



TRUSTEES SPECIAL MEETING NOTICE & AGENDA
JOINT MEETING WITH THE ESSEX JUNCTION PLANNING COMMISSION
THURSDAY, MAY 17, 2018 at 6:30 PM
2 LINCOLN STREET, ESSEX JUNCTION, VT 05452

1. **CALL TO ORDER/PLEDGE OF ALLEGIANCE TO FLAG** [6:30 PM]
2. **AGENDA ADDITIONS/CHANGES**
3. **APPROVE AGENDA**
4. **GUESTS, PRESENTATIONS AND PUBLIC HEARINGS**
 - a. Comments from Public on Items Not on Agenda
 - b. Presentation by Regina Mahony, CCRPC, on "The Economics of Development"
5. **JOINT WORK SESSION WITH THE PLANNING COMMISSION**
 - a. Discussion about parking, landscaping and other issues
6. **ADJOURN**

Meetings of the Trustees are accessible to people with disabilities. For information on accessibility or this agenda, call the Village Manager's office at 878-6944.

Chittenden County's Housing Needs & Economics of Building More

May 17, 2018



CHITTENDEN COUNTY RPC
Communities Planning Together

What I'll Cover...

- **Chittenden County Housing Needs Data**
 - Progress toward our smart growth strategy of 80% of growth in our areas served by existing infrastructure.
 - Progress toward the Building Homes Together campaign goal of 700 homes/year, 20% affordable.
- **Economics of Housing Construction**
- **What municipalities can do to help**

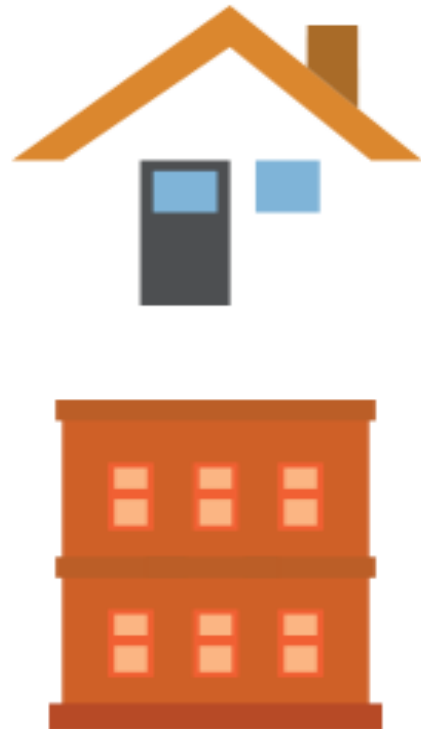


Why Track Housing Development?

- 1. One of the biggest challenges identified in the ECOS Plan is our housing shortage.**
- 2. Progress toward our smart growth strategy of 80% of growth in our areas served by existing infrastructure.**
- 3. Progress toward the Building Homes Together campaign goal of 700 homes/year, 20% affordable.**

Housing is Unaffordable

For many families and individuals, quality and affordable housing is unattainable.



33%
of home-
owners

&

56%
of renters

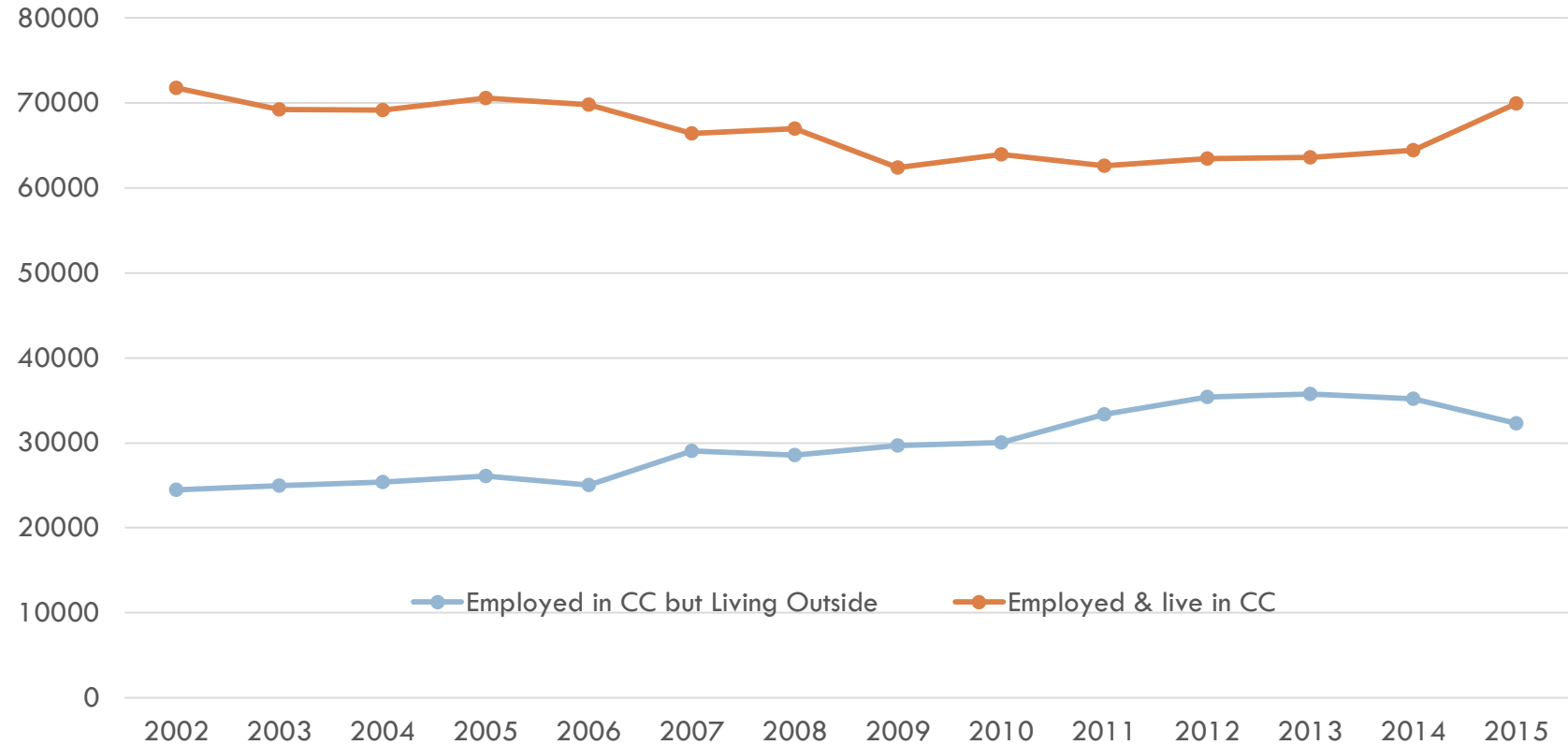
spend more than 30% of their income on housing. That equates to ~28,000 homes or 40% of our residents.

Less Workers Live in the County

- About 102,243 people are employed in Chittenden County.
- Only 68% of those employees live here, compared to 75% in 2002.



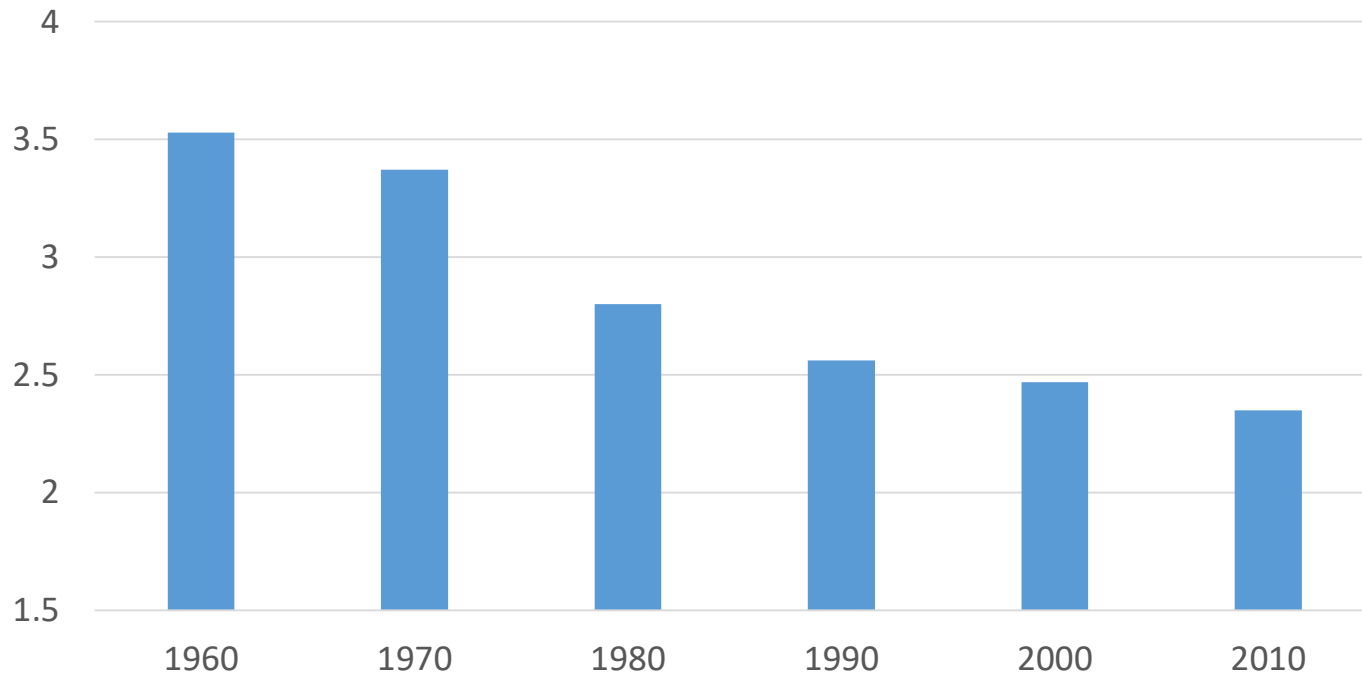
Where do Chittenden County Workers Live?



US Census Longitudinal Household-Employer Dynamics Program

Household Size is Shrinking

Chittenden County Average Household Size

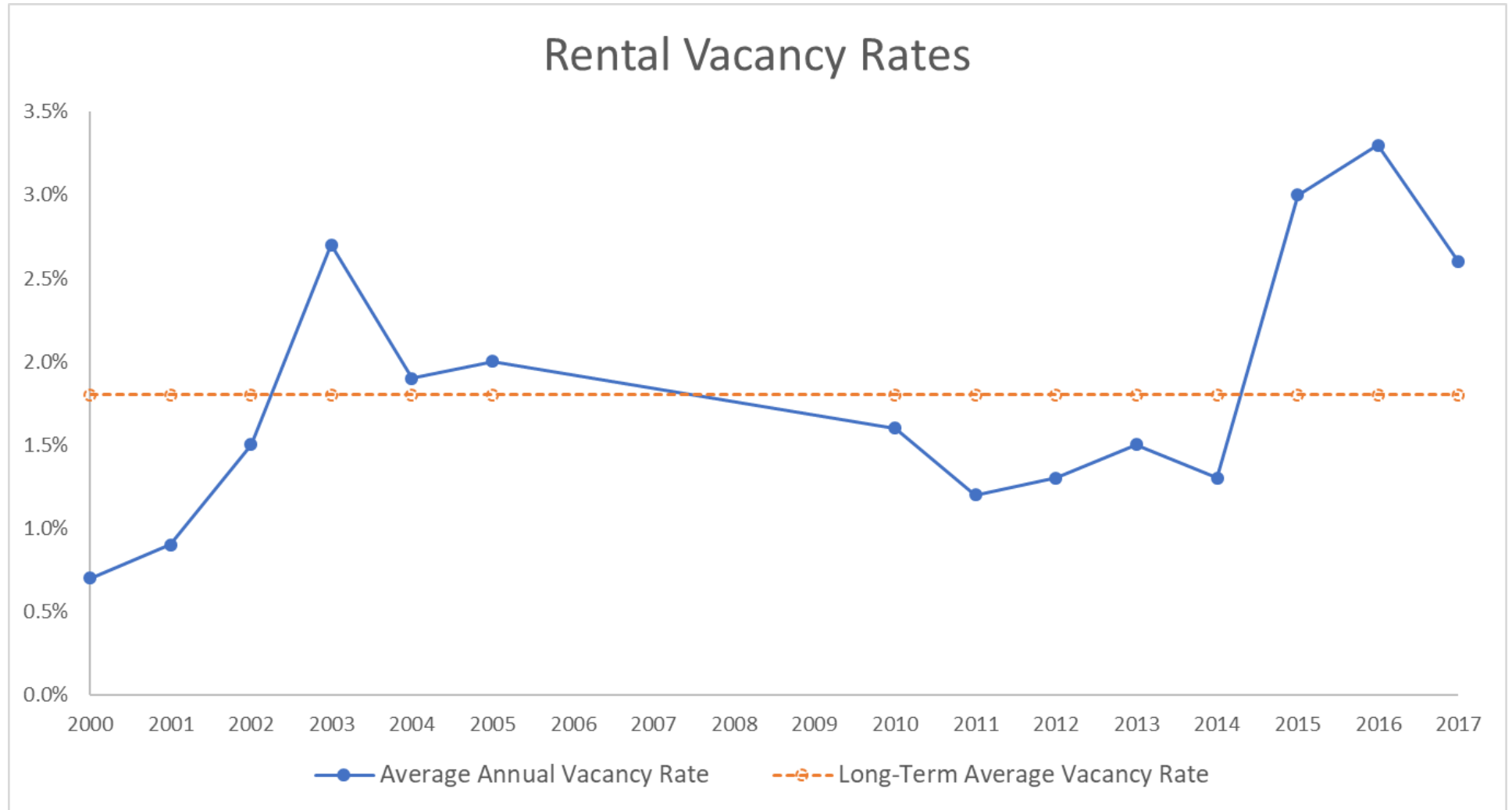
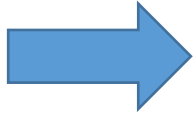


Source: US Census Bureau

- We need more homes for the same amount of people.
- We are growing by approximately 900 people.

Vacancy Rate was Improving

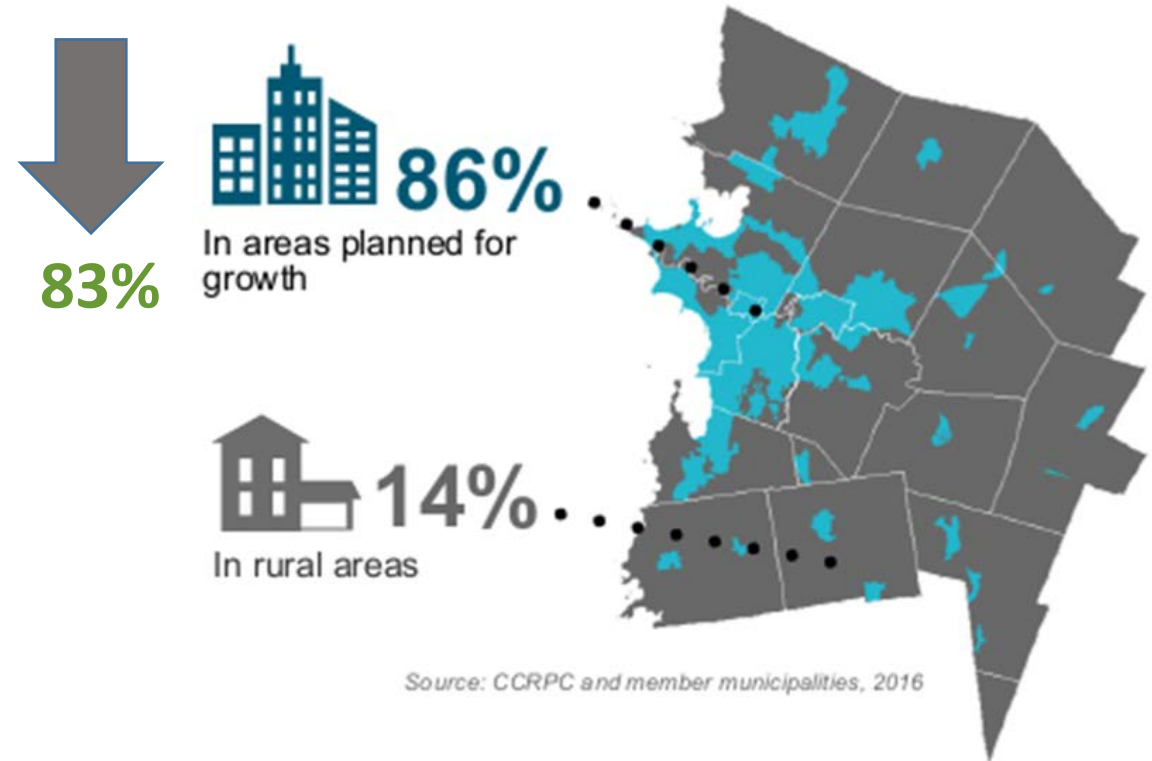
3% = low
end of
healthy
rate



Homes Built in 2017

Planning Area	Net Residential Growth (new growth - demolitions)	Percent Net Residential Growth
Center	107	22%
Metro	1	0%
Suburban	192	39%
Village	102	21%
Rural	61	12%
Enterprise	27	6%
Total	490	100%
Areas Planned for Growth	388	79%

5-Year Average of Homes Built in Chittenden County



In ADDITION, the University of Vermont demolished two dormitories (391 beds) and replaced them with a new dormitory (699 beds) creating a net gain of 308 beds for 2017.

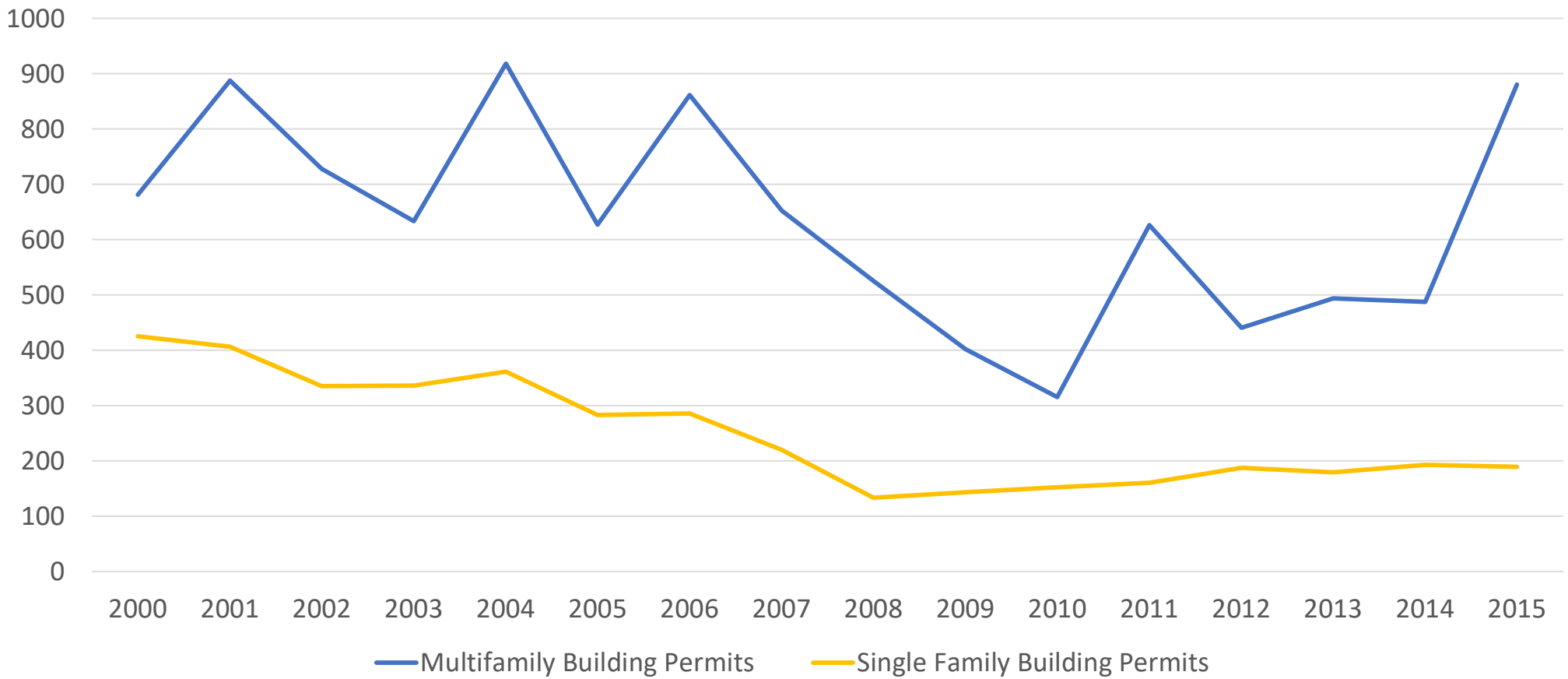
Homes Built from 2010 to 2017

Net Growth								
Planning Area	2010	2011	2012	2013	2014	2015	2016	2017
Center	61	108	36	64	105	204	285	107
Metro	78	124	285	189	216	174	351	192
Suburban	65	75	134	79	90	91	126	61
Village	23	38	17	22	105	43	51	27
Rural	77	86	75	69	114	97	102	102
Enterprise	1	0	0	1	0	0	1	1
Total	305	431	547	424	630	609	916	490
Affordable	47	32	66	79	83	22	69	TBD

CCRPC, Champlain Housing Trust and Housing Vermont launched the Building Homes Together (BHT) campaign in 2016 with the support of well over a hundred municipal officials, businesses, nonprofits, Legislators and individuals. The BHT campaign set a target of creating 3,500 new homes in Chittenden County over the next five years, with 20% of them permanently affordable.

Looking Backward

Chittenden County Building Permits (NOT Construction) from Allen & Brooks

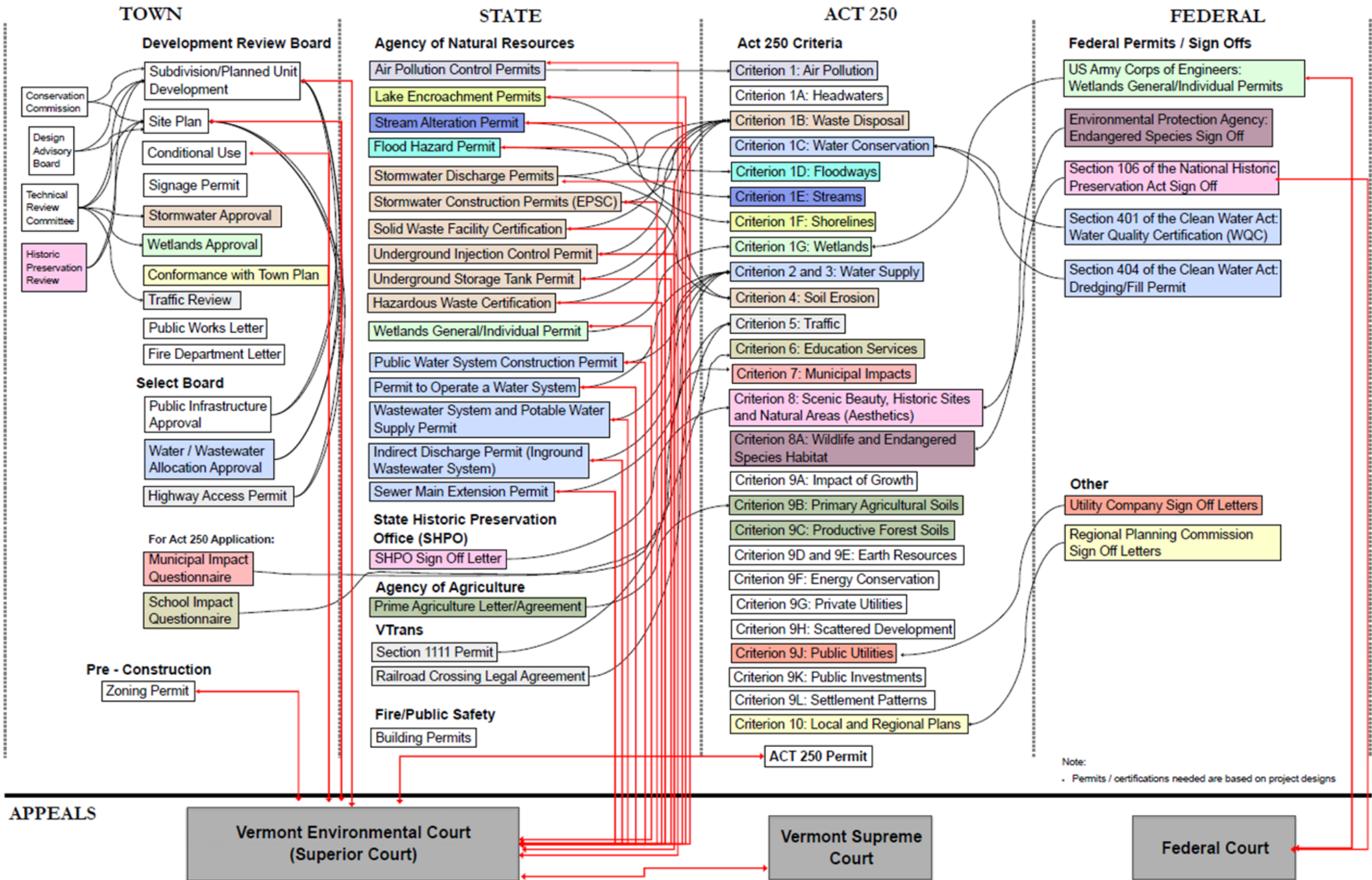


Costs of Building Housing

- **Construction Costs are High Here:**
 - High cost of land values in New England
 - High cost of labor supply
 - High cost of materials (end of the line)
 - Heating *and* cooling
 - Permitting time, process & associated costs
 - Contaminated soils in urban areas
-



Project Permitting Flowchart



Costs of Building Housing

- Example costs for 60 unit, 174,000 sq.ft. project

	USES OF FUNDS		
	Budget	Residential Per Unit	Cost Per Sq.Ft.
ACQUISITION			
Land	1,320,000	22,000	17.84
Acquisition/Buildings	-	-	0.00
Demolition	-	-	0.00
Title Insurance/Recording	6,000	100	0.08
Appraisals	5,000	83	0.07
Option fee	30,000	500	0.41
TOTAL ACQUISITION	1,361,000	22,683	18.39
CONSTRUCTION			
Construction - Resid.	11,500,000	191,667	155.41
Conting@	450,000	7,500	6.08
TOTAL CONSTRUCTION	11,950,000	199,167	161.49
SOFT COSTS			
Arch./Engin/Estimating/Testing/Market Study/ Marketing	300,000	5,000	4.05
Relocation/Clerk	-	-	0.00
Environ /Energy Ass./C.N.A./H.P,	8,000	133	0.11
Legal/Accounting	45,500	758	0.61
Permits/Fees	250,000	4,167	3.38
Addl. Insurance/Taxes	25,000	417	0.34
Construction Loan Interest	60,000	1,000	0.81
Third party green certification	35,000	583	0.47
Loan/Lender Fees	95,000	1,583	1.28
Replacement Reserve	30,000	500	0.41
Lease up reserve/working capital	40,000	667	0.54
Developer Fee	8% 1,160,000	19,333	15.68
Soft Cost Contingency @	10,000	167	0.14
TOTAL SOFT COSTS	2,063,500	34,392	27.89
TOTAL USES OF FUNDS	15,374,500	256,242	207.76

Challenges of Building Affordable Housing

			Budget	Per unit	Per Sq Ft
TOTAL ACQUISITION			1,361,000	22,683	18.39
TOTAL CONSTRUCTION			11,950,000	199,167	161.49
TOTAL SOFT COSTS			2,063,500	34,392	27.89
TOTAL			15,374,500	256,242	207.76
NONPROFIT Additions to Soft Cost			Budget	Per unit	Per Sq Ft
Construction cost			1,195,000	19,917	16.15
Developer Fee			340,000	5,667	4.59
Operating Reserve			334,000	5,567	4.51
Tax credit Fees			30,000	500	0.41
HUD ER process			5,000	83	0.07
Capital Needs Assesment			3,500	58	0.05
Audit/Cost Certification			9,500	158	0.13
Additional Legal			15,000	250	0.20
TOTAL			1,932,000	32,200	26

What Can Help...

- **Regulatory:**
 - Increase base density and allow by right
 - Right size dimensional standards
 - Reduce parking requirements
 - Simplify review process
 - **Inclusionary Zoning, with a Housing Trust Fund**
 - Allow some flexibility on income qualifications with ranges



What Can Help...

- **Non-regulatory:**
 - **Capital – Local Housing Trust Fund or Municipal Land**
 - **Reduce Fees**
 - **Reduce Infrastructure Costs – capital bonds, TIF & special assessment districts**
 - **Neighborhood Development Area***
 - **Entertain Tax Stabilization Programs**
 - 25% paid first year, 50% paid second year, 75% paid third year, 100% fourth