

## Chittenden County Housing Convening Notes

Located at CCRPC

### Housing Trust Funds, 10/29/2018

**Michael Monte, Champlain Housing Trust.** Provided an overview of how they've been able to use funds from local housing trust funds: \$450,000 from Burlington's fund for Laurentide on North Ave. For Bright St. they bought the property and knew they would have to hold it for a while at a loss. And the City was able to help them cover those losses. They always have more asks projects or partnering on projects than they have the funding to do, so every bit of capital helps.

**John Simson, Chair of the South Burlington Affordable Housing Committee.** Provided a history of how South Burlington's work on affordable housing came to be as it is an important pre-cursor to the local housing trust fund. In 2012 City Council appointed an ad hoc Affordable Housing Committee. The City hired consultants Sharon Murray and Brandy Saxton to help the Committee develop a plan. In 2013 report, Path to Affordability, was published. The report contained action items including a Housing Trust Fund and inclusionary housing. Committee members requested City Council reappoint and continue the ad hoc committee. In order to address the full spectrum of housing need the committee adopted a two-pronged approach. To ensure that households with income at or just below and just above median (the "missing middle") the Committee agreed that regulations and incentives for private developers is the best approach – inclusionary zoning was adopted in the City Center. For households with lower incomes priced out of rental the Committee focused on tools to assist and incentivize non-profit developers to locate projects in South Burlington – housing trust fund. City Council agreed with the housing trust fund, appointed a Committee to oversee it, and funded it with \$50,000/year. The Housing Trust Fund has appropriated funding to both the Allard Square and Garden Apartments developments. The City applied for and received CDBG funds for both. The Allard Square senior housing is done. The CHT developed Garden Apartments for low income families is underway.

**Sandy Dooley, South Burlington Affordable Housing Committee.** Provided specifics on funding for the housing trust fund. They sought an appropriation from the City's budget of \$200,000/year. Resolution set at \$100,000-\$200,000. Though only \$50,000/year has been set aside starting in FY2016 (3 years so far). They looked at other revenue options like "penny for housing", hotels and meals tax but they didn't think those would work due to charter changes and municipal votes. They just passed a penny for bike and walking paths, and already have a long-standing penny on the tax rate for conservation. The Housing Committee is going to focus on building community support instead of getting more permanent funding. Funding so far is essentially a year to year decision. They decided to exclude a fee in lieu of inclusionary housing for the City Center because it currently has no housing and they want housing in the City Center; but that could be a potential revenue source for a housing trust fund (if a community also has inclusionary zoning).

**Larry Kupferman, South Burlington Housing Trust Fund Committee.** Provided information on the role of this Committee in managing So. Burlington's Housing Trust Fund. Staff really manage the fund. The Committee is comprised of three people with some background in affordable housing or banking. They see the invoices and pay them. Applicants who want to use the fund go through Paul Conner, Planning Director, or Kevin Dorn, City Manager. It is set up by City Council resolution; therefore no ordinance behind it. The \$50,000 is a City allocation decision made on an annual basis. and so long as they continue to put the money in.

Discussion/questions/comments:

- Todd Rawlings, Burlington CEDO Housing Program Manager, shared that most places in the country get their funds for their housing trust funds from the inclusionary zoning ordinance fee in lieu

provision. In the early days the Burlington decided that they didn't want to have a local decision every year. A dedicated penny for \$1,000 assessment was established. That was reduced to a half-penny after a city-wide re-assessment and the City wanted no net change in taxes. The City has then made up the difference. \$375,000 total per year.

- Heather Carrington, Winooski Community & Economic Development Officer, indicated that Winooski is considering setting up a trust fund based on a resolution with supporting policy and procedures. Don't have funds set up through ordinances. Larry suggests that more ordinance based would be better because if it isn't based on an ordinance it can change year to year based on political will. The ordinance can hold more long-term.
- Darren Schibler, Essex Planner asked what is the right amount of funding to ask for? Sandy Dooley indicated that they looked at the last two years of sales of shared equity (condos and single family) – subsidy was a little over \$60,000. That was the amount that was needed to make it affordable. Based on actual sales and tied to inflation. Michael Monte stated that you aren't going to be the only source of funding, so while it might seem like a small amount of money everything can help. \$25,000/year could help. When Burlington went to \$160,000 to 375,000/year was huge. \$75,000 to \$100,000 could have a big influence on a mobile home park improvement. Funds for renovation could be great. John Simson stated that for smaller town's that have open land, you could use a trust fund to help buy land to build a project. Use the trust as a way to get that kick started. Also John indicated that having some local funding really helped make a CDBG grant application much more attractive.
- Regarding fee in lieu under inclusionary zoning. Burlington's is set at \$180,000/unit and no one is taking that option. They are looking at lowering it to \$75,000. South Burlington is thinking about \$60,000 but it is not in place yet. In Winooski, they are considering the fee in lieu to actually be something people use as it might be the only funding source for the trust. Todd Rawlings indicated that for projects under a certain size they did a smaller payment in lieu to not dis-incentivize smaller infill projects.
- Champlain Housing Trust also has financing loans for mobile homes and rehabs. Any landowner can apply if they meet the criteria. They don't expect much return on these. 20 or 30 homes in the system right now. Work on weatherization and preservation as well. They really help support folks and hold their hand through the process. Send out the information on this program.
- There was a discussion about accessory dwelling units. ADUs are a great opportunity for affordable housing, but there are a lot of challenges to making these happen in a much bigger way. ADUs will be another topic for a convening in the future.
- John Simson stated that the Building Homes Together calls for more affordable housing in our region. If we all have Inclusionary zoning we'd automatically build more housing.
- Another topic down the road is how to incentivize the private sector, inclusionary zoning (ask Todd Rawlings to participate), ADUs (financing, figure out how to get it done legally, education, etc.).