

# Affordable Housing Talking Points

## Lack of affordable housing is a significant problem in Shelburne

- Shelburne median household(HH) income in 2022: \$106,863
- Median home price in Shelburne in 2022: \$757,386 (2023 \$800k – Realtor.com)
- Income needed to afford a \$757k home w 5% (\$38K) down, & (\$4786/mo pymnt) is: \$200k
- Average wage of School Teacher in Shelburne: \$42 - \$65k (Glass Door)

<b>Shelburne VT</b>		<b>according to PrimeMLS</b>				
<b>Single Family</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>% Inc</b>	
					<b>2023/2020</b>	
<b>Median Price</b>	\$ 581,500	\$ 669,875	\$ 757,386	\$ 642,500	10.5%	
<b>Units Sold</b>	82	102	91	62		
<b>High</b>	\$ 4,950,000	\$ 3,090,000	\$ 10,250,000	\$ 3,169,000	-36.0%	
<b>Condo</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>		
<b>Median Price</b>	\$ 305,250	\$ 289,077	\$ 430,000	\$ 599,465	96.4%	
<b>Units Sold</b>	31	25	23	28		
<b>High</b>	\$ 1,145,000	\$ 995,000	\$ 1,210,000	\$ 1,497,500	30.8%	
<b>Single &amp; Condos</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>		
<b>Median Price</b>	\$ 478,000	\$ 580,000	\$ 647,500	\$ 613,750	28.4%	
<b>Units Sold</b>	113	127	114	90		
<b>High</b>	\$ 4,950,000	\$ 3,090,000	\$ 10,250,000	\$ 3,169,000	-36.0%	

## The Rental Market is a problem as well

As of December 2023, the vacancy rate is 1.6% in Chittenden County vs 4.8% nationally.

Rental averages are not reported by town. In Chittenden County the average rents are:

Chitt. County Avg Rent	BTV CEDO 'Affordable standard'	Shelburne (Current/Jan 2023)(Trulia)
Studio: \$1452	\$1139	Not Available
1 bedroom: \$1,463	\$1238	\$1700-\$1800 (40% above affordable)
2 bedroom: \$1,722	\$1615	\$1900 (20% above)
3 bedroom: \$2,287	\$1982	\$3500 (75% above)

*The above statistics were provided by Sybil Dunne, VP – Marketing, Hickok & Boardman. (except where otherwise noted)*

## What does “Affordable” mean?

- Housing people with average income can afford, and, housing those earning both up to 50% below median, and those earning up to 50 % above median income can afford. Our Town is not meeting the needs of either side of median income.
- Two levels of housing: both valid and desirable
  - Housing for people needing vouchers (Section 8 Tenants); Habitat for Humanity recipients
  - Housing for people earning less than the median, median, and median plus~ up to 180%+ household income, almost ALL of our workforce;
    - Teachers
    - Young families
    - Recent college graduates
    - Retail Workers
    - Restaurant workers
    - Banking Staff
    - Caregivers
    - Nurses
    - Administrators
    - Farmers

## Dispelling the myths of Affordable Housing

1. Are people with Section 8 vouchers problems? NO!

The stereotype that Section 8 tenants are problematic is grossly unfair and incorrect. The reality is that there are good and bad renters in every demographic. Furthermore, Section 8 tenants have a strong incentive to abide by their lease terms, as failure to do so could result in the loss of their housing assistance.

2. Affordable houses will have “cheap” or “undesirable” curb appeal and design NOT TRUE!

**Fact:** Affordable housing communities are held to the same standard of design and quality as the homes surrounding them. In fact, studies have shown that the [construction of affordable housing positively impacts property values](#) in communities, even in more expensive neighborhoods.

3. Affordable housing hurts the quality of education among local schools NOT TRUE!

**Fact:** Some think that the quality of a community’s education will worsen once affordable homes are built in their neighborhoods. But the opposite is actually true. The stability that comes with affordable housing allows a child to remain in a single school system and [presents them with opportunities](#) like higher test scores, long-term relationships with friends and teachers, and a higher chance of attending college.

4. Affordable housing will cause increased crime rates in neighborhoods NOT TRUE!

**Fact:** Some evidence suggests that when families purchase their own homes, they actually add stability to their lives and the neighborhood, resulting in a lower crime rate.

5. Affordable housing becomes a burden for taxpayers NOT TRUE!

**Fact:** Recent studies have demonstrated that [affordable housing developments had no apparent long-term impact on property values or property sales.](#)

## Why create housing trust funds?

Housing trust funds help solve three major problems.

- 1) They can provide a dependable source of revenue for the production, preservation, or rehabilitation of rental and owned homes, as well as related support services and infrastructure needs.
- 2) They come without federal restrictions and can be tailored to efficiently meet particular local needs, some of which may be ineligible for funding through other programs or in need of additional resources.
- 3) They can be used to leverage other funds to help close the gap between the cost of production and available funds to support affordable housing. While housing trust funds can be tailored to meet the needs of communities with a variety of housing conditions, they can be a particularly effective policy in high- and rising-cost housing markets. Certain types of dedicated funding sources for housing trust funds—notably, real estate transfer taxes, linkage fees and document recording fees—generate more revenue for affordable housing when home prices increase. For this reason, housing trust funds that rely on these or other similar funding sources can help communities harness the power of hot housing markets to raise funds for affordable homes.

## Vermont Cost of Living and VT Median Income

\*The median American family, representing the midpoint among all families (in the USA), holds \$193,000 in net worth. (USA Today 10/23/23).

\*\*The overall cost of living in Vermont is 16% higher than the national average. That can be broken down into more specific categories: **groceries are 11. % higher**; health costs are only 5% higher; **housing is 27% higher**; **utilities are 29% higher**; transportation is 7% higher.

- The national average for the Median Household is \$54,168.
- Family Median Income Vermont is \$67,274.
- The unemployment rate in Vermont is low, at 3.7%, and most careers in Vermont are in management, business, finance, sales, office, or administrative support. Many of these are professional services such as web design, architecture, law, and healthcare among others. While many work in construction, extraction, maintenance/repair, production, transportation, or material moving.
- The majority of estimated household incomes are between \$60,000 - \$150,000, and many of these are dual income households. Housing is Upside Down in Shelburne

**In Shelburne, we are ‘upside down’**, only people earning more than triple median income, or having substantial wealth, can purchase a home here. Our townspeople have shared this is not the profile of town we have been or want to be.

## What are Potential Solutions?

Since decreasing current home prices is not a significant possibility (barring another 2008 event), we need to increase the number of homes/condo's/duplex's/apartments which cost less than \$450,000. Ideally, we need more housing stock in the \$350,000 level

1. **No primary resident occupancy requirement** for Accessory Dwelling Units
2. **Explore Ideas** - .e. tax incentives if ADUs are rented year round to households below a set income threshold
3. **Inclusionary Zoning** – incentives and offsets, public policies. *Suggestion:* Require a % of units of housing affordable to individuals earning median household income, a % for below income, and a % for up to 25% above median, from all new development plans with 5 or more units.
4. **Restructure the Towns impact fees** to garner resources for a Town Affordable Trust Fund from all market rate development that does not meet the requirement above, ie all new construction of between 3 and 9 units, with a sliding scale that moves upward with the number of units, weighted more heavily on 5-9 units, and more heavily weighted on homes built with a sales value exceeding purchase that exceeds the means of median income level by 1.5x.
5. **Allow Workforce Housing** on all Farms of 15 acres and above, in addition to a main single-family dwelling sufficient to allow housing for full time staff. Allow temporary workforce housing on site for business (including farms) that have seasonal employees for up to an X% of their seasonal workforce. This could include RV, Tent, Yurt, Lean-to sites, etc. (proper sanitary needs to be met with temporary sanitary facilities/equipment).
6. **Interim Zoning** - Encourage the Town to adopt Interim Zoning to implement the steps above, to incent more affordable housing, prior to any more market rate housing being developed without any affordable program support.
7. **Support Champlain Housing Trust's, and similar entities who create below market housing**, interest in our Town, and their development of affordable units, with all the allowance possible to support and encourage their projects.

## In conclusion

Shelburne Forward Together process identified our Towns need to meet affordable housing needs as one of it's highest priorities (1 of 3). We must be in action now to curb the current trend.