



# Building Homes Together 2.0

*A campaign to strengthen Chittenden County communities*

**October 2022**

In December 2021, the Building Homes Together campaign launched its second five-year targets for making Chittenden County's housing market healthier, more equitable, and more affordable. Supported by over 125 local leaders, the campaign's goals include creating 5,000 new homes, with 1,250 permanently affordable, over the next five years. Those goals translate to 1,000 new homes per year, with 250 homes affordable. Both private and public sector housing developers in Chittenden County are ready to construct additional housing in the near term to meet this ambitious goal. A detailed report of the outcomes of the first five-year campaign is [here](#); and the data is also available on this [online dashboard](#).

The lack of housing in Chittenden County threatens Vermont's economic health. Both large and small employers are struggling to find housing for their employees. Systemic inequity has exacerbated housing challenges within the County for some low income and BIPOC households that lack financial resources to compete in the homeownership and rental market. Continued state investment is needed to sustain housing construction to alleviate current housing shortages, ensure economic prosperity, provide opportunity for mobility, and meet the goals of the BHT campaign.

In 2021, the first year of the Building Homes Together 2.0 campaign, the total construction goal of 1,000 new homes was nearly met. A net total of 909 new homes<sup>1</sup> added to the County in 2021 or 91% of our goal. This includes 623 multi-family homes, 210 single family homes, 25 accessory dwellings, and 71 group quarters; the net result after 25 demolitions was 909 new homes.

New Homes Constructed and First Occupied in Chittenden County (all years refined in 2021) <sup>2</sup>											
						Building Homes Together 1.0					BHT 2.0
2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
272	360	754	472	578	651	1017	754*	636**	821	530	909

\* Does not include a net gain of 304 dorm beds at UVM.

\*\*Does not include 314 student beds within 105 apartments at Champlain College at 194 St. Paul Street.

Unfortunately, in 2021 the County fell short of the goal to build 250 affordable homes annually. A total of 151 permanently affordable homes were built accounting for 60% of our goal.

New Permanently Affordable Homes in Chittenden County <sup>3</sup>					
Building Homes Together 1.0					BHT 2.0
2016	2017	2018	2019	2020	2021
107	94	79	167	84	151

<sup>1</sup> CCRPC data collection from Chittenden County municipalities on new homes first occupied in 2021. Mobile homes (1) and camps (3) are included in the single-family home category.

<sup>2</sup> CCRPC data collection from Chittenden County municipalities, 2014-2021 accounts for demolitions. Note: this data is refined each year to account for duplications and clarifications of year occupied therefore totals fluctuate from year to year.

<sup>3</sup> In the first year of the campaign (2016) only the number of newly constructed affordable homes were counted. The campaign changed the methodology slightly in 2017 to tell a more complete picture about affordable housing – the change includes capturing inclusionary housing units and homes brought into a permanently affordable portfolio (such as Champlain Housing Trust's shared equity homes).



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The total number of homes constructed, and the total number of new permanently affordable homes, does not include existing units rehabilitated through the Vermont Housing Improvement Program (VHIP) program. In 2021, 11 units were rehabilitated in Chittenden County through the VHIP program. These units provide a benefit to the market as newly occupied homes, yet were not included in municipalities' counts of new apartments. Similarly, there is a benefit to the short-term affordability required by the program, but they are not counted as permanently affordable because the VHIP program only requires that the units be rented at or below HUD Fair Market Rent for five years.

## Past Campaign Results and Future Funding Challenges:

In 2016, the initial Building Homes Together (BHT) campaign launched with the support of well over a hundred municipal officials, businesses, nonprofits, Legislators and individuals. A major effort associated with the first five years of the campaign was the state housing bond supported and passed by the Governor and state legislature. A \$37 million Housing for All Revenue Bond was signed into law in June 2017, helping to fund affordable housing construction in Vermont through 2019. In Chittenden County this has resulted in about 250 more units which would not have happened otherwise. Without sustaining that level of capital, the pace of affordable housing construction decreased.

The State of Vermont has invested significant funding from the American Rescue Plan Act and from budget surpluses in the last two years. Those resources will boost production of permanently affordable housing in the next few years compared to the initial five year campaign yet will quickly taper off after 2024. To achieve a balanced, equitable housing market with enough affordable options, sustained funding over several years is needed. This response should include both the utilization of available one-time funds as well as funding VHCBC at level established in State law.

## Projected Construction:

Construction projections for new multi-unit homes in Chittenden County in 2022 and 2023 only include developments with a completion date as stated by the developer. All projections are inclusive of the number projected affordable homes cited below, yet the total projections do not include the construction of new single-household or duplexes. Projections for these years remain below the Building Homes Together targets of 1000 homes per year. Projected development for 2024 and beyond is proposed but is not imminent and the completion year is uncertain.

Projected New Multi-Family Homes in Chittenden County <sup>4</sup>		
2022	2023	2024 and Beyond
519	649	3235

Below is a projection of expected new perpetually affordable units to be constructed in Chittenden County in future years. The projections for 2022 and 2023 are based on development "in the pipeline" with dedicated funding and completed or close to completed permitting. These projections are unlikely to grow based on the time required to develop a project. Projections for 2024 include development with dedicated funding and some development without dedicated funding. Projections for 2025 and beyond do not have any dedicated funding to support construction. In all years, projected perpetually affordable housing falls short of the 250 unit annual goal. **Additional State funding is needed in order to close the gap between the annual goal (250 units) and the projections in 2024, 2025, and future years.**

<sup>4</sup> Allen, Brooks & Minor Report, June 2022. A comprehensive semi-annual analysis of the real estate market.



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Projected Perpetually Affordable Homes in Chittenden County			
2022	2023	2024	2025 – 2027 and beyond
135	152	230	50-60 per year

## COVID's disastrous impact:

The COVID pandemic exacerbated many of the existing housing challenges and uncovered a housing market that was even worse than previously documented for low-income households. Counts of homeless households increased as those who were temporarily housed with friends and family needed to leave for social distancing. These people, temporarily placed in motels, have few options in the tight and expensive rental market in the county. The number of homeless households in Chittenden County has increased by 149% from the pre-pandemic homeless point-in-time count in January 2020 (217 households) to the count in January 2022 (541 households.).

Swift response by the State of Vermont with the CARES Act and ARPA funding to support renters and homeowners to cover their housing costs prevented a catastrophe. Much of this Federal funding is ending by mid-2023. This includes the end of the Rental Assistance Program by March 2023 (12,000 households statewide). The State's eviction moratorium ended in mid-2021. In addition, COVID-19 exacerbated pressure on the Chittenden County housing market and further destabilized low- and no-income Vermonters' housing situation in several ways:

- New construction has been stymied due to labor shortages, supply chain issues and physical distancing protocols.
- An [increase in out-of-state homebuyers](#) has increased [housing demand and driven housing prices higher](#).

## Indicators still point to an undersupplied market:

**Price Increases** – The June 2022 Allen, Brooks, and Minor Report indicates an extreme scarcity of available rentals caused upward rent pressure in 2021. A 2.7% rent inflation increase between 2020 and 2021 occurred which is the largest single increase seen since 2011<sup>5</sup>. An even greater amount of rent inflation is expected between 2021 and 2022 based on recent [fair market rent data](#) from the National Low Income Housing Coalition (NLIHC). As rental rates increase it limits a home buyers' ability to save for a down payment; furthering demand for rental homes in the County. More than half of renters in the County are cost-burdened, paying more than 30% of their income on rent<sup>6</sup>. In addition, the median days on the market for sales of homes less than \$300,000 have continued to decrease over the last six years indicating a lack of supply of homes at this price point<sup>7</sup>.

**Many are Waiting for Housing** – Many households are qualified and waiting for affordable housing. As reported in August 2022: Cathedral Square has 798 households on their unduplicated waitlist (not including independent living apartments, Assisted Living, and Assisted Living Memory Care waitlists) and Burlington Housing Authority has 1,881 households on their master wait list for housing choice vouchers. Champlain Housing Trust measures waitlists by the average time it takes from application to move in, which is averaging 12 months.

**Rental Vacancy Rate** – The County has an extremely low rental vacancy rate. Since June 2021 the vacancy rate has been under 1% and continues to decrease in the last two years. The June 2022 vacancy rate is 0.4%. Allen, Brooks & Minor

<sup>5</sup> Allen, Brooks & Minor Report, June 2022. A comprehensive semi-annual analysis of the real estate market.

<sup>6</sup> American Community Survey, 5-year estimates, 2019 from: <https://www.housingdata.org/profile/income-employment/cost-burden>

<sup>7</sup> Multiple Listing Source, 2016 to 2021: <https://www.housingdata.org/profile/homeownership-costs/days-on-market-price>



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report that the eviction moratorium and rent assistance programs have contributed to these low rates<sup>8</sup>. While the rate hit 3% in 2015 and 2016; it has been below that level for the last 6 years. The rental vacancy rate increases slightly with more new construction, but those new apartments are absorbed quickly by the market. This indicates too little supply. Housing experts target a 3 to 5% rental vacancy rate to yield a healthy market for renters and owners alike.

Rental Apartment Vacancy Rate in Chittenden County (Annual Average, except for 2022) <sup>9</sup>														
2000	2005	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022*
0.7%	2.0%	1.6%	1.2%	1.3%	1.5%	1.3%	3.0%	3.3%	2.6%	1.8%	2.2%	1.9%	0.9%	0.4%

\*2022 rate is from July only, not an annual average of the July and December reported rate.

*Employees Live Outside of the County* - While the number of jobs has remained relatively steady in Chittenden County, there are fewer workers living in the County now than in 2002. Data from the 2019 U.S. Census Bureau's Longitudinal Employer-Household Dynamics show that 33,711 residents from neighboring counties come to Chittenden County for work, while 69,370 Chittenden County residents are employed within Chittenden County. Only 67% of County employees lived here in 2019, down from 75% in 2002, indicating a lack of available, affordable homes within the County<sup>10</sup>. During the COVID pandemic more employees were working from home and while some of this might continue, it is too soon to know the impact of this long-term.

*2020 Census Data* – Exacerbating a tight housing market, Chittenden County's population increased by 11,778 people between the 2010 and 2020 Census. Population growth outpaced the [most recent population projections](#) from the State of Vermont. People clearly want to move to Chittenden County despite the challenges securing housing because of the employment opportunities the county delivers.

The "white alone" population increased by 32 people and the population of all other racial groups increased by 11,746 people during the ten-year period census period. A more diverse population means more diverse housing needs. [Historic exclusionary systems have prevented BIPOC households from developing household wealth at the same rate as white households](#) (primarily through equity gained via homeownership). Systemic racism in housing practices means that today some BIPOC households lack financial resources to competitively compete in the County homeownership and rental markets.

Building new affordable housing for people that already live in Chittenden County is no longer enough. Regional partners need to plan for anticipated diversification of the County's population and changes to demographic composition.

*Extensive Media Coverage* – The housing crisis is so significant it is getting extensive media coverage. Seven Days is covering the crisis in a year-long [Locked Out series](#). Other notable headlines include: [This State has the Least Affordable Housing Market in the US based on Income and its not California](#), Market Watch; [You Need to Make \\$116k a year to Afford a Median Priced Home in Northwest Vermont, Harvard Study Finds](#), VT Digger.

<sup>8</sup> Allen, Brooks & Minor Report, June 2021. A comprehensive semi-annual analysis of the real estate market.

<sup>9</sup> Allen, Brooks & Minor Report, June 2022. A comprehensive semi-annual analysis of the real estate market.

<sup>10</sup> Longitudinal Employer-Household Dynamics section of the Census Bureau. Last updated in 2019.



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*Impact is Far Reaching* – The shortage of housing has continued to have negative impacts in the region from economic development to public health. Employers continue to identify rents and housing availability as being barriers to economic growth. This is a major hurdle on top of an already challenging shortage of trained and available workforce. Affordable Housing has been identified as one of the top three priorities in the community by the UVM Medical Center’s 2022 [Community Health Needs Assessment](#)<sup>11</sup>.

The economic health of Chittenden County is vital to the State’s economy. In 2020, Chittenden County accounted for:

- 35.2% of Vermont’s GDP<sup>12</sup>
- 33.3% of Vermont jobs<sup>13</sup>
- 36% of the State’s sales and use tax receipts excluding online sales. Rutland County (11%) is the only other County in the State that accounts for more than 10% of sales and use tax receipts.<sup>14</sup>
- 35% of the State’s personal income tax revenue<sup>15</sup>

The lack of housing in Chittenden County threatens Vermont’s economic health. Both large and small employers are struggling to find housing for their employees. Some employers have hired workers from out-of-state that have been unable to accept a job because they [could not secure housing](#). Employers are finding it increasingly challenging to attract and retain employees due to the lack of housing availability. A drastic increase in housing production is needed to house workers of all income levels if economic growth in Chittenden County and the State is to continue.

Employers in the County are now taking extraordinary measures to secure housing for their employees. The lack of available housing has led [University of Vermont Medical Center](#) to contract with a developer to build 61 apartments for its employees. The [University of Vermont](#) is building 295 housing units specifically for graduate students, staff, and faculty.

Both private and public sector housing developers in Chittenden County are ready to construct additional housing in the near term. Project planning and permitting has been completed for many projects in the development pipeline. State investment is needed to quickly move these projects to construction. Housing investment in Chittenden County will ease the stress on local employers to recruit and retain workers, alleviate the housing pressures in neighboring counties by increasing housing supply, and directly address housing needs of low-income Vermonters seeking to live in close proximity to job opportunities and services. Failure to invest in Chittenden County will hurt not only employers and the State economy, but everyday Vermonters seeking to reduce their commute times, their transportation costs, and fossil fuel use.

<sup>11</sup> UVM Medical Center’s [2022 Community Health Needs Assessment \(d2ubrtwy6ww54e.cloudfront.net\)](#)

<sup>12</sup> [US Department of Commerce – Bureau of Economic Analysis](#)

<sup>13</sup> [Vermont Department of Labor – Economic and Labor Market Information](#)

<sup>14</sup> [VT Department of Taxes – Sales and Use Tax Data](#)

<sup>15</sup> [VT Department of Taxes – Income Tax Statistics](#)



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## Notable Accomplishments

In addition to calling for State funding, there has been significant strides on the tools that the campaign called for on the municipal and state regulatory level. The Housing for All Revenue Bond described above helped to fund affordable construction housing in Vermont. Also at the state level, the VT Department of Housing and Community Development completed a housing infill guidance project called [\*Enabling Better Places: A Zoning Guide for Vermont Neighborhoods\*](#). Since the beginning of the campaign, Chittenden County municipalities have accomplished the following tasks:

- **Governance and Funding**
  - Established Housing Committees (Burlington, Colchester, Essex/Essex Junction, Hinesburg, Jericho, Richmond, Shelburne, South Burlington, Williston and Winooski)
  - Established or Expanded Local Housing Trust Funds (Burlington, Charlotte, South Burlington, Williston and Winooski; at least two others are considering: Essex/Essex Junction)
  - Actively pursued grant funding for affordable housing construction (Burlington, Hinesburg, Shelburne, and South Burlington; at least two others are considering)
  - Donated municipal land for affordable housing (Winooski)
- **Policy**
  - Conducted Housing Needs Assessments (Essex, Essex Junction, Hinesburg, South Burlington, Richmond, Winooski, and Underhill.)
  - Participated in Regional Housing Discussions and Peer Learning (Bolton, Burlington, Charlotte, Colchester, Essex, Essex Junction, Hinesburg, Jericho, Milton, Richmond, Shelburne, South Burlington, St. George, Underhill, Westford, Williston and Winooski)
  - Burlington's Housing Action Plan
- **Regulatory**
  - Increased residential density standards in local zoning (Bolton, Burlington, Essex Junction, Jericho, Milton, Richmond, Shelburne, South Burlington, Westford, Williston and Winooski; and many more are considering: Essex)
  - Updated Accessory Dwelling Unit standards (Burlington, Charlotte, Essex, Jericho, Richmond, Shelburne, Westford and Williston)
  - Review Process Improvements (Burlington, Westford, Williston and Winooski. Richmond in process.)
  - Adopted Inclusionary Zoning Requirements (Burlington, Hinesburg, and South Burlington; at least three others are considering: Jericho, Essex, Essex Junction)
  - Reduced permit or impact fees (Burlington, Milton, Williston, Hinesburg)
  - Received State Designation Providing Act 250 Relief (Burlington, Colchester, Essex Junction, Hinesburg, Westford, Williston, Winooski)
  - Housing Retention Requirements (Burlington and South Burlington)
  - Williston's affordable housing incentives within the Growth Management Program
- **Infrastructure and Other**
  - Wastewater Infrastructure in Villages: Jericho, Huntington and Westford are actively working toward new wastewater infrastructure.
  - Hinesburg and Williston considering water/wastewater allocation based on community goals including housing needs.





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Moving forward, Building Homes Together will build upon these accomplishments and continue to call for action to reach the new construction and affordable home goals. Stay tuned for more information about the next Building Homes Together campaign goals in the coming months.

**For more information and to sign on to the Building Homes Together campaign visit:**  
***[ecosproject.com/building-homes-together](https://ecosproject.com/building-homes-together)***

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