



Building Homes Together 2.0

A campaign to strengthen Chittenden County communities

October 2023

In December 2021, the Building Homes Together campaign released its second set of 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 being permanently affordable, over the next five years. Annually, this means that 1,000 new homes should be built per year, with 250 being permanently affordable. The campaign seeks to achieve this goal through raising awareness about housing supply, advancing policy to create conditions for housing, and securing financing from the State to support more affordable housing construction. 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.

The lack of housing in Chittenden County threatens Vermont's economic and public health. Both large and small employers report that employees are struggling to find housing, impacting their ability to retain a strong workforce. Low income and BIPOC households in the county face exacerbated housing challenges due to systemic inequity such as lack financial resources to compete in the homeownership and rental market, or exclusionary housing practices. Continued state investment is needed to sustain housing construction to alleviate current housing shortages, ensure economic prosperity, provide opportunity for economic mobility, and promote public health.

In 2022, the second year of the Building Homes Together 2.0 campaign, the total construction goal of 1,000 new homes was not achieved. A net total of 594 new homes were added to the County in 2022 or 59% of our goal. This includes the addition of 358 multi-family homes, 221 single family homes, and 32 accessory dwellings and the loss of 17 homes due to demolition.¹

New Homes Constructed and First Occupied in Chittenden County (all years refined in 2022) ²												
						Building Homes Together 1.0					BHT 2.0	
2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
272	359	766	472	635	563	1033	780*	641**	820	599	913	594

* 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, the County also fell short of our goal to build 250 permanently affordable homes annually. A total of 110 permanently affordable homes were built accounting for 44% of our goal.

New Permanently Affordable Homes in Chittenden County³

¹ CCRPC data collection from Chittenden County municipalities on new homes first occupied in 2022. Mobile homes (1) and camps (3) are included in the single-family home category.

² CCRPC data collection from Chittenden County municipalities, 2014-2022 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.

³ 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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Building Homes Together 1.0					BHT 2.0	
2016	2017	2018	2019	2020	2021	2022
107	94	79	167	84	151	110***

***This number does not include units constructed by UVM Medical Center for employees which are subsidized, but not perpetually affordable.

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.

Past Campaign Results and Future Funding Challenges:

In 2016, the initial Building Homes Together (BHT) campaign launched with the support of over a hundred municipal officials, businesses, nonprofits, Legislators and individuals. A major success associated with the first five years of the campaign was passage of the state housing bond supported by the Governor and state legislature. This \$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 bond supported the construction of about 250 more units which would not have been built otherwise. The pace of affordable housing construction decreased in subsequent years because that level of capital was not sustained.

Since the beginning of the COVID-19 pandemic, the State has utilized the federal pandemic relief funds to address the housing needs of low-income Vermonters, particularly those most vulnerable and impacted by COVID-19. Over the last three years the Vermont Legislature allocated between \$110 and \$140 million annually in capital to build or rehab housing across the whole state. This investment is a good start, but the housing shortage developed over decades; this recent level of investment from the State needs to continue for several more years to realize the affordability goals of both the Building Homes Together campaign where the needs are so acute, as well as all other Vermont communities.

Projected Construction:

Construction projections for new multi-unit homes in Chittenden County in 2023 and 2024 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 homes or duplexes. Projections for these years remain below the Building Homes Together targets of 1000 homes per year. Projected development for 2025 and beyond is proposed but is not imminent and the completion year is uncertain.

Projected New Multi-Family Homes in Chittenden County ⁴		
2023	2024	2025 and Beyond
532	808	3924

Below is a projection of expected new perpetually affordable units to be constructed in Chittenden County in future years. The projections for 2023 and 2024 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 2025 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**

⁴ Allen, Brooks & Minor Report, June 2023. A comprehensive semi-annual analysis of the real estate market.



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needed in order to close the gap between the annual goal (250 units) and the projections in 2024, 2025, and future years.

Projected Perpetually Affordable Homes in Chittenden County				
2023	2024	2025	2026	2027 – 2028 and beyond
113	46	206	156	50-60 per year

The HOME Act:

The legislature passed the Housing Opportunities Made for Everyone (HOME) Act during the 2023 session. This landmark act of legislation includes much needed municipal regulatory reforms and programs to support the construction and preservation of housing.

The regulatory reforms in the HOME Act are focused on allowing incremental, infill development, or “gentle” density, in the areas of that have adequate infrastructure already and are planned for growth by their municipality. This will be impactful over the long-term as neighborhoods and property ownership changes, but additional reforms with short-term impacts are still needed to immediately address the housing crisis.

To inform more impactful, short-term regulatory reforms, the HOME Act required several land use planning and Act 250 jurisdiction studies to be completed. The results of these studies are due before the next legislative session in December 2023. Our hope is that these studies will inform positive reform to statewide planning for housing and the removal of Act 250 jurisdiction in areas that have adequate infrastructure and are planned for growth.

The HOME Act also creates several programs that aim to assist homeowners and renters. The act directs the Vermont Housing Finance Agency (VHFA) to create a Middle-Income Homeownership Development Program to subsidize developers constructing perpetually affordable housing and a Rental Housing Revolving Loan Program to provide subsidized loans for rental housing developments serving middle-income households. The act also created the Rental Housing Stabilization Services Program to be administered by the Champlain Office of Economic Opportunity which will assist with connecting renters and landlords with services need to preserving tenancy. Lastly, the act directed VT State Housing Authority to create and administer a Rent Arrears Assistance Fund to prevent eviction in cases involving nonpayment of rent.

While not part of the HOME Act, it is worth mentioning one other State programs that were unveiled in 2023 to support the development of more housing in Vermont. In September 2023, Vermont Treasurer Mike Pieciak announced that the State will make \$55 million available to VHFA to administer low-interest loans to developers to construct both affordable and market rate housing.

Additional Pressure on the Market:

Hotel/Motel Voucher Program: 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. 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 ended in mid-2023 including funding for the Rental Assistance Program by March 2023 (12,000 households statewide).



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Only legislation passed during a veto session in June 2023 maintained funding for the hotel/motel voucher program for some at-risk populations. As of September 11, 2023, 897 households continue to be eligible for this program and are living in hotels/motels around the state including 177 households living in Chittenden County. It will take a long time to house folks that are utilizing this program given both the scarcity of housing and the other health care needs.

Homelessness: The number of homeless households in Chittenden County has increased by 254% from the pre-pandemic homeless point-in-time count in January 2020 (217 households) to the count in January 2023 (553 households.). According to the Chittenden County Homeless Alliance, 729 households are currently homeless in Chittenden County. An estimated 227 of those households are living unsheltered. Additional housing supply alone will not solve homelessness in Chittenden County. Supportive services, such as treatment for substance use disorder, health care services, job training and money management classes, are needed to successfully provide housing for many folks that are entering permanent housing for the first time in years. While some of these services exist throughout the county, affordable housing providers like CHT, Cathedral Square, and local housing authorities need partners in health care, substance use and mental health treatment, and social services to more successfully provide housing to folks exiting homelessness and prevent a return to homelessness. In 2023, approximately 48% of new renters in CHT's apartments moved out of homelessness. CHT also began to manage a low-barrier shelter of 30 "pods" on Elmwood Avenue in March 2023.

July 2023 Flooding: Severe flooding impacted much of northern Vermont, including the Chittenden County municipalities like Richmond, Bolton, and Milton, in July 2023. Throughout the state, hundreds of homes (including both rental and homeownership units) were impacted, and a comparable number of families displaced by the disaster. This will have both short-term and long-term impacts on the regional housing market. In the short-term, the rental market is so constrained that some families are unable to acquire rental housing. Instead, emergency housing from FEMA (FEMA trailers) will be provided to up to 200 households in Lamoille, Washington, and Windsor Counties for up to 18 months.⁵ In the long-term, there is fear that there will be permanent loss of housing, notably rental housing, in places like Johnson and Barre City due to property damage and potential property buyouts. If true, this loss will put additional pressure on the regional rental market.

While news from the July 2023 Flooding is mostly negative there is at least one positive: the recently developed Taylor Street apartments, an affordable housing development owned by Downstreet, was relatively unscathed by the flooding despite its location in Montpelier's floodplain mere feet from the Winooski River. This success story demonstrates the competence of affordable housing providers in our state and our state's ability to build back better, and more resilient, in our historic centers and downtowns.

Construction Costs: Inflation has increased the costs of both goods and labor related to construction since 2021. In 2022, the cost of several commodities essential to construction increased in price including wood (16%), steel (22%), concrete (15%) and electric conduit (12%) according to construction cost data tracking firm Gordian.⁶

The rise in inflation has led to subsequent raises in interest rates. The cost of purchasing a home increased in 2022 due to the dramatic increase in interest rates. In January 2022, the 30-year fixed mortgage rate was 3.22%. By November

⁵ VT Digger, <https://vtdigger.org/2023/08/23/fema-temporary-housing-to-arrive-in-vermont-in-the-coming-weeks/>

⁶ Gordian, [2023 Construction Costs Trends by the Numbers](#), (accessed September 15, 2023).



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2022, the interest rates peaked at 7.08% and have held relatively steady since.⁷ Similar increases in the rates of borrowing for construction have increased construction costs. For example, a recent Evernorth project in Colchester closed on construction funding in March 2022 with a variable rate construction loan of 3.25%. Since that time construction loan interest rates have increased to between 8.5% and 9%.

On the same project in Colchester, Evernorth experienced a three-month delay related to elevator installation due to a lack of installation labor. This delay cost Evernorth over \$200,000 in additional construction loan interest and lost rent revenue. This was the third building in Evernorth's pipeline to experience significant delays due to elevator installation. Private developers in Vermont have experienced similar stories.

The cost of new multi-unit construction has now risen to between \$400,000 and \$500,000 per apartment. The rise in construction costs has a direct impact on the number of housing units affordable housing providers can construct given their fiscal constraints.

Indicators still point to an undersupplied market:

Rental Cost Increases – The June 2023 Allen, Brooks, and Minor Report indicates an extreme scarcity of available rentals caused upward rent pressure in 2022. A 5.5% rent inflation increase between 2021 and 2022 occurred which is the largest single increase seen since 2011⁸. The Allen, Brooks, and Minor Report anticipates even greater inflation between 2022 and 2023. 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 (54%) are cost-burdened, paying more than 30% of their income on rent⁹. In addition, the median days on the market for sales of homes less than \$300,000 have continued to decrease over the last seven years indicating a lack of supply of homes at this price point¹⁰.

Many are Waiting for Housing – Many households are qualified and waiting for affordable housing. As reported in September 2023: Cathedral Square has 824 households on their unduplicated waitlist (not including independent living apartments, Assisted Living, and Assisted Living Memory Care waitlists) and Burlington Housing Authority has 1,690 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 15 months.

Rental Vacancy Rate – The County has an extremely low rental vacancy rate. Since June 2021 the vacancy rate has been at or below 1%. The June 2023 vacancy rate is 1% which is an improvement on the 2022 vacancy rate of 0.6%. Allen, Brooks & Minor report that the eviction moratorium and rent assistance programs have contributed to these low rates.¹¹ While the rate hit 3% in 2015 and 2016; it has been below that level for the last 7 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 both renters and owners.

⁷ Freddie Mac, "[Primary Mortgage Rate Survey](#)," (accessed September 14, 2023).

⁸ Allen, Brooks & Minor Report, June 2023. A comprehensive semi-annual analysis of the real estate market.

⁹ American Community Survey, 5-year estimates, 2021 from: <https://www.housingdata.org/profile/income-employment/cost-burden>

¹⁰ Multiple Listing Source, 2016 to 2022: <https://www.housingdata.org/profile/homeownership-costs/days-on-market-price>

¹¹ Allen, Brooks & Minor Report, June 2021. A comprehensive semi-annual analysis of the real estate market.



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Rental Apartment Vacancy Rate in Chittenden County (Annual Average except 2023) ¹²															
2000	2005	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023*
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%	0.6%	1.0%

*2023 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 U.S. Census Bureau's Longitudinal Employer-Household Dynamics show that 31,711 residents from neighboring counties come to Chittenden County for work, while 62,361 Chittenden County residents are employed within Chittenden County. Only 66.37% of County employees lived here in 2020, down from 75% in 2002, indicating a lack of available, affordable homes within the County.¹³ 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.

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 barriers to economic sustainability. 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](#)¹⁴.

The economic health of Chittenden County is vital to the State's economy. Recent data shows Chittenden County accounted for:

- 36.1% of Vermont's GDP in 2021¹⁵
- 33.6% of Vermont jobs in 2022¹⁶
- 35% of the State's sales and use tax receipts excluding online sales in 2022. Rutland County (11%) is the only other County in the State that accounts for more than 10% of sales and use tax receipts.¹⁷
- 31.6% of the State's personal income tax revenue in 2021¹⁸

The lack of housing in Chittenden County threatens Vermont's economic health. 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 the economic health and stability 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 at City Center in South Burlington and has proposed additional dorms to accommodate 540 more students at

¹² Allen, Brooks & Minor Report, June 2023. A comprehensive semi-annual analysis of the real estate market.

¹³ Longitudinal Employer-Household Dynamics section of the Census Bureau. Last updated in 2020.

¹⁴ UVM Medical Center's [2022 Community Health Needs Assessment \(d2ubrtwy6ww54e.cloudfront.net\)](#)

¹⁵ U.S. Bureau of Economic Analysis, "[CAGDP1 County and MSA gross domestic product \(GDP\) summary](#)" (accessed August 7, 2023).

¹⁶ [Vermont Department of Labor – Economic and Labor Market Information](#)

¹⁷ [VT Department of Taxes – Sales and Use Tax Data](#)

¹⁸ [VT Department of Taxes – Income Tax Statistics](#)



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[Catamount Woods](#). HULA [worked collaboratively](#) with the City of Burlington over the past year to develop changes to zoning regulations to allow housing in Burlington's Enterprise District in order to allow more folks to live closer to employment.

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 near 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.

Notable Accomplishments

In addition to calling for State funding, there have 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](#) and the Vermont legislature passed the HOME Act to allow greater flexibility in local development regulations to allow for small scale, infill development in areas with municipal water and sewer infrastructure.

Since the beginning of the campaign in 2016, 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)
 - Purchase a 2-acre parcel in a Village Center zoning district with the goal to develop into affordable housing (Jericho)
- **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
 - Comprehensive planning to address housing challenges (Burlington, Charlotte, Jericho, Milton, Shelburne, Williston)



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- Selectboard approved a resolution that identifies targets for affordable housing and priority actions (Jericho)
- **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)
 - 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, South Burlington; others are considering: Jericho, Essex, Essex Junction, Williston)
 - 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)
 - Short-term Rental Ordinance (Burlington)
- **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.

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