



vermont affordable housing coalition

October 31, 2014

Brian Pine
Assistant Director for Housing
Community & Economic Development Office
149 Church Street
Burlington, VT 05401

Re: Comments on Draft Housing Plan

Dear Brian,

Thanks again for the opportunity to comment on CEDO's draft "Building Opportunity" housing plan. We strongly support most of the recommendations made; they represent many steps in the right direction and will help ease the City's perennial housing shortage and huge affordability gap. I have little to add to my comments at the October 7 public forum, so I will briefly reemphasize a few points made there and in my July written comments on the Downtown Housing Strategy Report.

The City's scarce public resources for investing in affordable rental housing must continue to be directed to housing that is permanently affordable for people in the lowest income brackets.

This is where the need is still greatest, this is where the City should continue to focus its efforts. Other scarce City resources and monetary incentives, like land and impact fee waivers, also should not be dedicated solely to support market rate housing. The current environment for housing funding is the worst we've ever seen and prospects for the near future continue to look bleak. In a time of such scarcity, public dollars must be prioritized for those with the highest need. This is not mentioned in "Building Opportunity." It should be.

We are wary of the argument that producing market rate housing will ease the burden of affordability on people with more modest incomes.

The Downtown Housing Strategy Report cites \$1,960 a month as the average asking rent for rental projects built in Burlington since 2005. Adding in Burlington Housing Authority's two-bedroom high efficiency utility allowance of \$158 a month, that amounts to gross rent of \$2,118, requiring an annual income of \$84,720 to be affordable. I ask how an emphasis on creating more housing for this income range will help not just Burlington's lowest income, most vulnerable citizens, but its working poor, retail workers or others working in relatively low-wage service sector jobs -- anyone earning below 80% of HUD area median income. I attach a chart comparing rents and income that I distributed at the October 7 public forum to further emphasize the very large gap between what new market rate rental housing will cost and what average Burlingtonians of relatively modest means can afford. Moreover, creating more market rate housing at these rent levels will have the tendency to drag the entire market upwards with it, creating a new "high water mark" and making rents LESS affordable to the folks with the greatest need.

While tweaks may be warranted after 24 years, we strongly recommend keeping the major provisions of Inclusionary Zoning in place.

We agree that a good look at Inclusionary Zoning (IZ) is warranted after 24 years, but caution against major increases in the size of a development before IZ applies. We also caution against substantial increases in the low-income targeting required. While many opportunities for infill and new construction housing still exist, limitations on land available in Burlington for additional development make it all the more important to include housing that is affordable to low- and moderate-income citizens in every housing development. VAHC would support limited changes to update IZ and incorporate some of the lessons learned over its 24-year history. These might include simplifying its structure, modestly increasing the unit threshold above which IZ applies, and raising the percentage of HUD median income at which inclusionary homes must be affordable.

We strongly support restoring funding for the Housing Trust Fund to a full penny per \$100 of property value.

The revenue for the Trust Fund was reduced during reappraisal, negating the original intent of Burlington voters to dedicate a full penny of the property tax to affordable housing. Reducing its value was an unintended consequence of reappraisal and should be remedied, which the Housing Plan estimates would raise annual funding from \$190,000 to \$360,000.

We strongly support ending chronic homelessness by embracing the Housing First model.

We caution, however, against focusing exclusively on this population to the detriment of the substantial number of homeless families with children who may not “score” as high on the vulnerability scale as chronically homeless individuals with multiple challenges to housing success.

Thanks again for the opportunity to comment. We stand ready to assist the City in whatever way it deems appropriate to help with this effort over the coming months.

Sincerely,



Erhard Mahnke

Coordinator

Inclusionary Zoning Rents 2014

	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
100% of median income	56,200	64,200	72,200	80,200	86,700	93,100	99,500	105,900
80%	44,750	51,150	57,550	63,900	69,050	74,150	79,250	84,350
50%	28,100	32,100	36,100	40,100	43,350	46,550	49,750	52,950
140%	78,680	89,880	101,080	112,280	121,380	130,340	139,300	148,260
household size based on unit size	1 person	1.5 person	3 person	4.5 person		6 person	7.5 person	
	efficiency	1 BR	2 BR	3 BR		4 BR	5 BR	
65% AMI adjusted by bedrooms	36,530	39,130	46,930	54,242	56,355	60,515	66,755	
Max. gross IZ rent	913	978	1,173	1,303		1,513	1,617	
Net IZ rent without utilities	819	852	1,015	1,117	0	1,298	1,376	
*Gross 140% AMI rent with utilities (Triggers 20% IZ requirement)	1,967	2,247	2,527	2,807	3,035	3,259	3,483	
household size based on unit size	1 person	1.5 person	3 person	4.5 person		6 person	7.5 person	
	efficiency	1 BR	2 BR	3 BR		4 BR	5 BR	
80% AMI adjusted by bedrooms	44,750	51,150	57,550	63,900	69,050	74,150	79,250	
Max. gross 80% rent	1,119	1,279	1,439	1,598		1,854	1,981	
Net 80%rent without utilities	1,025	1,153	1,281	1,412	0	1,639	1,740	
*Gross 140% AMI rent with utilities (Triggers 20% IZ requirement)	1,967	2,247	2,527	2,807	3,035	3,259	3,483	
	efficiency	1 BR	2 BR	3 BR		4 BR	5 BR	
2014/15 Section 8 Fair Market Rents (gross rents, including utilities)	936	1,017	1,328	1,663		1,953		
Multi High-efficiency Utility allowance								
Heating	43	58	72	87		102	115	
Cooking	4	5	7	8		10	11	
Electric	28	40	52	60		68	76	
Water heating	19	23	27	31		35	39	
Total utility allowance	94	126	158	186	0	215	241	