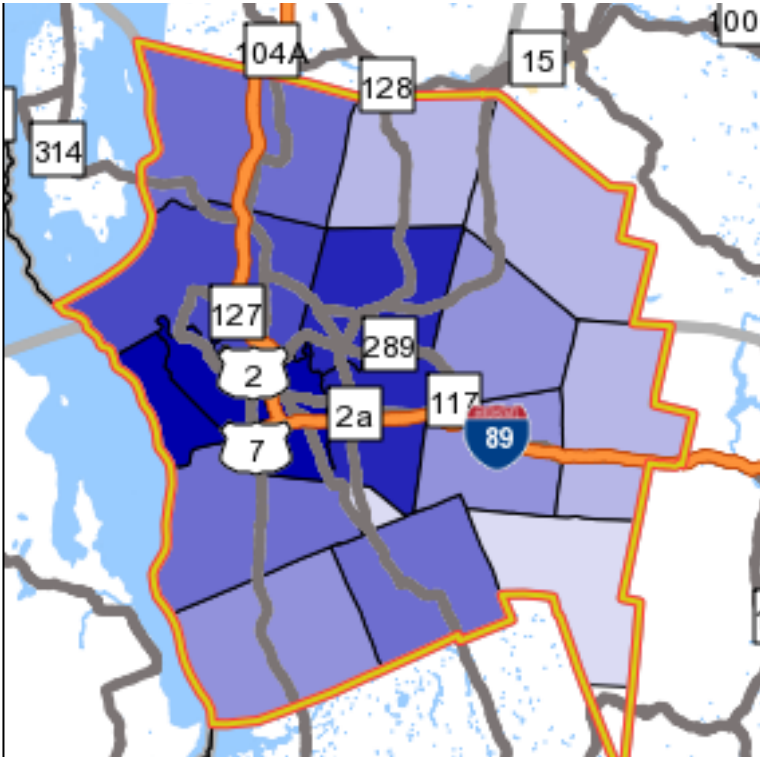
Source: VHFA analysis of estimates from the U.S. Census Bureau's Longitudinal Employer-Household Dynamics, using the tool "On The Map."

Chittenden County jobs

Chittenden County is the center of economic activity for the region. It has a consistently low unemployment rate and is a net importer of jobs. In 2009, 11,172 Chittenden County residents traveled out of the county for work while 27,552 workers lived outside of Chittenden County but traveled to Chittenden County for work. This is a net addition of 16,380 jobs to the jobs held by Chittenden County's resident workers.

As the dark blue shading in the map suggests, Chittenden County jobs are concentrated in the western part of the county -- in Burlington and South Burlington, and, to a lesser extent, Williston and Essex.

Figure 42. Concentration of Chittenden County jobs, 2009



68 percent of those jobs are held by workers living in Chittenden County, while 32% of the jobs are held by workers living outside Chittenden County.⁵⁴

Chittenden County workers who live outside the county are more likely to live in neighboring counties, especially Franklin County, than from counties that are farther away. However, nearly 4,000 workers commute to Chittenden County from Washington County and another 2,000 come from Rutland County, as shown below:

County of residence	Number of workers	Percent
Chittenden County, VT	57,671	67.7%
Franklin County, VT	7,197	8.4%
Washington County, VT	3,862	4.5%
Addison County, VT	3,856	4.5%
Lamoille County, VT	2,024	2.4%
Rutland County, VT	2,020	2.4%
Grand Isle County, VT	1,628	1.9%
Caledonia County, VT	760	0.9%
Orleans County, VT	757	0.9%
Windsor County, VT	720	0.8%
All Other Locations	4,728	5.5%

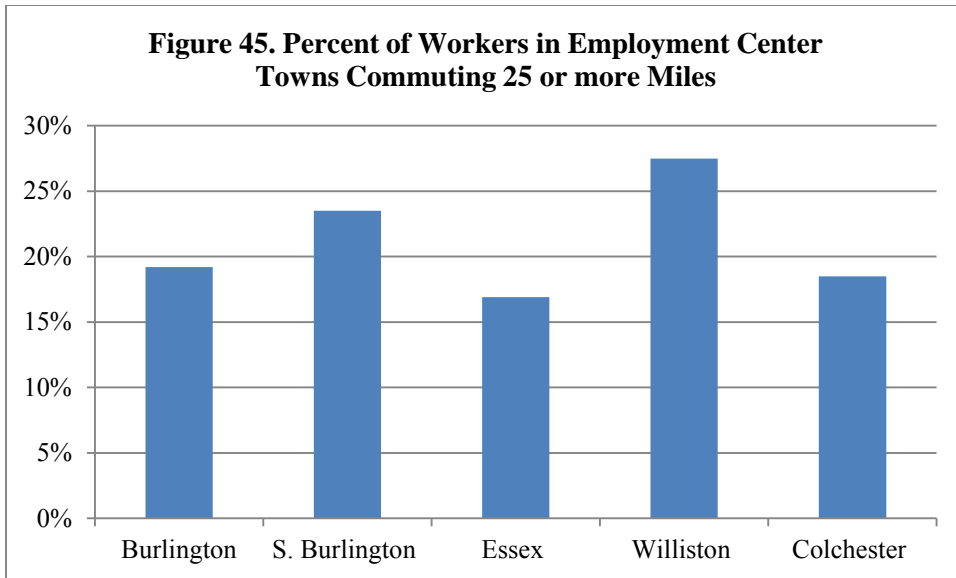
Source: VHFA analysis of estimates from the U.S. Census Bureau's Longitudinal Employer-Household Dynamics, using the tool "On The Map."

The Chittenden County towns and cities tabulated below account for about 85% of all jobs in the county and, as such, merit special study of the proximity of residence and worksite.

	Number	Percent
Burlington	29,274	34.3%
South Burlington	15,901	18.7%
Essex	11,161	13.1%
Williston	9,299	10.9%
Colchester	7,036	8.3%

Source: VHFA analysis of estimates from the U.S. Census Bureau's Longitudinal Employer-Household Dynamics, using the tool "On The Map."

Of particular interest are the employment center towns that have large numbers of workers who commute long distances. As the following table shows, the percentage of workers commuting 25 or more miles ranges from 17% in Essex to 28% in Williston.



Source: VHFA analysis of estimates from the U.S. Census Bureau's Longitudinal Employer-Household Dynamics, using the tool "On The Map."

Distance between home and job

For over half of the jobs (57%), the distance between home and work site is less than 10 miles. People in the remainder of the jobs, however, have more significant commuting distances.

	Number	Percent
Less than 10 miles	48,892	57.4%
10 to 24 miles	19,349	22.7%
25 to 50 miles	9,586	11.2%
Greater than 50 miles	7,396	8.7%
Total Jobs	85,223	100.0%

Source: VHFA analysis of estimates from the U.S. Census Bureau's Longitudinal Employer-Household Dynamics, using the tool "On The Map."

In an era of increasing fuel prices, each additional mile of a resident's commute adds up significantly over the course of a year.

Figure 47. Estimated costs of commuting in Vermont

	40 mile round trip commute	15 mile round trip commute
Monthly Cost	\$536	\$201
Yearly Cost	\$6,441	\$2,415

Assumes full-time employment, 25 miles per gallon gas mileage, \$2.85 per gallon, and AAA estimates of the per mile cost of repairs, registration, taxes, insurance, financing and depreciation. Source: Vermont Agency of Transportation.

Housing's impact on employers

VHFA collected surveys from 47 Chittenden County employers asking their opinions about housing availability, cost, and location -- and about the impact of those factors on their businesses. The cost of housing was regarded as a serious problem by 74% of employers for rental housing and 62% of employers for owner housing. In fact, 83% of employers said that the cost and availability of housing was an obstacle to economic development.

Employee turnover (i.e., the cost of lost productivity, advertising, and the time and expense of interviewing and training candidates) costs on average, \$13,754 per employee. In the past three years, employers lost an average of 2.46 recruits due to housing costs, availability, or other limitations. Employers commented that they have lost recruits and have had to spend greater sums of money in sign on bonuses and relocation expense reimbursement or temporary housing because there are such limited rental homes and affordable housing relative to the options candidates observed in other parts of the country.

In addition this survey, the Greater Burlington Industrial Corporation (GBIC) and a team of economic development consultants conducted a separate employer survey for their analysis work.

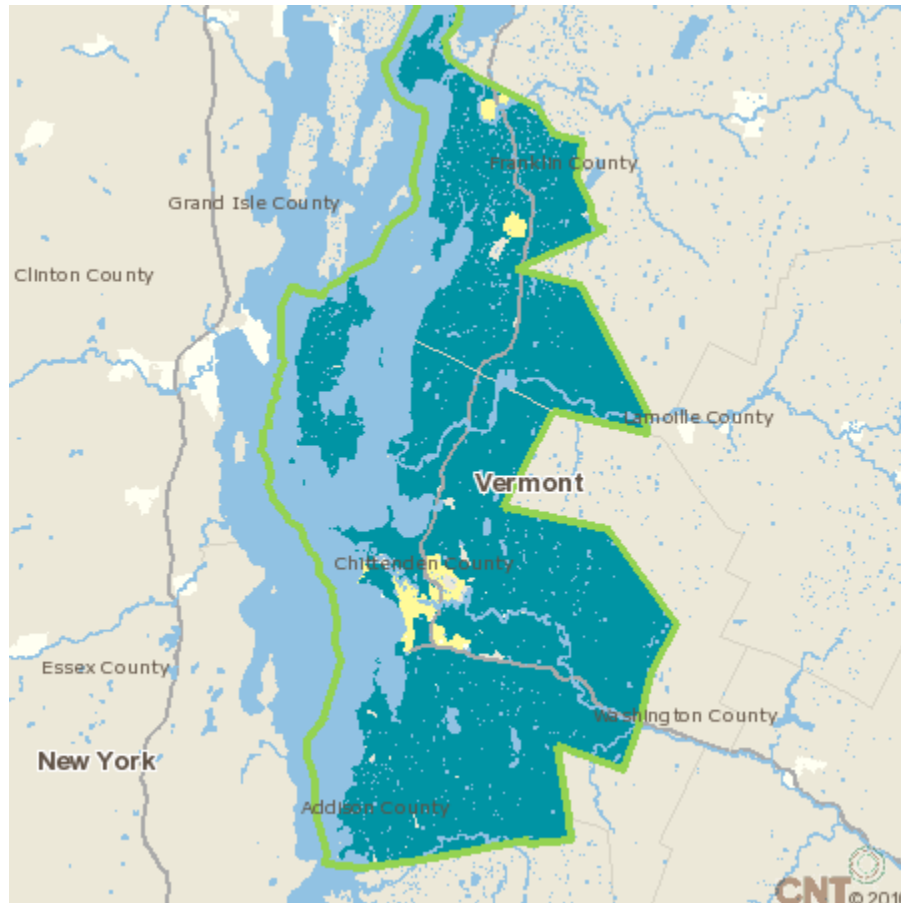
In their survey, employers were asked to indicate how housing affects relocating or recruiting workers from outside the area. The average rating among responding employers was 2.7 on a five point scale where 1="poor" and 5="excellent." Housing was the lowest-rated quality of life factor in this economic competitiveness survey. It was also the most commonly observed weakness of the region in interviews with employers. This was a notable difference compared to the high ratings of virtually all other quality of life factors in the region. One survey respondent categorized the "Chittenden County discount" as "pay scales are lower but housing prices are not."⁵⁵

Combined costs of housing and transportation

The Center for Neighborhood Technology (CNT) created a combined housing and transportation affordability tool as a more complete measure of affordability beyond the standard method of assessing only housing costs. By taking into account both the cost of housing ("H") as well as the cost of transportation ("T") associated with the location of the home, "H+T" provides a more complete understanding of affordability. Dividing these costs by local incomes calculated by CNT illustrates the cost burden placed on a typical household by H+T expenses. While housing alone is traditionally deemed affordable when consuming no more than 30% of income, CNT has defined an affordable range for H+T as the combined costs consuming no more than 45% of income.

With the exception of some neighborhoods in Burlington and Winooski and a few block groups elsewhere, virtually all of Chittenden County's employed residents have combined housing and transportation costs that exceed 45% of their income.

**Figure 48. Burlington Metropolitan Area:
Combined Housing and Transportation Costs, as % of Income**



- Housing and transportation costs are 45% of income and higher
- Housing and transportation costs are less than 45% of income

Source: Center for Neighborhood Technology.

GROWTH OF HOUSING STOCK

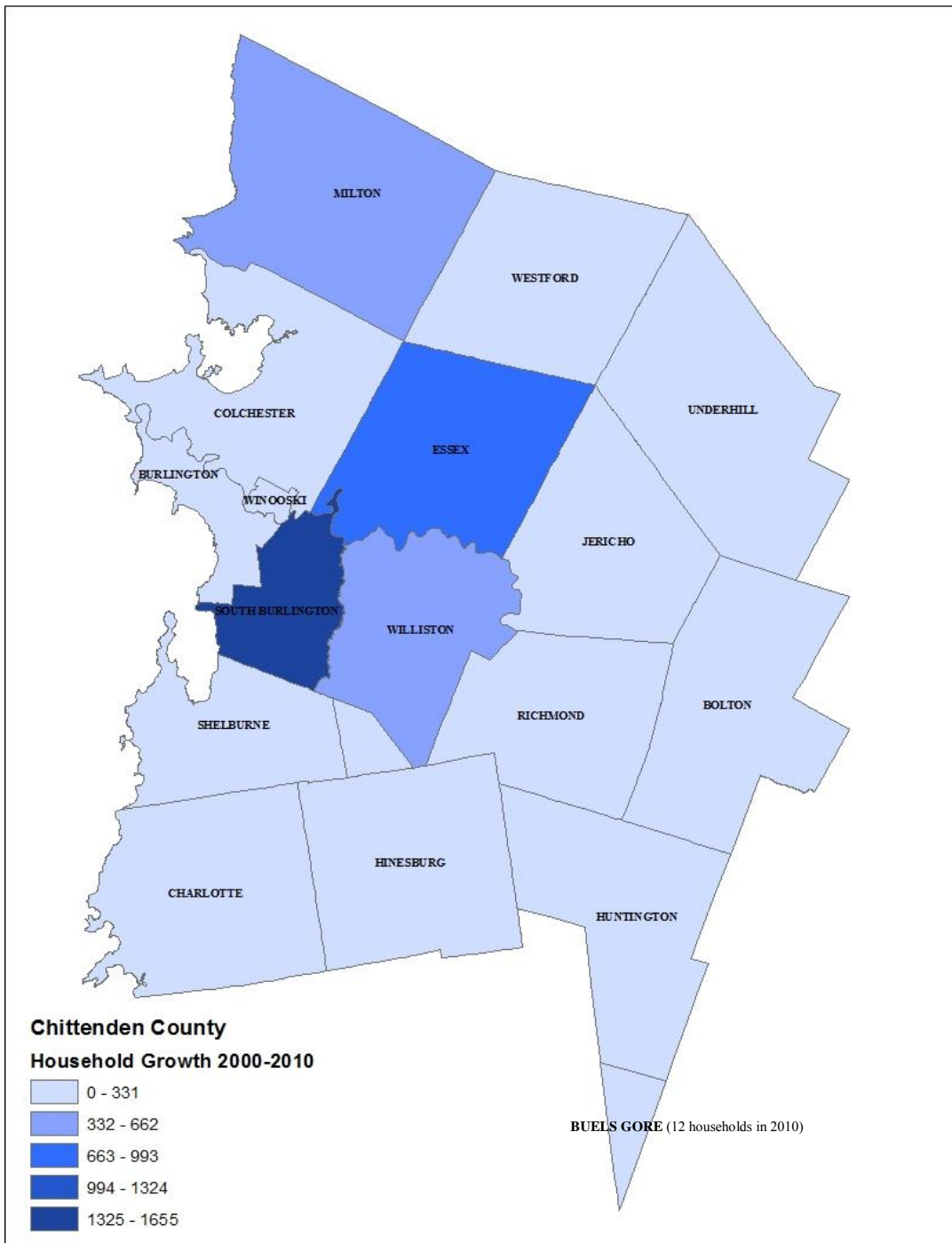
The county's population is expected to continue growing, albeit at a slower pace than in the past decade. This growth will best be addressed by considering trends in the types of new homes constructed in the county, future population changes include growing demand for rental units, as well as the full range of impacts of an expanding housing stock on the greater community and environment.

Growth by community

The county's housing stock increased 10% between 2000 and 2010. Communities with the fastest rate of growth between 2000 and 2010 were the tiny communities of Buels Gore and Bolton as well as the larger towns of South Burlington, Williston, and Milton. No municipality contracted during the past decade.

Over 30% of the county's growth was in South Burlington, and 16% occurred in Essex Town.

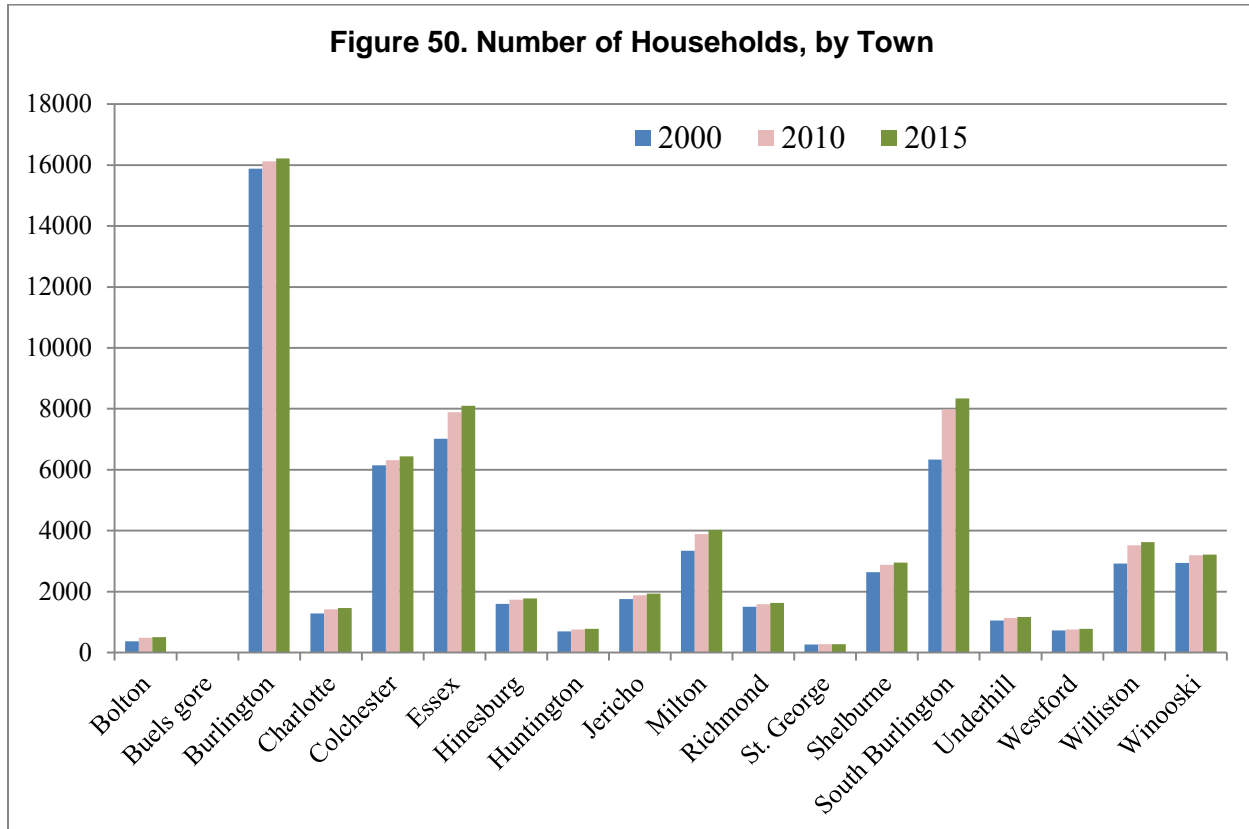
Figure 49. Number of new households, 2000-2010



Source: Census 2000 and 2010, Summary File 1.

According to ESRI, the rate of growth between 2010 and 2015 is expected to be much slower – 2.6% over the next five year period. That’s 47% slower than the annual growth rate of the county in 2000 to 2010. The town with the highest rate of growth projected for the next five years is South Burlington (4.4%).

The inner-city communities of Burlington and Winooski will likely experience the lowest rate of growth (0.6% and 0.5%, respectively).



Source: ESRI. Details including growth rate are shown in Appendix 1.

Between 2000 and 2010, the county saw a greater increase in renter households than owners. The number of renter-occupied housing units increased by 12% compared to just an 8% increase in owner-occupied units

Figure 51. Number of households, 2000-2015

	2000	2010	2015 (est.)
Owner households	37,291	40,310	41,110
Renter households	19,161	21,517	22,317
Total	56,452	61,827	63,427

Source: 2000 and 2010 Census, Table H004, 2015 – ESRI.

Communities with the largest increases in renter households were:

- Williston (52%)
- Milton (50%)
- South Burlington (41%)
- St. George (39%)

Only Hinesburg and Richmond saw drops in the number of renters, where it decreased by 9% and 2%, respectively.

Most of the new rental units created each year in the county are in housing projects that receive project-based public subsidies to target lower income households. About 42% of recently created subsidized rental units (built since 2005) were in buildings on sites that had already been developed. These previously developed sites contained either buildings that were rehabilitated and converted to affordable rental housing, decaying buildings, or parking lots.⁵⁶

Communities with the largest increases in owner households were:

- Bolton (33%)
- South Burlington (19%)
- Buels Gore (17%)

St. George had a 2% drop in the number of owners, and both Burlington and Winooski had 1% declines. The full listing of communities by tenure is available in Appendix 1.

Characteristics of new homes

The characteristics of new homes demonstrate the preferences of developers and consumers and likely trends at least in the near future.

The State of Vermont adopted a Residential New Construction Energy Code and is scheduled to update that code in the near future. Although the state has a code, unfortunately not all new homes meet the minimum requirements. Many energy efficiency investments during a home's construction are recouped through lower energy consumption and associated expenses for the resident during the years they live in the home. In this way, these investments can improve the home's affordability in the long-run and minimize negative environmental consequences of energy consumption.

As of 2008, compliance with the code among new homes varied widely, depending on the feature—only 30% of new homes in the state had Energy Star dishwashers, but 95% had wall insulation that met the code. Over the years, the Department of Public Service has commissioned studies to assess the residential new construction market and baseline for energy efficiency. The studies were conducted in 1995, 2002 and in 2008 show a trend of improved compliance with the energy code.

Figure 52. Compliance with VT Residential New Construction Energy Code Feature	1995	2002	2008
Flat Ceiling Insulation Meets or Exceeds Code Requirements (R-38)	62%	68%	74%
Sloped/Cathedral Ceiling Insulation Meets or Exceeds Code Requirements (R-30)	65%	64%	80%
Conditioned/Ambient Wall Insulation Meets or Exceeds Code Requirements (R-19)	n/a	90%	95%
Below Grade Basement Wall Insulation Meets or Exceeds Code Requirements (R-10)	48%	62%	73%
Percent Glazing Area Double Pane Low-E or Better	70%	80%	94%
Average Percent Glazing Area (window to wall ratio)	n/a	14%	13%
Average Natural Air Changes Per Hour (ACHnat)	0.45	0.31	0.28
Average AFUE of Central Heating System	n/a	85.0	87.8
Percent of Homes with Tankless Coil Water Heating	32%	3%	5%
Percent of Homes with CFL Bulbs	≈33%	47%	81%
Average Number of CFL Bulbs per Home	n/a	3.0	14.2
Percent ENERGY STAR Refrigerators	n/a	27%	30%
Percent ENERGY STAR Dishwashers	n/a	36%	69%
Percent ENERGY STAR Clothes washers	n/a	47%	48%

Of all new homes sold in 2009-2010 in the county, the median number of bedrooms was three and the average square footage was 2,098. 10 percent of these new homes had at least four bedrooms.

Figure 53. New homes in Chittenden County

Average square footage	2,098
% with 4+ bedrooms	10%
Median number of bedrooms	3
Average sales price (1 BR)	\$314,980
Average sales price (2 BR)	\$283,019
Average sales price (3 BR)	\$348,587
Average sales price (4 BR)	\$560,961

Source: VHFA analysis of data provided by NNEREN for homes sold in 2009-2010.

Analysis of recently homes sold in Chittenden County in 2009 and 2010 showed that of the newly constructed units, 55% were within a half mile of public transportation.⁵⁷

Demand for additional homes is likely to increase by 2015

Between 2010 and 2015, demographers expect an estimated 1,600 additional households to be living in Chittenden County. Although estimates about whether these new households will buy or rent their homes vary, it is likely that at least half of these additional households will be renters.

In order to meet the current and expected new demand, the county will need approximately 1,000 additional rental housing units by 2015.

Figure 54. Estimated increases to total rental stock needed by 2015

Additional renter households	800
Housing currently homeless families and individuals	83
Replacement units needed due to destruction / removal*	115
Total additional units needed	998

*Assumes an annual housing destruction rate of 0.103% and that the current 1.4% vacancy rate is adequate since this is the long term average rate for Chittenden County as per Allen & Brooks Residential Report, March 2011.

Source: VHFA analysis of ESRI population estimates, 2010 U.S. Census Summary File 1 tables H4 and H5, and the Point-In-Time homelessness count for Chittenden County, January 2011.

Meeting this demand would require an average annual production of 200 units – more than the county’s pace of rental home production in the past. According to Allen & Brooks, annual rental unit production in the county averaged 156 in 2000-2010. There are 1,459 proposed new units in the county, as of Allen & Brook’s latest report although historically the number of proposed units is always higher than the number actually built.⁵⁸

There is likely to be demand for a similar number of new owner homes over the next five years. During 2005-2010, average annual production of new owner single family and condo units was 285—more than the roughly 200 homes needed each year to meet expected future demand. More than 2,500 homes are already in the planning and approval stages, according to Allen & Brooks. Building just half of these planned homes would meet expected demand at the county level. However, whether the location and other characteristics and prices of these homes matches the type of demand likely from the county’s new homeowners merits further attention.

Many of these planned homeownership units were designed to be condominiums prior to the recession when the market for them was strong. With the financing constraints now faced by condominium buyers, discussed earlier, more developers are looking to convert their planned for-sale developments to rental housing. The extent to which these planned developments successfully make this switch will shift the unmet need between renters and owners.

Figure 54. Estimated increases to total owner housing stock needed by 2015

Additional owner households	800
Replacement units needed due to destruction / removal*	211
Total additional units needed	1,011

*Assumes an annual housing destruction rate of 0.103% and that the current vacancy rate is balanced based on months of supply figures in Allen & Brooks Residential Report, March 2011, pp. 45-46.

Source: VHFA analysis of ESRI population estimates and 2010 U.S. Census Summary File 1 tables H4 and H5.

It is likely that the number of replacement units needed in Chittenden County is even higher than estimated here due to recent damage from Tropical Storm Irene. Chittenden County was hit hard enough to be considered part of the federally designated disaster area, qualifying residents for special federal housing assistance and the county's communities for federal public assistance to rebuild. Statewide, an estimated 1,400 homes were significantly damaged.⁵⁹

CONCLUSIONS AND RECOMMENDATIONS

Many opportunities exist to improve housing choice fairness, the affordability of housing, and inefficient features of the county's housing stock for today's residents and to guide future development in ways that address demographic trends and enhance the region's long run sustainability.

This assessment documents a number of ways in which the housing needs of current residents are not being fully met and identifies future trends that will place additional pressure on the county's housing delivery system. The following list highlights the county's most critical housing needs:

- Approximately 500 people in Chittenden County were homeless during the January 2011 one-night county, clearly demonstrating gaps in the access to the types of housing options and services that could have kept these people housed.
- Members of some protected classes do not have equal access to housing opportunities in Chittenden County. The county's growing population of non-White county residents, residents with disabilities, and single-parent families are more likely to experience poverty and less likely to become homeowners than other types of households. The availability of housing for all residents, regardless of their race, disability status, or membership in other protected classes, ensures that residents have an opportunity to reach their potential as contributing community members.
- Approximately 4,000 owner households and 6,000 renter households living in Chittenden County pay more than half of their incomes for housing expenses. These households are at much higher risk of foreclosure, eviction, homelessness, and frequent moving—all of which harm residents and the community.
- Nearly 60% of the county's housing stock was built before 1980—when lead-based paint was widely used, most home insulating, heating and energy technology was inefficient, and building and accessibility codes did not yet accommodate all types of residents. This older portion of the housing stock, may threaten residents' health especially among the county's growing population of elderly residents and among lower income residents with limited capacity to make repairs or improvements.
- More than 11% of Chittenden County residents commute 25 or more miles to work. With the exception of some neighborhoods in Burlington and Winooski and a few blocks in other parts of the county, the vast majority of Chittenden County's working residents pay more than 45% of their income for the combined cost of housing and transportation.

- The county's population is expected to continue growing, albeit at a slower pace than in the past decade. Although there are enough planned owner units to meet total expected demand, the location within the county, price point, and features of homes in the planning hopper merit careful attention. Rental unit production in the county needs to exceed prior levels to meet expected demand during 2010 through 2015. Each new home added to the stock brings the opportunity to both meet critical housing needs and promote regional sustainability.

Developing specific approaches to meeting these needs requires a thorough review of the analytical reports developed for the ECOS project, including tools available to policy makers at the community level. With an understanding of the interaction between energy, transportation, economic development, health, and housing issues, the range of tools expands exponentially. This is the strength of the ECOS project and creates a rare opportunity to make advances in unprecedented ways.

Selecting a priority such as reducing a portion of county residents' combined housing and transportation cost burden to an affordable level and employing the full array of tools identified by the ECOS project partners could address almost all of the critical housing need areas listed above. Furthermore, tools in virtually all of the ECOS subject areas (such as housing, transportation, energy) can offer information and impact at creating conditions in which county residents can afford to pay for their most critical expenses.

ENDNOTES

- ¹ U.S. Census Bureau, American Community Survey, 2005-2009, Tables B19013 and B17021.
- ² HUD's Office of Sustainable Housing and Communities, Six Livability Principles, http://portal.hud.gov/hudportal/HUD?src=/program_offices/sustainable_housing_communities/Six_Livability_Principles. In February 2010, HUD Secretary Shaun Donovan stated that "sustainability also means creating 'geographies of opportunity,' places that effectively connect people to jobs, quality public schools, and other amenities. Today, too many HUD-assisted families are stuck in neighborhoods of concentrated poverty and segregation, where one's zip code predicts poor education, employment, and even health outcomes. These neighborhoods are not sustainable in their present state."
- ³ U.S. Census Bureau, American Community Survey, 2005-2009.
- ⁴ Table 1, Appendix 1.
- ⁵ Table 3, Appendix 1.
- ⁶ City of Burlington's Analysis of Impediments to Fair Housing Choice, October 2010.
- ⁷ VHFA analysis of FFEIC, Home Mortgage Disclosure Act reports for the Burlington-South Burlington Metropolitan Statistical Area.
- ⁸ *President's Perspective: Creating A Class*. Daniel Mark Fogel.
- ⁹ VHFA analysis of data provided by UVM Campus Planning Services office, August 2011.
- ¹⁰ Allen & Brooks, *Residential Report*, March 2011, p. 172.
- ¹¹ Table 2, Appendix 1.
- ¹² U.S. Census Bureau, "Annual Estimates of the Resident Population by Sex and Age for States and for Puerto Rico: April 1, 2000 to July 1, 2009," June 2010.
<http://www.census.gov/compendia/statab/2011/tables/11s0016.pdf>.
- ¹³ ESRI Community Analyst is a private third-party source of projection estimates used in this study. For more information go to <http://www.esri.com/software/arcgis/community-analyst/index.html>. Data sources and methodology can be found in: <http://www.esri.com/library/whitepapers/pdfs/demographic-update-methodology-2010.pdf>
- ¹⁴ Table 5, Appendix 1.
- ¹⁵ U.S. Census Bureau, *Internal Migration of the Older Population: 1995-2000*.
<http://www.census.gov/prod/2003pubs/censr-10.pdf>.
- ¹⁶ U.S. Census Bureau, American Community Survey, 2010, Table s1810 and s1811.
- ¹⁷ Social Security Administration reports on SSI:
http://www.socialsecurity.gov/policy/docs/statcomps/ssi_sc/2010/vt.html and
<http://www.socialsecurity.gov/pubs/11128.html#table>.
- ¹⁸ Email dated August 24, 2011 from Joyce Werntgen, Vermont Center for Independent Living.
- ¹⁹ Vermont Housing Finance Agency, *2010 Vermont Housing Needs Assessment*, p. V-6.
- ²⁰ Center for Housing Studies, Jeffrey Lubell. *Should I Stay or Should I Go? Exploring the Effects of Housing Instability and Mobility on Children*, p. 14. <http://www.nhc.org/media/files/HsgInstablityandMobility.pdf>
- ²¹ Improving the Odds for Kids. Vermont Poverty Council. January 29, 2009. Page 54.
- ²² U.S. Census Bureau, American Community Survey 2005-2009, Table B25091.
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- ²⁴ Vermont Department of Taxes, property transfer tax data.
- ²⁵ VHFA estimates based on average interest rates for a 30-year mortgage, average closing costs, taxes, insurance premiums, and fees, and a 30% housing payment ratio.
- ²⁶ U.S. Census Bureau, American Community Survey, 2005-2009.
- ²⁷ VHFA analysis of occupational wage data from the Vermont Department of Labor.
- ²⁸ U.S. Census Bureau, American Community Survey 2005-2009.
- ²⁹ U.S. Census Bureau, American Community Survey 2005-2009. Table B08202 and 2010 Census Summary File 1.

- ³⁰ Allen & Brooks, *Residential Report*, March 2011.
- ³¹ Resident Characteristics Report. U.S. Department of Housing and Urban Development. Although most live in privately-owned homes, an estimated 14% of Vermont's rental voucher holders live in subsidized housing.
- ³² This information was updated in 2011 as part of VHFA's work on the Vermont Affordable Housing Preservation Council.
- ³³ U.S. Census Bureau, American Community Survey 2007-2009. Table B25027.
- ³⁴ Vermont Housing Finance Agency, *2010 Vermont Housing Needs Assessment*.
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- ³⁶ HUD, Home Equity Conversion Mortgage reports.
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- ³⁸ *Shaping the Future of Long Term Care and Independent Living*. Vermont Department of Disabilities, Aging and Independent Living. June 2008. Page i.
- ³⁹ *Housing and the Needs of Vermont's Aging Population*. Vermont Housing Finance Agency. September 2007. Page 5.
- ⁴⁰ VT property transfer tax data.
- ⁴¹ Allen & Brooks, Residential Report, March 2011 and 2010 Census, Summary File 1.
- ⁴² U.S. Census Bureau, 2010 Census, Summary File 1.
- ⁴³ National Low-Income Housing Coalition, Out of Reach report, 2011.
- ⁴⁴ U.S. Census Bureau, American Community Survey, 2005-9
- ⁴⁵ U.S. Census Bureau, American Community Survey 2005-2009, Table B25036.
- ⁴⁶ Get the Lead Out Vermont. Vermont Attorney General and Health Dept. Feb. 2007. Page 6.
- ⁴⁷ U.S. Census Bureau, American Community Survey 2005-2009, Table B25036
- ⁴⁸ U.S. Department of Housing and Urban Development, CHAS 2007-9, Table 13S.
- ⁴⁹ U.S. Consumer Product Safety Commission, What You Should Know About Lead Based Paint in Your Home: Safety Alert, CPSC Document #5054, <http://www.cpsc.gov/cpsc/pub/pubs/5054.html>
- ⁵⁰ Nexus Market Research, Inc. RLW Analytics, Inc. Dorothy Conant Overall, *Report for Existing Homes in Vermont FINAL*, submitted to Vermont Department of Public Service, June 8, 2009.
- ⁵¹ U.S. Census Bureau, American Community Survey 2005-2009, Table B25036.
- ⁵² CCRPC analysis of grand list data for primary homes.
- ⁵³ The primary tool used in this work is the U.S. Census Bureau's Longitudinal Employer-Household Dynamics and their tool, "On The Map." See www.lehd.did.census.gov/led.
- ⁵⁴ All job counts are tabulations of primary jobs. A primary job is a worker's highest paying job. Primary jobs include both public and private sector jobs. They are limited to one job per worker.
- ⁵⁵ Draft #1, Chittenden County, VT Competitive Assessment, p. 20. See <http://ecosproject.com/sites/default/files/documents/ECOS%20Draft%20%231%20Competitive%20Assessment%20W%20appendices%2010-18-11.pdf>
- ⁵⁶ VHFA analysis of the Vermont Directory of Affordable Housing and project development files.
- ⁵⁷ CCRPC analysis of data from the VT Directory of Affordable Rental Housing.
- ⁵⁸ Allen & Brooks, Residential Report, March 2011.
- ⁵⁹ Neale Lunderville, as reported in the Burlington Free Press, Nov. 11, 2011.

APPENDIX 1: Supporting data tables

Table 1: Race

Race of Householder	2010				2000			
	Chittenden County		Vermont		Chittenden County		Vermont	
Total:	61,827	100.0%	256,442	100.0%	56,452	100.0%	238,383	100.0%
White alone	58,566	94.7%	248,163	96.8%	54,280	96.2%	234,766	98.5%
Black or African American alone	885	1.4%	1,594	0.6%	432	0.8%	867	0.4%
American Indian and Alaska Native alone	179	0.3%	912	0.4%	167	0.3%	960	0.4%
Asian alone	1,228	2.0%	2,077	0.8%	852	1.5%	1,366	0.6%
Native Hawaiian and Other Pacific Islander alone	14	0.0%	48	0.0%	8	0.0%	37	0.0%
Some Other Race alone	180	0.3%	554	0.2%	157	0.3%	387	0.2%
Two or More Races	775	1.3%	3,094	1.2%	556	1.0%	2,251	0.9%

Census 2010 and 2000, SF1

Table 2: Number of households, by household income

Characteristic of Household Head	Total number of HHs	Margin of error (+/-)	Number of HHs at <\$20,000	Margin of error (+/-)	Number of HHs at <\$50,000	Margin of error (+/-)
	59,479	+/- 536	8,424	+/- 592	24,446	+/- 1,032
White	55,084	+/- 545	7,765	+/- 579	22,650	+/- 976
African-American	802	+/- 146	116	+/- 88	499	+/- 188
Asian	1,176	+/- 176	193	+/- 85	543	+/- 158
Two or more races	702	+/- 138	135	+/- 73	301	+/- 146
Other	382	+/- 137	95	+/- 117	180	+/- 282
Hispanic	944	+/- 154	202	+/- 103	416	+/- 171
Non-Hispanic	55,084	+/- 545	7,765	+/- 579	22,650	+/- 976
Renter	19,459	+/- 638	5,835	+/- 513	14,147	+/- 821
Owner	40,020	+/- 561	2,589	+/- 333	10,299	+/-571
<65 yrs old	49,993	+/- 745	2,161	+/- 298	7,033	+/- 529
>=65 yrs old	9,486	+/- 404	2,509	+/- 294	5,750	+/-438
With disability	4,545	+/- 550				

Source: U.S. Census Bureau, American Community Survey, 2005-2009.

Table 3: Percentage of households in lower income groups

Characteristic of Household Head	% of HHs at <\$20,000	Margin of error (+/-)	% of HHs at <\$50,000	Margin of error (+/-)
All households	14%	+/- .99%	41%	+/- 1.67%
White	13.9%	+/- 1%	40%	+/- 1.7%
African-American	14.5%	+/- 10.6%	62.2%	+/- 20.5%
Asian	16.4%	+/- 7%	46.2%	+/- 12.6%
Two or more races	19.2%	+/- 9.7%	42.8%	+/- 16.3%
Other	24.8%	+/- 29%	47.1%	+/- 71.9%
Hispanic	21.4%	+/- 10.3%	44%	+/- 16.7%
Non-Hispanic	13.9%	+/- .99%	40%	+/- 1.7%
Renter	30%	+/- 2.4%	73%	+/- 3.4%
Owner	6.5%	+/- .83%	26%	+/- 1.4%
<65 yrs old	11.8%	+/- 1.7%	37.4%	+/- 1.8%
>=65 yrs old	26.4%	+/- 2.9%	60.6%	+/- 3.8%

Source: U.S. Census Bureau, American Community Survey, 2005-2009.

Table 4: Household type

Household Type	Total number of HHs	Margin of error (+/-)	Number of HHs in poverty	Margin of error (+/-)	% in poverty	Margin of error (+/-)
Single individuals	16,405	+/- 618	2,264	+/- 289	13.8%	+/- 1.7%
Non-family groups	7,355	+/- 535	1,809	+/- 254	24.6%	+/- 3%
Families without children	17,670	+/- 604	489	+/- 153	2.8%	+/- .86%
Single parent families with children	5,502	+/- 481	1,524	+/- 268	27.7%	+/- 4.2%
Married parent families with children	12,547	+/- 498	384	+/- 145	3.1%	+/- 1.1%

Source: U.S. Census Bureau, American Community Survey, 2005-2009.

Table 5: Household income, by household type

Household Type	Total number of HHs	Margin of error (+/-)	Number of HHs at <\$20,000	Margin of error (+/-)	Number of HHs at <\$50,000	Margin of error (+/-)
Non-family groups	23,760	+/- 671	2,718	+/- 333	+/- 9,587	+/- 644
All Families	35,719	+/- 696	6,048	+/- 484	15,507	+/- 821

Source: U.S. Census Bureau, American Community Survey, 2005-2009.

Table 6: Incidence of poverty, by race

Racial Group	Total number of HHs	Margin of error (+/-)	Number of HHs in poverty	Margin of error (+/-)	% in poverty	Margin of error (+/-)
White	132,244	+/- 793	13,065	+/- 1,023	9.9%	+/- .77%
African-American	2,073	+/- 205	583	+/- 297	28%	+/- 14%
Asian	3,629	+/- 170	486	+/- 223	13%	+/- 6.1%
Two or more races	2,393	+/- 303	701	+/- 265	29%	+/- 10.4%
Other	961	+/- 121	313	+/- 99	32.6%	+/- 9.5%
Nonwhite	9,056	+/- 499	2,083	+/- 497	23%	+/- 5.4%

Source: U.S. Census Bureau, American Community Survey, 2005-2009.

Table 7: Race, by town

	2000			2010			Change		
	Total Households	White Alone	All Others	Total Households	White Alone	All Others	Total Households	White Alone	All Others
Bolton	368	358	10	487	474	13	32%	32%	30%
Buels Gore	6	6	0	12	11	1	100%	83%	100%
Burlington	15,885	14,896	989	16,119	14,842	1,277	1%	0%	29%
Charlotte	1,287	1,268	19	1,419	1,392	27	10%	10%	42%
Colchester	6,144	5,966	178	6,314	6,060	254	3%	2%	43%
Essex	7,013	6,771	242	7,887	7,502	385	12%	11%	59%
Hinesburg	1,596	1,573	23	1,737	1,704	33	9%	8%	43%
Huntington	692	674	18	753	735	18	9%	9%	0%
Jericho	1,751	1,726	25	1,881	1,856	25	7%	8%	0%
Milton	3,333	3,284	49	3,889	3,796	93	17%	16%	90%
Richmond	1,504	1,484	20	1,586	1,555	31	5%	5%	55%
St. George	264	261	3	275	269	6	4%	3%	100%
Shelburne	2,632	2,596	36	2,880	2,819	61	9%	9%	69%
South Burlington	6,332	6,042	290	7,987	7,435	552	26%	23%	90%
Underhill	1,055	1,043	12	1,133	1,115	18	7%	7%	50%
Westford	725	716	9	757	742	15	4%	4%	67%
Williston	2,921	2,869	52	3,514	3,408	106	20%	19%	104%
Winooski	2,944	2,747	197	3,197	2,851	346	9%	4%	76%
Chittenden County	56,452	54,280	2,172	61,827	58,566	3,261	10%	8%	50%

Source: Census 2010, Summary File 1.

Table 8: Age of householder, by town

	Number of Households				Percentage of Households			Percentage of all Aged		
	Total:	15-64	65-84	85+	15-64	65-84	85+	15-64	65-84	85+
Chittenden County	61,827	50,339	9,852	1,636	81%	16%	3%			
Bolton	487	440	45	2	90%	9%	0%	1%	0%	0%
Buels Gore	12	10	2	0	83%	17%	0%	0%	0%	0%
Burlington	16,119	13,517	2,172	430	84%	13%	3%	27%	22%	26%
Charlotte	1,419	1,140	256	23	80%	18%	2%	2%	3%	1%
Colchester	6,314	5,308	935	71	84%	15%	1%	11%	9%	4%
Essex	7,887	6,460	1,301	126	82%	16%	2%	13%	13%	8%
Hinesburg	1,737	1,481	232	24	85%	13%	1%	3%	2%	1%
Huntington	753	671	71	11	89%	9%	1%	1%	1%	1%
Jericho	1,881	1,552	304	25	83%	16%	1%	3%	3%	2%
Milton	3,889	3,312	523	54	85%	13%	1%	7%	5%	3%
Richmond	1,586	1,348	217	21	85%	14%	1%	3%	2%	1%
St. George	275	229	43	3	83%	16%	1%	0%	0%	0%
Shelburne	2,880	1,971	695	214	68%	24%	7%	4%	7%	13%
South Burlington	7,987	6,036	1,531	420	76%	19%	5%	12%	16%	26%
Underhill	1,133	961	159	13	85%	14%	1%	2%	2%	1%
Westford	757	645	106	6	85%	14%	1%	1%	1%	0%
Williston	3,514	2,598	801	115	74%	23%	3%	5%	8%	7%
Winooski	3,197	2,660	459	78	83%	14%	2%	5%	5%	5%

Source: Census 2010, Summary File 1, Table H17

Table 9: Household growth, by town, 2000-2015

	Number of households			Annual rate of change		Estimated additional households (2010-2015)
	2000	2010	2015	2000-2010	2010-2015 (est.)	
Chittenden County	56,452	61,827	63,223	0.9%	0.5%	1,600
Bolton	368	487	504	2.8%	0.8%	19
Buels Gore	6	12	12	6.7%	0.0%	-
Burlington City	15,885	16,119	16,221	0.1%	0.1%	117
Charlotte	1,287	1,419	1,464	1.0%	0.7%	51
Colchester	6,144	6,314	6,437	0.3%	0.4%	141
Essex	7,013	7,887	8,097	1.2%	0.6%	241
Hinesburg	1,596	1,737	1,779	0.8%	0.5%	48
Huntington	692	753	777	0.8%	0.7%	27
Jericho	1,751	1,881	1,932	0.7%	0.6%	59
Milton	3,333	3,889	4,025	1.5%	0.8%	156
Richmond	1,504	1,586	1,627	0.5%	0.6%	47
St. George	264	275	275	0.4%	0.0%	-
Shelburne	2,632	2,880	2,949	0.9%	0.5%	79
South Burlington	6,332	7,987	8,339	2.3%	1.0%	404
Underhill	1,055	1,133	1,169	0.7%	0.7%	41
Westford	725	757	778	0.4%	0.6%	24
Williston	2,921	3,514	3,627	1.8%	0.7%	129
Winooski	2,944	3,197	3,212	0.8%	0.1%	17

Source: Census 2000 and 2010 summary file 1, VHFA forecast for 2015 based on projections from ESRI and Allen & Cable's Residential Report March 2011

Table 10: Tenure in 2000 and 2010, by town

	2000		2010		% change owners	% change renters
	Owners	Renters	Owners	Renters		
Chittenden County	37,291	19,161	40,310	21,517	8%	12%
Bolton	317	51	422	65	33%	27%
Buels Gore	6	0	7	5	17%	500%
Burlington	6,590	9,295	6,553	9,566	-1%	3%
Charlotte	1,085	202	1,189	230	10%	14%
Colchester	4,354	1,790	4,509	1,805	4%	1%
Essex	5,418	1,595	5,955	1,932	10%	21%
Hinesburg	1,302	294	1,468	269	13%	-9%
Huntington	617	75	668	85	8%	13%
Jericho	1,551	200	1,677	204	8%	2%
Milton	2,897	436	3,237	652	12%	50%
Richmond	1,209	295	1,298	288	7%	-2%
St. George	226	38	222	53	-2%	39%
Shelburne	2,107	525	2,225	655	6%	25%
South Burlington	4,351	1,981	5,186	2,801	19%	41%
Underhill	974	81	1,031	102	6%	26%
Westford	657	68	682	75	4%	10%
Williston	2,475	446	2,837	677	15%	52%
Winooski	1,156	1,788	1,144	2,053	-1%	15%

Source: Census 2010, Summary File 1.

Table 11: Year built, by tenure

Year Built	Owner	Renter	Grand Total
1939-	5,880	4,770	10,650
1940 to 1959	4,820	2,905	7,725
1960 to 1979	12,290	4,555	16,845
1980 to 1999	14,550	4,270	18,820
2000+	3,550	1,580	5,130
Grand Total	41,090	18,080	59,170

Source: U.S. Census Bureau, American Community Survey, 2005-2009.

Table 12: Kitchen and plumbing conditions

	Households	Margin of error (+/-)	Lacking Kitchen	Margin of error (+/-)	Lacking Plumbing	Margin of error (+/-)
Owner	40,020	+/- 561	46	+/- 31	110	+/- 59
Renter	19,459	+/- 638	185	+/- 104	81	+/- 59
Total	59,479	+/- 536	231	+/- 112	191	+/- 83

Source: U.S. Census Bureau, American Community Survey, 2005-2009.

Table 13: Number of housing units, by structure type and town

	Total	SF	MH	MF2-4	MF5+
Chittenden County	64,807	43,367	1,547	9,370	10,523
Bolton	529	405	24	33	67
Buel's Gore	14	14	-	-	-
Burlington	17,221	7,683	119	5,123	4,296
Charlotte	1,653	1,537	25	60	31
Colchester	7,049	4,876	251	1,088	834
Essex	4,273	3,300	15	355	603
Essex Junction	4,054	2,625	1	512	916
Hinesburg	1,825	1,381	224	123	97
Huntington	838	749	53	31	5
Jericho	1,888	1,794	5	63	26
Milton	3,934	3,233	339	225	137
Richmond	1,410	1,311	20	39	40
Shelburne	2,778	2,408	109	108	153
South Burlington	8,176	5,716	-	404	2,056
St. George	292	160	132	-	-
Underhill	1,227	1,096	9	122	-
Westford	786	725	34	27	-
Williston	3,649	3,202	185	35	227
Winooski	3,211	1,152	2	1,022	1,035

Source: CCRPC Draft 2010-2-11 housing points data.

Notes: Figures shown represent 92%-100% of all housing units in the town. Excludes group quarters (such as dorms and some nursing homes). Burlington, Colchester, and Winooski have sizeable group quarters populations. Also excludes some resort condominium units.

Legend:

SF = Single Family. Some duplex structures listed as 2 SF homes. Includes most townhouses.

MH = Mobile Home. A small number of mobile homes may be categorized as SF.

MF2-4 = Multifamily, 2-4 units in structure

MF5+ = Multifamily, 5 or more units in structure

Table 14: Median year built, by tenure and town

	All units		Owner		Renter	
	Estimate	Margin of Error (+/-)	Estimate	Margin of Error (+/-)	Estimate	Margin of Error (+/-)
Chittenden County	1974	2	1977	1	1968	3
Bolton	1983	2	1983	3	1983	2
Buels Gore	not available					
Burlington	1953	2	1957	2	1949	3
Charlotte	1974	4	1977	3	not available	
Colchester	1977	2	1980	2	1977	3
Essex	1977	1	1978	2	1974	4
Hinesburg	1980	3	1980	3	not available	
Huntington	1980	3	1980	3	1976	8
Jericho	1975	3	1975	3	1972	6
Milton	1983	2	1982	3	1984	5
Richmond	1979	3	1977	3	1985	7
St. George	1977	5	1977	4	1973	6
Shelburne	1980	3	1978	3	1988	6
South Burlington	1982	1	1981	1	1985	3
Underhill	1974	3	1976	3	1939	
Westford	1977	2	1977	2	1982	5
Williston	1991	1	1990	2	1995	2
Winooski	1949	6	1952	6	1947	9

Source: U.S. Census Bureau, American Community Survey 2005-2009, Tables B25035 and B25037

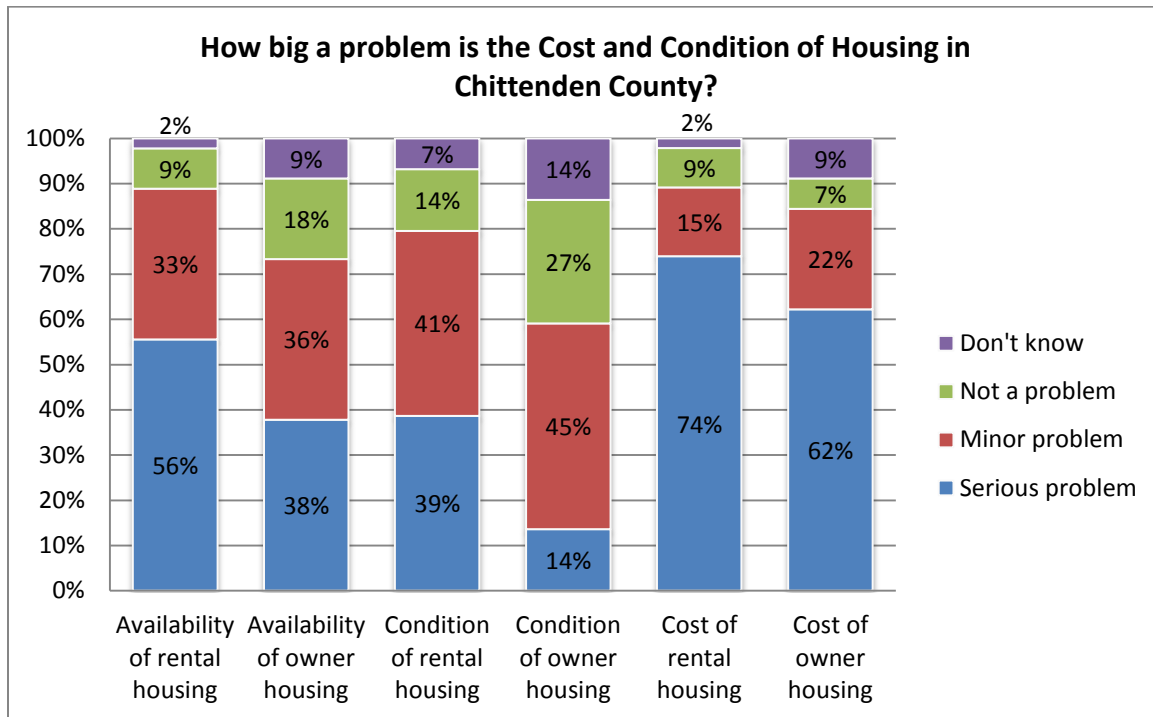
Appendix 2: Survey on Employer Views of Housing Issues in Chittenden County

Several agencies interested in local housing markets (Vermont Association of Realtors; Vermont Department of Economic, Housing, and Community Development; and Vermont Housing Finance Agency) partnered to create a survey of human resource professionals at Vermont-based businesses as part of the ECOS project's housing needs assessment. The objective of the survey was to measure the perceived need, cost, and condition of housing and its impact on employers' ability to attract and retain workers.

VHFA collected surveys from 47 Chittenden County employers asking their opinions about housing availability, cost, and location -- and about the impact of those factors on their businesses. The survey results show significant concern with the cost and availability of both homeownership and rentals and with the distances that employees must travel to get to work. These housing problems have considerable negative impact on their businesses.

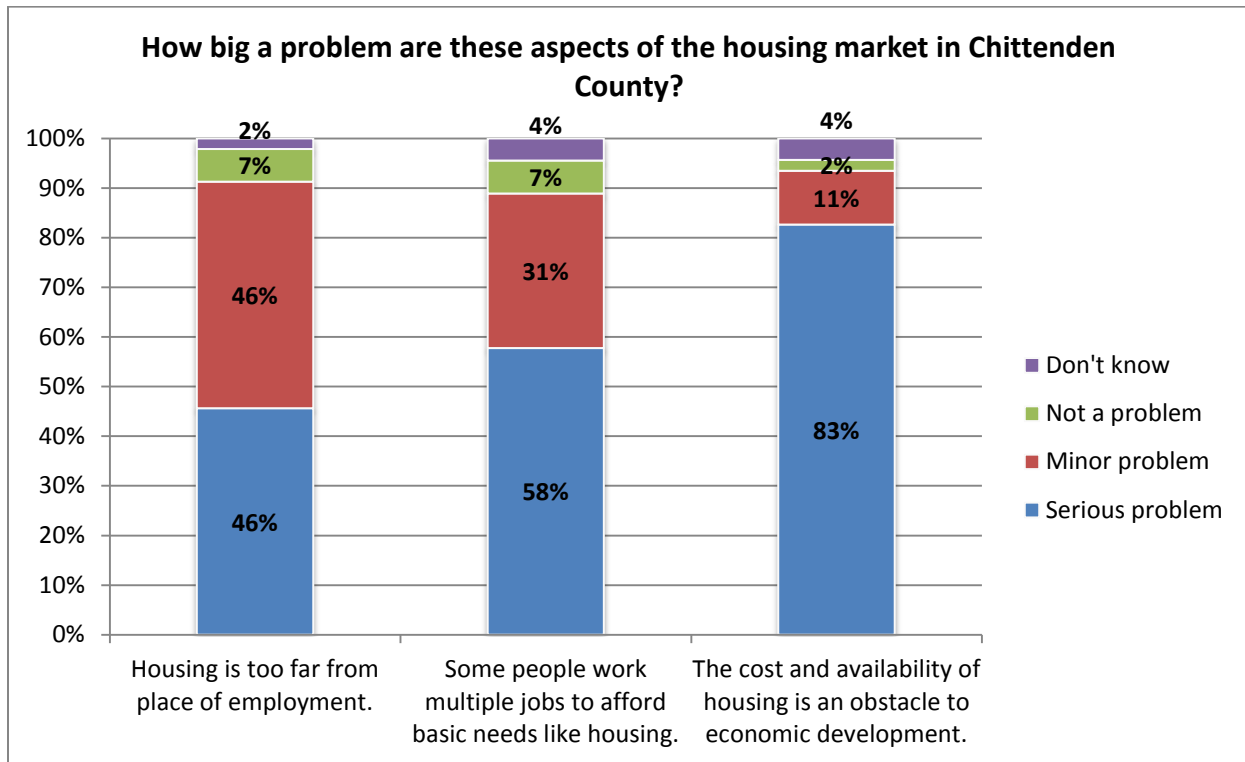
Although the employers surveyed ranged from small businesses with fewer than 25 employees to large companies employing more than 500 workers, the majority of employers (60%) were small businesses (25 or fewer employees). The survey respondents represented 13 industry sectors. The majority came from Other Services (14), Professional and Business Services (11), Manufacturing (4), and Education and Health Services (4) and Financial Activities (4). The surveys were conducted online, using Survey Monkey, between August 4, 2011 and September 12, 2011. The surveys represent the opinions of those businesses that responded. They are not necessarily representative of the opinions of all Chittenden County businesses.

The cost of housing was regarded as a serious problem by 74% of employers for rental housing and 62% of employers for owner housing. The condition of housing was regarded as a serious problem by 80% of employers for rental housing and by 59% of employers for owner housing.



The following chart shows several aspects of the housing market are of particular concern:

- Employees often live far from the worksite:** Affordable housing can often be found only at some distance from the work site. Housing too far from the place of employment was identified as a serious problem by 46% of employers while an additional 46% said it was a minor problem.
- Employees work multiple jobs:** Employers explained that some employees work multiple jobs to afford basic needs like housing. Fifty-eight percent of employers said this is a serious problem while an additional 31% said it is a minor problem.
- Lack of housing impacts economic development:** Employers viewed the cost and availability of housing as an obstacle to economic development. Eighty-three percent of employers said it is a serious problem while an additional 11% said it is a minor problem.



Eighty-one percent of employers said that there are benefits to having employees live close to employment; sixty-eight percent said that they experienced negative aspects of having employees living far from the place of employment.

Benefits cited by employers for employees living close to the work site include:

- Happier, relaxed, healthier, and have a better work/life balance
- Less likely to look for a job closer to home
- Have more income
- Less likely to be late
- Easier to get to work in the winter; less likely to call in sick
- Able to get to work at unscheduled times to respond to emergencies
- Helps limit crowding on roads and more environmentally sustainable
- Lower turnover

Employee turnover (i.e., the cost of lost productivity, advertising, and the time and expense of interviewing and training candidates) costs on average, \$13,754 per employee. In the past three years, employers lost an average of 2.46 recruits due to housing costs, availability, or other limitations. Employers commented that they have lost recruits and have had to spend greater sums of money in sign on bonuses and relocation expense reimbursement or temporary housing because there are such limited rental homes and affordable housing relative to the options candidates observed in other parts of the country.

Employers also said that high housing costs affect their company's ability to remain competitive. Their comments include:

- Hard to attract really good talent with lower Vermont wages and with really high taxes and housing prices
- Have to pay higher salaries to remain competitive
- Pressure to increase wages because of high housing and travel costs
- Wages offered have to reflect higher housing prices
- Best people can't afford to stay here
- Employees consider other opportunities due to salary and cost of living

In response to problems that employees have in finding or affording housing, employers explained that they have helped employees in the following ways:

- Flexibility in work arrangements including alternate schedules and the ability to work from home
- Beds available on site for employees on call in the winter
- Loans to help with housing deposits or vehicle expenses
- Paying more and hiring fewer people
- Providing bus passes for employees

Other comments that employers made on housing include:

- Difficult to find good, reasonable, rental properties for entry level professionals.
- Not enough affordable housing; must have at least 2 incomes to pay for most 2+ bedroom rentals
- Housing is not energy efficient and thus is very expensive to heat
- Lack of availability of natural gas which is an affordable fuel
- Government regulations and required inspections which raise the cost of building housing and increase the price of rentals

Housing survey findings consistent with economic competitiveness survey

In addition to the employer survey on housing issues conducted by VHFA, the Greater Burlington Industrial Corporation (GBIC) and a team of economic development consultants conducted an employer survey. This second survey focused on economic competitiveness issues, but asked respondents one question related to housing.¹

In this survey, employers were asked to indicate how housing affects relocating or recruiting workers from outside the area. The average rating among responding employers was 2.7 on a five point scale where 1=poor and 5=Excellent. Housing was the lowest rated quality of life factor in this economic

¹ Electronic surveys were sent to nearly 220 County employers of a wide range of sizes, types and locations throughout the County. Seventy-five (75) responses were obtained for a response rate of 34.2%.

competitiveness survey. It was also the most commonly observed weakness of the region in interviews with employers. This was a notable difference compared to the high ratings for the region in offering virtually all other quality of life factors. One survey respondent categorized the “Chittenden County discount” as “pay scales are lower but housing prices are not.”²

² Draft #1, Chittenden County, VT Competitive Assessment, p. 20. See <http://ecosproject.com/sites/default/files/documents/ECOS%20Draft%20%231%20Competitive%20Assessment%20W%20appendices%2010-18-11.pdf>

APPENDIX 3: Policies Impacting Housing

The following policies affect the cost of housing and the incentives to develop, maintain, or improve affordable housing in Vermont:

Limited public resources limit housing for low-income Vermonters

Much housing development has been focused on homeownership options for Vermonters, and those homes are typically out of reach for lower income households. The median price of a newly constructed home in Vermont was \$290,000 in 2010, requiring an annual income of about \$86,000 and \$24,000 in closing costs.

Public funding for housing development (homeownership and rental housing) is oversubscribed and many eligible housing developments are not awarded funds due to lack of available resources. The investment market for the largest source of rental housing funding, the Low Income Housing Tax Credit, shrunk during the recession, leaving less equity available for developments. Existing assisted housing units have low vacancies and long waiting lists. The waiting list for a rental assistance voucher in Vermont is often several years long.

Additionally, since the recession it's now common around Chittenden County to hear of subsidized developers being approached by market rate developers who have land parcels that are already permitted as single family homes, willing to sell the permitted land in hopes that the subsidized partner could create affordable condominiums. The problem is that with such limited public resources, there is not enough public funds to act on these opportunities.

Vermont Housing and Conservation Trust Fund

The property transfer tax is levied on the transfer of all real estate in Vermont, based on the sales price. The state's Housing and Conservation Trust Fund is administered by the Vermont Housing and Conservation Board (VHCB) and funds nonprofit housing developers and municipalities that create permanently affordable housing for lower income Vermonters, creating an incentive for development. Since fiscal year 2001, statute requires 50 percent of the proceeds of this tax to be spent on affordable housing and conservation and 17 per cent on municipal and regional planning. However from FY 2002 to 2011 VHCB received \$34.5 million less than the formula amount, reducing the funding available to encourage development and conservation. The diverted funds went to state deficit reduction and other state priorities.

For FY 2012, VHCB was funded at just under the statutory level for the first time in eleven years. It received a total of \$12,047,500 -- \$8,047,500 in property transfer tax revenues and another \$4 million from the state's capital budget. Due to the state's ongoing budget deficit, the Shumlin administration and the Legislature were unable to provide all the funding from the transfer tax, relying on bond funds to achieve a total combined appropriation that approaches 95% of what the VHCB would have received under the statute. This reflects a reduction of only \$575,000 from the statutory level, and an increase of more than \$945,000 over the prior fiscal year's appropriation.

Commitment to permanent affordability

Four programs require permanent affordability in return for public funds, as administered by Vermont agencies: the HOME program, Community Development Block Grant, the Housing Trust Fund and federal Low Income Housing Tax Credits.

Act 250 and land use controls

Act 250 provides “a public, quasi-judicial process for reviewing and managing the environmental, social and fiscal consequences of major subdivisions and development in Vermont through the issuance of land use permits.” Supporters cite this as an important tool against unchecked development and sprawl while critics say it lacks predictability and increases costs ultimately passed on to residents.

Legislation to allow for accessory dwelling units

In 2003, the State Legislature passed legislation which mandated every municipality in Vermont to allow accessory dwelling units under certain conditions. According to the Vermont Department of Economic, Housing and Community Development, “changes to Vermont’s law on equal treatment of housing and town bylaws created a new opportunity for homeowners to add an apartment to their house... The overriding state law says homeowners must be allowed to add one Accessory Dwelling Unit as a permitted use...” as long as certain criteria are met.¹ This same legislation authorized that local bylaws may require that a certain percentage of housing units in planned development meet defined affordability standards.

Designated areas for growth

There are five designations communities can apply for to encourage development according to smart growth principles: Designated Downtowns, Designated Village Centers, New Town Centers, Growth Centers, and Vermont Neighborhoods. Each has unique characteristics, goals and incentives to support housing development.

In Chittenden County, the following municipalities have designations for a part of their community:

- Growth Centers: Colchester and Williston
- Designated Downtowns: Burlington and Winooski
- Vermont Neighborhoods: Essex Junction and Winooski
- New Town Centers: Colchester and South Burlington
- Villages: Essex Junction, Hinesburg, Jericho/Underhill, Richmond, Shelburne, Westford, and Williston

Impact fees

While not a statewide fee or policy, some communities in Vermont charge sewer and water hook up or school impact fees for new residential construction. Municipalities contend that these fees are necessary to cover the costs of increased development, while critics complain that they drive up the cost of housing.

¹ Vermont Department of Housing and Community Affairs website, <http://www.dhca.state.vt.us/Housing/index.htm> .

Density bonuses

While not a statewide fee or policy, several Vermont communities have density bonuses that reward the development of affordable housing. According to HUD, “Density bonus ordinances permit developers to increase the number of units allowed on a piece of property if they agree to restrict the rents or sales prices on some of the units. Developers can use the additional cash flow from these bonus units to offset the reduced revenue from the affordable units.”²

Large lot sizes

Although construction costs make up about 70% of the total cost, the cost of developing housing is also driven by the cost of land. Local zoning ordinances that require large lot sizes depress the construction of affordable housing. While not a statewide policy, these minimum standards are in effect in many municipalities.

Standards for health and habitability

A variety of standards for health and habitability exist in Vermont, enforced by either a funding source or through federal, state, or local adoption and interpretation of building codes and standards. These cover a variety of areas including handicapped accessibility, lead safety, historic preservation, fire safety, septic, habitability and others. These have the potential to add both cost and value to a property.

In Chittenden County both cities of Burlington and Winooski have local municipal codes in addition to state rental housing codes. In 2010, a legislatively charged committee released a report recommending improvements to the coordination and enforcement of the state’s rental housing code.³ As a result a website serving as a portal of information to municipalities, landlords and tenants was launched in 2011. This site, www.rentalcodes.org, is a comprehensive toolkit of information previously only available in dozens of other places.

State housing tax credit benefits to Vermonters

The State of Vermont has an annual allocation of \$400,000 of State Affordable Housing Tax Credits, which may be used for affordable rental housing projects. This credit is available to projects which qualify for the federal Housing Credit and have received community support. These credits efficiently raise private equity to create affordable rental housing and homeownership opportunities. Housing developers may also be able to use other state tax credits for building in downtowns and village centers and for historic preservation.

Tax benefits for assisted housing

Passed in 2003 by the Vermont legislature, Act 68 (previously Act 60) divides all Vermont properties into homestead (residential) and non-homestead (nonresidential) properties. Non-homestead properties were originally intended to be taxed at a higher rate than residences. However, in terms of fair housing, many low-income families/individuals live in rental units, which are classified as non-homestead properties. Those subsidized by the federal or state government

² HUD, Regulatory Barriers Clearinghouse, *Breakthroughs*, <http://www.huduser.org/rbc/newsletter/vol2iss4more.html>.

³ Rental Housing Safety and Habitability Study Committee, Rental Housing Safety Committee Report, February 2010. <http://www.vhfa.org/documents/act176.pdf>.

can apply for a certificate from the Vermont Housing Finance Agency and are eligible for a percentage reduction in assessed value to reduce the property tax burden.

Act 75, passed in 2005, is more subjective and open to variances at the local level. The Act requires local property tax assessors to value housing projects subject to affordability covenants using an income method as opposed to full market value since even upon sale of a property an affordability covenant will lower the market value of a building. Similar to Act 68, because many of the residents of these properties are in receipt of public assistance, this provision recognizes the reduced rental payments and lower tax base for these properties.

Design and community development standards

Public resources, as administered by Vermont housing agencies, often require certain design features or standards in developments. These requirements are intended to make units more marketable, accessible, energy efficient, and improve the quality of life for residents. The tradeoff is that sometimes they require more initial investment, increasing the cost of development.

Vermont-based research done in 2000 shows that “multiple community development objectives, such as rehabilitating historic downtown buildings and/or abating environmental hazards, can add up to 40% to the typical cost per square foot. Special funding sources are used to address such nonshelter objectives. These special sources appear to equalize costs between ‘shelter only’ and developments serving multiple objectives.”⁴

Building codes (accessibility)

The Americans with Disabilities Act (ADA) requires that certain accessibility standards are met in many situations to comply with federal laws that prohibit discrimination against people with disabilities. In terms of these standards (which can be found at www.ada.gov), the Burlington City Inspector is charged with ensuring that ADA standards are met in all new construction projects in the city. The inspector reviews all plans, issues all permits, and conducts all inspections relating to ADA compliance. The city is aware of its responsibilities to ensure that new buildings are in keeping with ADA rules. However, most of Chittenden County’s housing stock (an estimated 77%) was built before the ADA was implemented in 1990. For this reason, housing accessibility remains a barrier to fair housing choice for residents who need these features.

Visitability in housing

Visitability is the concept that all people should be able to visit every other person’s home. Thus, certain measures should be taken in new housing to ensure it is accessible to all. It is illegal to discriminate on the basis of disability, and certain small steps can be taken to help all homes be accessible. In 2000, Vermont, through Act 88, passed its minimum visitability standards. Although the law is not as strict in terms of requirements or enforcement as suggested initially by some advocates, Vermont has visitability standards for new, single-family construction (both subsidized and non-subsidized). The basic standards deal with issues like the minimum width of hallways or doors, along with the reinforcement of bathroom walls to potentially allow for the addition of grab bars. Visitability is a growing national movement as the population ages and communities strive for more housing equality.⁵

⁴ Housing Development Costs in Vermont. Capital Needs Unlimited. April 2000. Page 1.

⁵ [VT Fair Housing News](#). VT Human Rights Commission. Volume 4, number 2. Fall 2007.

Sale of subsidized housing and possible displacement

Vermont's strong record of successfully preserving affordable housing — the state has lost virtually no assisted housing to conversion since 1987 — positions it well to address the ever-increasing demand for affordable rental housing from its low- and moderate-income residents. The region's relatively low vacancy rates have prompted a steady increase in rents during the past decade. At the same time, workers in the most common Vermont occupations do not earn enough to afford the state's prevailing rents.⁶

The region's assisted housing stock has benefited from the state's efforts to preserve affordable housing. Although few privately-owned Section 8 properties are reaching the end of their HAP contracts, preservation agreements are in place that allow the state's housing funders to step in to help negotiate a sale to a non-profit housing provider when and if the contracts expire and a conversion is considered. Similarly, there are a few older Housing Tax Credit projects that will soon be reaching their "Year 15" status. At that point the goal is to negotiate an ownership transfer to a willing non-profit. While these may be laudable goals, public resources are tight. It's possible that when these owners choose to exit these programs there may not be available funding to meet the projects' needs. Due to the success of preservation efforts, the vast majority of units nearing the end of their use restrictions are likely to remain in the state's stock of affordable housing. As of September 2011, 324 affordable housing units statewide remain at risk.

To help preserve Vermont's affordable rental housing, in early 2009, the MacArthur Foundation awarded a \$600,000 grant to the Vermont Housing and Conservation Board (VHCB) and a \$2 million loan to VHFA. VHCB and VHFA are using the funding to increase energy efficiency, provide technical assistance, finance predevelopment and bridge loans, and establish a demonstration project using Medicare and Medicaid for supportive services for senior housing statewide.

Tenant selection procedures

Although tenant selection procedures may vary widely between landlords and management companies, a statewide survey done by VHFA in 2005 showed that the majority used previous landlord references as the predominant tool in qualifying applicants. 82% of the managers participating — including private and non-profit managers as well as Public Housing Authorities (PHAs) — check landlord references. The next most-often used tool was a credit check (54%) followed by a criminal background check (42%).

When using landlord references, managers of non-profit owned units (including PHAs) considered a longer history (six years) compared to privately owned units (four years). Non-profit owned units also typically contact more landlords on average. Similarly, non-profit owned properties used credit checks slightly more than private properties, and considered a longer timeframe. 41% of all managers have a policy of excusing medical bills, although it wasn't clear that all took the time to see if a medical condition was the precipitating cause of a school or car loan delinquency.

⁶As of May 2007, the three most common occupations in VT were retail salesperson, cashier and teachers' assistants. None of these occupations had median wages paying enough to afford the fair market, according to VHFA's *Between a Rock and a Hard Place: 2010 Update*.

Non-profit owned housing used criminal background checks much more heavily than private landlords (71% compared to 34%), although private landlords looked back an average of eight years compared to seven for non-profits. It is possible that running credit checks on applicants or relying on landlord references may disproportionately affect younger households and newer Americans, both of whom may have not yet fully established their credit or rental histories.