

Chittenden County Housing Convening - 11/30/20

Held Virtually via Zoom from 6pm to 7:45pm

Attendees:

Sharon Murray, Bolton, Front Porch Community Planning & Design
Jacki Murphy, Colchester Selectboard
Sarah Hadd, Colchester Director of Planning & Zoning
Gabrielle Smith, Essex Housing Commission
Michelle Teegarden, Essex Housing Commission
Deb McAdoo, Essex Housing Commission
Ned Daly, Essex Planning Commission
Owiso Makuku, Essex Community Development Director
Darren Schibler, Essex Planner
Diane Clemens, Essex Junction Planning Commissioner
Carl Bohlen, Hinesburg Affordable Housing Comm
Alex Weinhagen, Hinesburg Director of Planning & Zoning
Peter Booth, Jericho Affordable Housing Committee
Bob Robbins, Board of Directors Chair of Champlain Housing Trust, and Jericho Affordable Housing Committee
Cymone Haiju, Milton Planning Director
Connie van Eeghen, Richmond Housing Committee member
Casey McNeil, Shelburne Housing Subcommittee
Pam Brangan, Shelburne Housing Subcommittee and CCRPC Staff
Alicia Simmons, Shelburne Housing Subcommittee
Julie Gaboriault, Shelburne Housing Subcommittee
Cara Thanassi, Shelburne Housing Subcommittee
Dean Pierce, Shelburne Planning Director, and Staff to the Shelburne Housing Subcommittee
Thomas Chittenden, South Burlington City Councilor and a Chittenden County Senator-Elect
Helen Riehle, South Burlington City Council member
Vince Bolduc, South Burlington Affordable Housing Committee
Chris Trombly, South Burlington Affordable Housing Committee
Sandra Dooley, South Burlington Affordable Housing Committee
Paul Conner, South Burlington Director of Planning & Zoning
John Simson, South Burlington
Kate Lalley, Westford Zoning Administrator and Shelburne Selectboard member
Kristine Lott, Mayor of Winooski
Jim Duncan, Winooski City Council
Anna Wageling, Winooski Housing Commission
Jessica Bridges, Winooski Housing Commission
Heather Carrington, Winooski Community and Economic Development Officer, Housing Commission Staff Liaison
Mike Miller, Montpelier Director of Planning & Community Development

Rep. Tom Stevens, Chair, General, Housing and Military Affairs Committee
Leslie Black-Plumeau, VHFA, So. Burlington Affordable Housing Committee and Winooski Housing Committee
Seth Leonard, VHFA
Sarah Carpenter, VT Rental Housing Advisory Board and Burlington City Council
Michael Monte, Champlain Housing Trust
Chris Donnelly, Champlain Housing Trust
Amy Demetrowitz, Champlain Housing Trust
Jess Hyman, CVOEO Fair Housing Project
Nancy Owens, EverNorth
Erhard Mahnke, Vermont Affordable Housing Coalition

Erik Hoekstra, Redstone

Charlie Baker, CCRPC Executive Director

Regina Mahony, CCRPC Staff

Taylor Newton, CCRPC Staff

Affiliations Unknown:

Amy, Ellen, Eva

Cane Klaus

Mark

Two phone numbers

Vermont Housing Finance Agency Presentation

Slides: https://www.vhfa.org/documents/vhfa_slides_for_chittenden_county_housing_meeting.pdf

Housing Needs Assessment - Leslie Black-Plumeau

- Housing needs assessment - https://www.vhfa.org/documents/publications/vt_hna_2020_report.pdf
- Housing production falling throughout the state and Chittenden County
- 1.9% vacancy rate for vacancy in Chittenden County
- Low income households have urgent, unmet housing needs
- About 10,364 households in the county are cost burdened (about 6,423 renter households). 37% spend more than 30% of income; 17% spend more than 50% of income on housing
- Indicators of housing quality challenges. 22,000 homes have high risk of lead exposure (northwest counties). Chittenden County mobile home parks – 2 in 100-year floodplain, and 4 have major capital expense
- Service-enriched housing – high need in Vermont – low-income, homeless, and older Vermonters

Housing Cost Study & New Housing Finance Model – Seth Leonard

- Supply is an issue.
- Local land use policy is a more powerful tool for limiting housing than it is creating it. Be careful in the way you wield policy when it comes to housing.
- The single most impactful thing a community can do is add financial resources (or reduce costs) for housing: support projects leverage unique state/federal sources; Establish a local “Housing Trust Fund” or a local/regional Housing Bond; Reduce the costs associated with permitting and local processing; Include housing in community development projects
- Incremental additions of housing within primarily market rate buildings can unlock resources for all types of housing.
- Need to admit that we may need to help market rate housing, not just affordable
- 2019 Cost Study Findings – housing development costs are increasing faster than trajectory than neighboring states; about \$312,000 per unit for affordable housing units right now.
- Affordable housing has a math problem: 30-unit rental housing building at 60% Area Median Income – monthly rent revenue of \$30,960, compared to \$35,726 monthly payments for construction loan. An almost \$5,000 monthly gap.
- Sites are a problem, but resources to meet demand is not there.
- Private Activity “Bond Cap” – provides tax exempt financing for projects, and unlocks 4% housing tax credits (provides tax credit equity for 30% of development costs). Allow about \$44 million to expire each year, which could generate \$18.2 million in additional equity for housing development. At least 20% of units must be affordable at 50% AMI, or 40% at 60% AMI.
- Example Projects: Dover Place in South Burlington – 43 units; also used Town revolving loan fund (1%), and project-based vouchers. Flat Street in Brattleboro – 19 units; also used Town revolving loan fund (3-5%) and

Town supported Historic, CDBG and Downtown Tax Credits. Community Center Condos in Winooski – 24 units; benefit from City owned land, New Market and State Tax Credits, CHT programming.

Q&A

- What model/data was used for the projection of expected new households across the state? Slide 2. 2000+ expected new households in Chittenden County between 2020 and 2025. Any detail about household income in this projection? **Used projections from Claritas, LLC and compared to actual growth.**
- I think I heard you say that 58% of new housing was affordable housing. We only had 13% of our new housing in Chittenden County over the last four years. Is that 58% a statewide stat? **Yes, statewide net new units.**
- Wondering how the math is affected, negatively I assume, by higher interest rates? They are so low now; does this play into this math, and would the situation be exacerbated by higher interest rates? **Benefit of Private Activity Bond typically below taxable interest rates.**
- Please describe what "municipal help" looks like? **Anything that makes it easier. Check out the toolbox: <https://www.housingdata.org/toolbox/steps-for-municipalities>**
- Has VT ever considered legislation authorizing state and/or local land banking programs? **Not sure.**
- For these projects, what entity typically initiates the project — a non-profit, developer, municipality? **A community can express a need and brings in partners.**
- It sounds like the key limiting factor for meeting our affordable housing needs (especially in Chittenden County) is financial resources. Will VHFA and others be advocating for another statewide housing bond in the 2021 session? **Treasurer is a bit concerned, VHFA open to find alternatives, municipalities and regions have also done it in some part of the states, but need to leverage some payment stream, view TIF districts as similar in leveraging resources.**
- What policies, be specific, promote the development of housing? what policies hinder it? **Check out the toolbox: <https://www.housingdata.org/toolbox/steps-for-municipalities>**

S.237 (Act 179) – Regina Mahony, CCRPC

- ADU changed size unit can be, must allow at least 30% of SFH or 900 SF, whichever is greater; must use same review as SFH (if SFH are permitted use, cannot be conditional use); cannot prohibit development on small lots if served by water and sewer. For MFH (4+ units) cannot use character of area, to be reason for denial of MFH
- If zoning bylaws are not up to speed, need to reflect these changes. Changes took effect on October 12, 2020.
- Rep. Stevens added: Allowed municipalities to set up ordinances/bylaws about short term rentals, which can limit low income housing. Invalidated deed restrictions and land use limitations against affordable housing projects.

H. 739 Rental Registry, PROPOSED legislation - Sarah Carpenter, Chair of the Vermont Rental Housing Advisory Board

- See the attached summary
- This bill would establish a statewide rental registry and move the authority for rental code inspection from municipal town health officers and the Dept. of Health to the state Dept. of Fire Safety. Towns with established code enforcement could retain that.
- Paid for through – charge for rental register – already exists in 12 municipalities, covers 21,000 units in the state – fee would pay for the needed staff, would sustain and support the registry at ACCD.
- Registry would include short term rentals.
- Having the registry would be especially helpful in a disaster.
- Sarah Carpenter requested support from municipalities.
- Chat discussion regarding obstacles to this legislation – major one is adding a fee to rental properties. The proposed fee is \$35 per unit per month.

Roundtable discussion:

Bolton – interested in land banking, may apply in Vermont, worth looking at

Burlington – looking at a number of issues, batch of ordinance work on short-term rentals, tenant protection programs, some zoning updates

Essex – Just started a housing commission, trying to get them well versed in existing issues and what other committees are working on to tie them together (such as energy and economic development), finished Essex Center town master plan, and beginning to work on zoning,.

Essex Junction – Getting a housing committee started, seeing housing development in the Junction

Hinesburg – Two large developments starting late next year. Working with private developers on a slice of that being affordable, but still struggling to make the finances work on the ground. Even with 1 affordable unit is difficult. Trying to court CHT or other partners. Limiting factor is resources.

Jericho – Just started an affordable housing commission, just trying to learn more about the field, daunted about lack of infrastructure. Looking at ADUs and wondering if they really can be affordable. Also looking at inclusionary zoning and a trust fund.

Milton – Enabling multi-dwelling housing in the core, good water/wastewater infrastructure, live/work units.

Richmond – Has a new housing committee, starting a needs assessment, will develop a survey for employers in the community, and looking for personal stories.

Shelburne – collecting data, working on ADU education piece for website, trying to simplify requirements, going through prioritization exercise, CDBG feasibility study for mobile home park.

South Burlington – Looking at impact of policy on racial equity, competing priorities of land conservation versus housing, in third year of interim zoning in South Burlington – trying to keep housing in focus during conversation, looking at a City Council resolution about limiting use of water/sewer in SEQ. New Habitat for Humanity 4 unit project.

Westford – Kate Lalley – poised for housing in the Village with zoning, but lacking infrastructure, liberal ADU rules, 1000 sq. ft. and no limit on the number of bedrooms, duplex by-right everywhere in the town.

Winooski – Heather Carrington, survey landlords on eviction cliff, thinking ok, used rental registry, reviewing

Erhard Mahnke – hoping to develop an aggressive agenda for this fall, not sure what is going to happen to the folks that in hotels – money is out on December 30, as much funding as possible for the VHCB, and rental registry support

Three Polls - Future Meeting Topics, Future Meeting Date and Rate this Convening

Future Meeting Topics:

- With the lowest rental vacancy rate and the highest median home sales price in the state, are there ways Chittenden County towns can work collaboratively to improve the affordability of housing throughout the region? 16 votes
- Similarly, are there ways we can collaborate as a region to improve the racial equity of housing opportunities here? County wide, 65% of white residents own their homes while only 14% of black residents do. 17 votes
- What policies would help Vermont towns address housing needs prompted by COVID-19? Should we advocate together at the state level? 8 votes

Future Meeting Date:

Monday, March 29th – 19 votes

Wednesday, March 31st – 10 votes

Rate this Convening: Almost all excellent or good.

Links from meeting/discussion -

Vermont Housing Needs Assessment: https://www.vhfa.org/documents/publications/vt_hna_2020_report.pdf

<https://www.housingdata.org/toolbox/steps-for-municipalities>

Act 179/S. 237 - <https://legislature.vermont.gov/bill/status/2020/S.237>

2020 legislative wrap-up from the VT Affordable Housing Coalition (draft):

<https://drive.google.com/file/d/10oCTegMmrBFzN95sqSHZpaVs8EXC5mh9/view?usp=sharing>

Vermont Affordable Housing Cost Study: https://www.vhfa.org/documents/publications/final_analysis-_vt_affordable_rental_housing_dvt_cost_factors_-_01.15.2020.pdf

Land bank information is included on this page (albeit in the last row) in the Housing-Ready toolbox:

<https://www.housingdata.org/toolbox/regulatory-tools>

Two announcements: 1) The Fair Housing Project of CVOEO has a new job opening for a statewide Community Organizer with a focus on Housing Committee support. The posting will be up later this week at www.cvoeo.org and feel free to contact me at jhyman@cvoeo.org with any questions, and 2) Please check out the Housing Committee section of the Housing Ready Toolbox at <https://www.housingdata.org/toolbox/steps-for-municipalities> (the broader toolbox and resources were developed by Leslie and Mia at VHFA, with collaboration from CVOEO and DHCD on the housing committee section).

https://www.vhfa.org/documents/publications/access_to_subsidized_housing_in_vermont_by_age_1.pdf

Rental Housing Health & Safety Bill (H.739)

For background, in 2018, after many years of concern about the State's system of rental housing code enforcement, the Legislature passed Act 188, a bill to improve rental housing safety. The bill created a study committee, the Rental Housing Advisory Board (RHAB), to review how the rental safety programs of municipalities carried out primarily by volunteer town health officers (THO) could be professionalized. The work of RHAB can be found on the ACCD website <https://accd.vermont.gov/housing/partners/Act188>.

In 2019 the legislature passed Act 48. In it were a number of provisions that assist in making the work of enforcing the Rental Housing Health Code (RHHC) somewhat easier for municipalities. But, the fundamental flaw in the system still remained. That is that most small towns and cities are ill equipped to enforce the State's Rental Housing Health Code (RHHC). One of the main requests of Act 48 was that the Department of Health (DOH) and the Department of Fire Safety (DFS) in collaboration with the RHAB, complete a needs assessment and develop recommendations for the design and implementation of a comprehensive system for the professional enforcement of State rental housing health and safety laws.

In reviewing these and many options it was very clear that it made the most sense for Dept. of Fire Safety (DFS) to take the lead in enforcing the RHHC rather than the Dept. of Health. DFS has the systems in place for residential inspections. However, for them to take on the RHHC they will need more inspectors and overhead support. Because Vermont has no county government, any sort of regional approach seemed unrealistic and would require setting up a new program redundant of DFS. Health Dept. inspectors focus on commercial enterprises and are not spread around geographically, and have little expertise in residential buildings.

The RHAB had broad input that the RHHC inspection and enforcement should be a state responsibility, not a municipal one; but it has been extremely difficult to get over the hurdle that this must be a service of government that is paid for in some fashion. Like what is being done now in many towns (and states), RHAB believes that this activity can be funded by charging a modest fee to property owners. Landlord representatives seem to understand the issue and are looking for consistent service and support, and also better tools to deal with tenants who violate the health codes. In towns where fees are already being charged, we have seen no real effect on the rental housing market.

At the beginning of the 2020 session H. 739 was introduced, bringing high hopes that this would be the year to pass a bill creating a statewide professional system for rental housing code enforcement to protect Vermont tenants and landlords through the Dept of Fire Safety.

Also proposed is the creation of a statewide registry of rental housing. In addition to funding an inspection program, there has long been a need to have information on the location and data of the state's rental housing all in one place. This was very clear in Tropical Storm Irene and would have served the state very well during this pandemic.

A strong recommendation from the Rental Housing Advisory Board and support from both the Vermont Landlord Association and Fire Safety all boded well for passage. When the pandemic hit, lawmakers set the bill aside to focus on their emergency response, but took it up again during the September special session. The House General Committee sought to attach the bill to S.237 but ran out of time and was unable to vote out even a reduced version. The House Appropriations Committee's budget allocated \$400,000 in CRF funding to stand up the registry but this was unfortunately removed through a floor amendment. It is planned that the bill will be brought back next year. The March 2020 draft contains the most complete version of what stakeholders agreed to; [H.739: Draft 3.1, 3-12-2020 9-2-2020](#).

In legislation RHAB is recommending the following components:

Move the responsibility for the enforcement of the Rental Housing Health Code from municipalities to the Dept. of Fire Safety.

- DFS has identified the need for at least five new FTE's plus overhead support.
- THO's would remain in place to support DFS and carry out the other duties.
- Communities with programs already in place would retain that. This would only cover communities who do not have and do not want their own inspection program.
- There would need to be about \$570,000 bridge funding for the start up.

Establish a registry of long and short-term rental housing units.

- Ongoing funding for a complaint-driven inspection program could come through a per unit fee as is done now in a number of communities and for mobile home parks.
- The fee could also support increased education for landlords and tenants, and provide an interactive website to keep them up-to-date.
- The registry would be housed at the Dept of Housing and Community Development (DHCD) and start with existing public data from the Dept of Taxes, E911 and the Health Dept. lead Essential Maintenance Practices (EMP) registry for pre-1978 rental housing.
- About 20-25% of rental units are already covered in communities that have an active code enforcement program, some with their own registry. Owners would not be charged twice.

Vermont Housing Incentive Program

- In addition to the two above recommendations, RHAB supports a program for small grants to landlords. This would be a very cost-effective way to get more housing on line and "encourage" landlords to do repairs. This would be similar to what is proposed in H. 739. DHCD would take the lead.