

## **POSITION STATEMENT ON VERMONT'S HOUSING CRISIS: HOUSING THE WORKFORCE**

The Lake Champlain Regional Chamber of Commerce and GBIC are concerned about the cost and persistent shortage of all types of housing, particularly housing affordable for Vermonters of all means in this region and elsewhere in the State. The shortfall of housing in Chittenden County has a direct impact on all of the communities in Northwestern Vermont. According to a national cost of living survey, Burlington area housing costs are 149.7 % of the national average and it is estimated by a Vermont Housing Council study that by 2010 Northwestern Vermont will have an unmet need of over 10,000 new housing units. Housing development is essential to the economic vitality of our region and state. The business community wants to become more fully involved in this issue because the lack of workforce housing is a significant threat to the economic future of the region and the State of Vermont.

The Lake Champlain Regional Chamber of Commerce and GBIC are working in conjunction with others to increase the supply of housing attainable to the region's workforce. The Northwest Housing Coalition has recently been formed consisting of the area's major employers and has a mission of exploring, supporting, advocating and promoting the availability and diversity of workforce housing in Northwestern Vermont. Specifically, the goal is to encourage a climate hospitable to housing development in support of the region's economy.

The Northwest Housing Coalition has offered the following as a definition for workforce housing:

Single-family housing that is valued at or below \$275,000 with particular emphasis given to housing available to households at the region's 2006 Area Median Income (AMI, \$70,500 in Chittenden County), and consideration given to households at or below 50 percent of AMI. This definition also includes rental housing that is valued at or below \$1,000 monthly for a 2-bedroom unit. This definition shall not preclude the endorsement of projects that provide workforce housing which includes a wide range of housing types from clustered multi-unit dwellings to single, detached units and prices that are also available to the middle-income professional employee.

Factors that influence the production of housing units of all types and price ranges include:

- Land use decisions and policies made by government, such as sewer allocations, zoning densities, housing caps, building codes, infrastructure requirements and height restrictions.
- Municipal and regional organizations working together with the private and non-profit sectors to increase the awareness of the need to address the lack of adequate workforce housing.
- Overall cost of developing the project, including permitting, impact fees, financing, property conditions, and the cost of land.
- Community support for the expansion and re-development of workforce housing units needed to sustain anticipated economic expansion and population growth.
- The availability of adequate infrastructure such as water, wastewater, stormwater, energy and transportation networks that can accommodate additional housing.

The Lake Champlain Regional Chamber of Commerce and GBIC believe that now and into the future the housing crisis in the region and the state should be addressed with the best interests of the community in mind. The Chamber and GBIC recommend the following courses of action:

- Expand housing policies to include the need for housing attainable to the regional workforce.

- ⇒ Promote financial incentives and funding for state and local housing initiatives without increasing taxes.
- Ensure that state and local policies and regulations support housing projects, including those in mixed use projects, in areas designated principally for development by the municipal or regional plan.
  - ⇒ Encourage towns to adopt minimum density requirements, allow for higher density housing development and offer density bonuses for housing and mixed uses.
  - ⇒ Zoning densities should meet the housing demand outlook of 10,000 new units by 2010. (*“Housing in Northwestern Vermont”*, August, 2000 by EPR)
- Support educational efforts with local and regional officials/volunteers to assist and promote local planning for housing.
  - ⇒ Reference *“Between a Rock and a Hard Place: Housing and Wages in Vermont”* (2005), as well as other reports, to develop and augment strategies to increase the stock of housing units.
  - ⇒ Educate local officials about how the costs of local infrastructure requirements and impact fees affect housing costs.
  - ⇒ Encourage the awareness of the public benefit of developing housing.
- Encourage collaboration between government, businesses, the Vermont Housing Finance Agency, Champlain Initiative, Home Builders and Remodelers Association of Northern VT, the CCRPC and other housing advocates such as the Champlain Housing Trust, Vermont Housing Awareness Campaign and Vermont Home Ownership Initiative to implement a regional housing strategy.
  - ⇒ Encourage Chambers of Commerce throughout Vermont to work on similar housing initiatives.
  - ⇒ Support housing forums, and other successful strategies that encourage information-sharing, such as promoting business sponsorship and participation at housing conferences and other public meetings.
  - ⇒ Work in conjunction with other housing initiatives, such as the Upper Valley Housing Coalition.
- Encourage locally elected officials to endorse specific measures to increase local housing supply.
  - ⇒ Work collaboratively with the CCRPC on its housing supply goals initiative.
  - ⇒ Advocate for infrastructure funds/incentives for housing. For example, the state could establish priorities for infrastructure and transportation projects and make federal funds available only to those communities that adopt housing targets linked directly to town and regional population forecasts.
- Change the tax incremental financing formula so that it encourages economic growth for industrial, commercial, *and* residential projects.
- Support state policies and legislation that identifies suitable lands available for housing, provides tax credits for its development and lessens the regulatory burdens associated with the permitting of workforce housing.

**NOTE:** The Chamber and GBIC have position statements on related subjects, including smart growth, environmental permitting, economic development and transportation.

Approved by the LCRCC and GBIC Board of Directors on October 25, 2006.