

Thank you to the Mayor and CEDO for studying the City's housing issues and for recognizing the affordability problems we face. Without a doubt, there is an extreme shortage of rental housing in Burlington as evidenced by our 1% vacancy rate.

In January 2014, Kurt Kaffenberger, a local appraiser and market analyst, completed a market study for a mixed income rental housing on Bright Street which Housing Vermont is building with the Champlain Housing Trust.

He found that 61% of the renter households (5,718 households) living in nearby neighborhoods including the downtown, the Old North End, Riverside Ave and the City of Winooski have incomes less than \$40,000. People who earn \$40,000 can afford to pay \$1,000 a month for rent and utilities (an amount equal to 30% of their income).

Kaffenberger reported that demand for housing is great and that current landlords in the Old North End neighborhoods are able to make cosmetic physical improvements to their properties and substantially increase rents. One-bedroom apartments in these properties are renting from \$1,150 to \$1,400 while rents for two-bedroom units range between \$1,750 and \$2,100. Households would need to earn from \$46,000 (for the least expensive one-bedroom) to \$84,000 (most expensive two-bedroom unit)—clearly way out of reach for the typical Burlington renter.

Housing Vermont supports efforts to create new rental housing by pursuing land use and zoning policies that streamline the local permitting process.

The City can and should create and improve policies that enable more development in all sectors of the housing market. And City resources such as land and tax dollars should be used to develop dense, mixed income, **permanently affordable** housing (like North Avenue, Waterfront Housing) to serve city residents.

The report suggests that the current mix of under-maintained student housing could convert to owner occupied homes for families. The cost to convert those units is much greater than the market value and unlike the cities cited as examples, we have yet to see Burlington's institutions respond with resources to support employee housing.

While allowing market forces to take care of this problem is an attractive vision, there is no assurance and little evidence that the market alone can create affordability. Affordable housing does not naturally occur in a hot market. And Burlington is a hot market.

What we can do relatively quickly is build new permanently affordable, mixed-income housing. But to do this, we need land. We encourage the City to inventory all the developable land and under-used buildings owned by the public (city, schools, state) and the large institutions (hospital, UVM, Champlain College and churches) to begin a dialogue about how to allocate land to meet our housing needs. For example, if students want to live downtown, perhaps public land is made available, while sites on the hill are made available for work force housing.

Again – Kurt Kaffenberger reports that there are over 500 units in development, construction and permitting in Burlington of which *not one* is intended to be affordable to households earning less than \$40,000. What makes Burlington a wonderful place to live is its people. If we don't consciously and deliberately create new permanently affordable housing, we will lose them and with that, our vitality.

Nancy Owens
President