



Building Homes Together 2.0

A campaign to strengthen Chittenden County communities

October 2024

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 of 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 2023, the third 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 720 new homes were added to the County in 2023 or 72% of our goal. This includes the addition of 546 multi-family homes, 156 single housing units, and 31 accessory dwellings and the loss of 13 homes due to demolition.¹

| New Homes Constructed and First Occupied in Chittenden County (all years refined in 2023) ² | | | | | | | | | | | | | |
|--|------|------|------|------|------|-----------------------------|------|-------|------|------|---------|------|------|
| | | | | | | Building Homes Together 1.0 | | | | | BHT 2.0 | | |
| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| 272 | 359 | 804 | 472 | 643 | 572 | 1053 | 770* | 641** | 820 | 601 | 982 | 615 | 720 |

* 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 125 permanently affordable homes were built accounting for 50% of our goal.

¹ CCRPC data collection from Chittenden County municipalities on new homes first occupied in 2023. Mobile homes (1) and camps (3) are included in the single-family home category.

² CCRPC data collection from Chittenden County municipalities, 2014-2023 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.



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| New Permanently Affordable Homes in Chittenden County ³ | | | | | | | |
|--|------|------|------|------|---------|--------|------|
| Building Homes Together 1.0 | | | | | BHT 2.0 | | |
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| 107 | 94 | 79 | 167 | 84 | 151 | 110*** | 125 |

***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 State of Vermont dedicated significant funding of available federal Covid-19 resources during the pandemic. This is resulting in new housing being developed, but those funds have now been largely obligated. To address the housing shortage that grew over decades – and was exacerbated by the pandemic – sustained funding for affordable housing will need to be appropriated from the State for several more years to realize the Chittenden County affordability goals of the Building Homes Together campaign where the needs are so acute, as well as all other Vermont communities.

In September 2023, Vermont Treasurer Mike Pieciak announced that the State would make \$55 million available to VHFA to administer low-interest loans to developers to construct both affordable and market rate housing. This funding source was utilized in 2024 and will support the development of 1,100 homes statewide.

Projected Construction:

Construction projections for new multi-unit homes in Chittenden County in 2024 and 2025 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 | | |
|--|------|-----------------|
| 2024 | 2025 | 2026 and Beyond |
| 863 | 831 | 4654 |

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).

⁴ Allen, Brooks & Minor Report, June 2024. A comprehensive semi-annual analysis of the real estate market.



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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 2026 include development with dedicated funding and some development without dedicated funding. Projections for 2026 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.**

| Projected Perpetually Affordable Homes in Chittenden County | | | | |
|---|------|------|------|-----------------|
| 2024 | 2025 | 2026 | 2027 | 2028 and beyond |
| 105 | 107 | 228 | 105 | 50-60 per year |

Additional Pressure on the Market:

Homelessness: Additional housing supply is needed to address homelessness in Chittenden County. The number of homeless households in Chittenden County has increased by 169% from the pre-pandemic homeless point-in-time count in January 2020 (217 households) to the count in January 2024 (584 households). According to the Chittenden County Homeless Alliance, 425 people are currently homeless in Chittenden County as of September 2024.

However, 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.

Temporary solutions must be sought to address current housing needs while additional, permanent housing is constructed. Effective September 15, 2024, the State Emergency Housing Program is capped 1,100 rooms per night statewide. Priority populations are children, pregnant women, those that are 65 years of age or older, and those experiencing dangerous or life-threatening conditions. As of September 11, 2024, room availability in Chittenden County is “extremely limited” (0 to 5 rooms available out of 270 total rooms).⁵

Climate Change and Housing: Severe flooding impacted much of northern Vermont, including the Chittenden County municipalities like Richmond, Bolton, and Milton, in July 2023 and July 2024. Throughout the state, hundreds of homes (including both rental and homeownership units) were impacted, and a comparable number of families displaced by the disaster. These flood events are likely the new “normal” in Vermont during the summer months and it will have financial consequences on homeowners, renters, and housing developers. Many property owners may see increased homeowner and rental insurance costs due to flood risk. Other housing may need to be retrofitted or elevated out of the floodplain to reduce flood risk. There may also be loss of housing stock due to flood damage. Vermont Emergency Management recently reported that it has received 223 property buyout requests statewide in response to a round of Hazard

⁵ VT Department of Children and Families, <https://dcf.vermont.gov/benefits/crisis-housing>



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Mitigation Grant funding in August 2024. The majority of buyout requests are within Chittenden County (34 requests) or in surrounding counties (158 requests).

Construction Costs: The rise in construction costs has a direct impact on the number of housing units affordable housing providers can construct given their fiscal constraints. Based on data aggregated by Vermont Housing Financing Agency (VHFA), the Producer Price Index (PPI) applicable to materials used in the construction of multi-family housing rose by 38% between February 2020 and May 2024. Similarly, labor costs for multi-family housing construction rose by 24% during the same time period.⁶ The Agency of General Contractors cites labor availability as the #1 challenge for many contractors.⁷

Hard costs, composed of labor, materials, and permitting, for housing development deals closed by Evernorth in 2023-2024 cost between \$350,000 and \$400,000 per unit. The wide variation has to do with project scale (#units) and difficult site considerations.

Equipment availability is also a concern. An Evernorth and Cathedral Square project in Hinesburg, Kelley's Field 2, is currently experiencing supply chain problems for switchgear. The 24 units of senior housing would have been ready for occupancy in August 2024 without supply chain issues. However, the project will not be able to be occupied now until January 2025. The total cost of the delay is \$315,000.

Similar increases in the rates of borrowing for construction have also increased construction costs. In January 2022, the 30-year fixed mortgage rate was 3.22%. By November 2022, the interest rates peaked at 7.08%. Interest rates have decreased slightly in the past year (6.35% in September 2024), yet rates remain highly volatile.⁸

The total cost of construction of new multi-unit construction, factoring in both hard costs and soft costs, is now between \$400,000 and \$500,000 per apartment unit, with some complicated sites costing even more.

Indicators still point to an undersupplied market:

Rental Cost Increases – The June 2024 Allen, Brooks, and Minor Report indicates an extreme scarcity of available rentals caused upward rent pressure in 2023. A 4.8% rent inflation increase between 2022 and 2023 occurred which is the third largest annual rate increase seen since 2011.⁹ 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 (51%) are cost-burdened and spend more than 30% of their income on rent.¹⁰

The June 2024 Allen, Brooks, and Minor Report states that "newly build apartment complexes are generally priced higher than the average rental rates."¹¹ For example, average one-bedroom apartment rent in Chittenden County is \$1,463 per month. But typical rent of a newly built one-bedroom apartment in the County ranges between \$1,400 to \$3,200 per month. A similar pattern exists for new two-bedroom apartments.

⁶ VHFA, "The Cost of Development," (accessed October 14, 2024).

⁷ VHFA, "The Cost of Development," (accessed October 14, 2024).

⁸ Freddie Mac, "[Primary Mortgage Rate Survey](#)," (accessed September 11, 2024).

⁹ Allen, Brooks & Minor Report, June 2024. A comprehensive semi-annual analysis of the real estate market.

¹⁰ American Community Survey, 5-year estimates, 2022 from: <https://www.housingdata.org/profile/income-employment/cost-burden>

¹¹ Allen, Brooks & Minor Report, June 2024. A comprehensive semi-annual analysis of the real estate market.



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Rising rents are indicative of inadequate housing supply unable to keep up with overall housing demand in Chittenden County. Pressure on housing supply in Chittenden County is from the dual demands to meet the housing needs of local households, but also the needs in-migrating households. Strong in-migration is needed in Chittenden County, and Vermont, in order to fill local jobs and keep the local economy strong as our population continues to age and retire from the workforce.

Rental prices will remain high without additional housing supply. There is concern that high rental prices may not meet the needs of current county residents. Conversations with developers of recently constructed market rate housing in the Burlington area state that new tenants in newly constructed rental units tend to be relocated to Chittenden County (50% - 75% of new tenants according to some developers). Additional supply can help ensure that the full spectrum of rental housing demand is met at affordable rents.

Many are Waiting for Housing – Many households are qualified and waiting for affordable housing. As reported in September 2023: Cathedral Square has 1,296 households on their unduplicated waitlist (not including independent living apartments, Assisted Living, and Assisted Living Memory Care waitlists) and Burlington Housing Authority has 1,127 households on their master wait list for housing choice vouchers and/or project-based rental assistance. 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. The June 2024 vacancy rate is 1.2% which is a slight decrease compared to the 2023 vacancy rate of 1.3%. While the rate hit 3% in 2015 and 2016; it has been below that level for the last 8 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 5% rental vacancy rate to yield a healthy market for both renters and owners.

| Rental Apartment Vacancy Rate in Chittenden County (Annual Average except 2024) ¹² | | | | | | | | | | | | |
|---|------|------|------|------|------|------|------|------|------|------|------|-------|
| 2000 | 2005 | 2010 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024* |
| 0.7% | 2.0% | 1.6% | 3.0% | 3.3% | 2.6% | 1.8% | 2.2% | 1.9% | 0.9% | 0.6% | 1.3% | 1.2% |

*2024 rate is from June only, not an annual average of the July and December reported rate.

Home Sales: According to Vermont Housing Finance Agency (VHFA), the median sales price of primary homes in Vermont reached \$325,000 in 2023. This is a 5% increase over median home sales prices in 2022. Median sales price of primary homes was higher in Chittenden County in 2023 (\$460,500 – a 5.5% increase from 2022).¹³ VT Digger cites that VHFA also found that “the median price for newly constructed homes sold last year jumped by 11%, reaching \$616,500.”¹⁴

Low housing construction rates and high interest rates are creating a gridlocked homeownership market. The number of houses sold in Vermont dramatically dropped in 2023. VHFA’s found nearly a 26% decrease in number of homes sold between 2022 and 2023. In 2023, only 5,759 primary homes sold in Vermont. This is the lowest number of homes sales since 2012. Limited options on the housing markets has resulted in home buyers acting quickly when there is available

¹² Allen, Brooks & Minor Report, June 2024. A comprehensive semi-annual analysis of the real estate market.

¹³ VT Department of Taxes: Property Transfer Tax (PTT) records. (accessed via housingdata.org on October 7, 2024).

¹⁴ VT Digger. “Vermont home prices spiked more than any other state last year while fewer homes sold”(accessed September 16, 2024).



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housing. The median number of days on the market for homes less than \$300,000 in price has continued to decrease over the last eight years indicating a lack of supply of homes at this price point.¹⁵

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 33,517 residents from neighboring counties come to Chittenden County for work, while 63,312 Chittenden County residents are employed within Chittenden County. Only 65.4% of County workers lived here in 2021, down from 75% in 2002, indicating a lack of available, affordable homes within the County.¹⁶ 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.

Demographic Changes – 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.

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](#)¹⁷.

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

- 36.6% of Vermont's GDP in 2022¹⁸
- 33.6% of Vermont jobs in 2023¹⁹
- 31% of the State's sales and use tax receipts excluding online sales in 2023. Washington County (14%) is the only other County in the State that accounts for more than 10% of sales and use tax receipts.²⁰

¹⁵ Multiple Listing Source, 2016 to 2023: <https://www.housingdata.org/profile/homeownership-costs/days-on-market-price>

¹⁶ Longitudinal Employer-Household Dynamics section of the Census Bureau. Last updated in 2020.

¹⁷ UVM Medical Center's [2022 Community Health Needs Assessment \(d2ubrtwy6ww54e.cloudfront.net\)](https://d2ubrtwy6ww54e.cloudfront.net)

¹⁸ U.S. Bureau of Economic Analysis, "[Gross Domestic Product \(GDP\) by County and Metropolitan Area](#)" (accessed October 1, 2024).

¹⁹ [Vermont Department of Labor – Economic and Labor Market Information](#)

²⁰ [VT Department of Taxes – Sales and Use Tax Data](#)



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- 35% of the State's personal income tax revenue in 2022 ²¹

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. The University had also proposed additional dorms to accommodate 540 more students at [Catamount Woods, but that project has been put on hold due to construction costs](#). HULA [worked collaboratively](#) with the City of Burlington over the past two years 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.

The HOME Act and the Act 250 Bill (Act 181):

The legislature passed the Housing Opportunities Made for Everyone (HOME) Act during the 2023 session and substantial regulatory changes to Act 250 (Act 181) in 2024. These landmark acts of legislation include much needed municipal and state regulatory reforms and programs to support the construction and preservation of housing in Vermont.

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.

To inform more impactful, short-term regulatory reforms, the HOME Act required several land use planning and Act 250 jurisdiction studies to be completed in 2023. The resulting legislation, Act 181, significantly reforms Act 250, state designation programs, and regional planning. The most significant reform related to housing is the creation of location-based Act 250 jurisdiction. This change recognizes that some areas of Vermont are planned for growth because they contain necessary infrastructure (e.g. water, wastewater) and have sufficient local zoning regulations to adequately regulate development. It is in these locations that Act 250 jurisdiction may be relaxed or completely removed. The map used to determine location-based Act 250 jurisdiction are the Regional Future Land Use Maps that will be developed

²¹ [VT Department of Taxes – Income Tax Statistics](#)



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adopted by regional planning commissions (RPCs) and approved by a new state board: the Vermont Land Use Review Board (LURB).

Beyond State policy changes, two other statewide projects are currently underway that will increase our understanding of regulatory and infrastructural hurdles to housing development in Vermont. The Vermont Zoning Atlas is set to be launched in late fall 2024. This online tool helps visualize the local regulatory environment in each municipality and will assist our understanding of exclusionary zoning practices in Vermont. Another project, funded by the University of Vermont's Leahy Institute for Rural Partnerships, will systematically map available wastewater infrastructure in Vermont, town-by-town, to understand where there is opportunity to develop additional housing without significant infrastructure costs. This work should be completed by mid-2025.

Notable Accomplishments

In addition to calling for State funding, there have been significant strides to reform municipal regulations via the campaign. To assist with this effort, the Vermont Department of Housing and Community Development completed a housing infill guidance project called [*Enabling Better Places: A Zoning Guide for Vermont Neighborhoods which all municipalities can utilize to make their zoning regulations more housing friendly.*](#)

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)
 - Selectboard approved a resolution that identifies targets for affordable housing and priority actions (Jericho)



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- **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)
- 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 prioritized water/wastewater allocation based on community goals including housing needs.

For more information and to sign on to the Building Homes Together campaign visit:

ecosproject.com/building-homes-together