

AT HOME IN THE VALLEY...

MRV AFFORDABLE HOUSING TALK SERIES



The provision of safe, stable, affordable housing is a key component of a healthy community. Currently, the supply of affordable housing in the Mad River Valley does not meet the demand. Creating more affordable housing options is a crucial part of keeping our community diverse and intact, allowing all to find or keep their home in this special place. **JOIN US** in 5-week virtual talk series as we examine affordable housing opportunities in the Mad River Valley and learn about potential paths for sustainable and equitable housing development.

6:30PM - Wednesdays, Sept. 30th - Oct 28th

Registration Link:

https://us02web.zoom.us/webinar/register/WN_YG0h8FKbSv-suVbzZIMAjg

Registration link found on our Facebook Page @MRVHousing. If you have questions, need help connecting, or would like a link sent to you please reach out to MRVHousing@madriver.com

September 30th, 2020 - Mad River Valley Housing Gap

Joshua Schwartz (MRV Planning District)

Doug Kennedy (Doug Kennedy Advisors)

Presentation of data results describing the current housing situation in the MRV.

October 7th, 2020 - Smart Growth in Small Towns

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Creating opportunities for affordable housing through Housing Trust Funds.



MAD RIVER VALLEY
PLANNING DISTRICT
Fayston • Waltsfield • Warren



At Home In The Valley – MRV Affordable Housing Talk Series



Mad River Valley Housing Gap

Wednesday, September 30th – 6:30pm

Presentation of data results describing the current housing situation in the MRV

Joshua Schwartz
MRV Planning District

Doug Kennedy
Doug Kennedy Advisors

Audio Settings ^



Chat



Raise Hand



Q&A

Leave Meeting

- All Participants are muted with video off during the presentation
- If you have a questions during the presentation, please raise your hand or address the group in the "group chat"
- We will begin our discussion with questions asked in the "group chat". During the discussion, all participants will be unmuted so we may have an open conversation.

**What do we mean when we say
“Affordable Housing”?**



Affordable Housing

- Housing for which the occupant is paying no more than 30% of his or her income for gross housing costs, including utilities.
- Affordable housing is different than low-income/Government housing.
- Housing should be affordable at any income level.



Housing Definitions

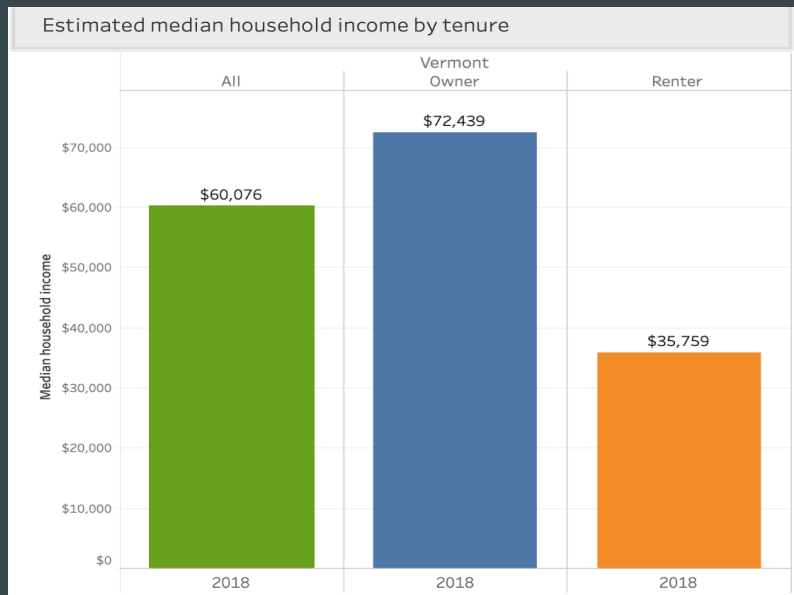
Public Housing – housing planned, developed and managed by HUD for eligible low-income families, the elderly, and persons with disabilities.

Section 8 Rental Housing - A Federal program that provides rental assistance to low-income families who are unable to afford market rents. Assistance may be in the form of vouchers or certificates. Money is attached to the family or individual.

Subsidized Housing – HUD assists apartment owners to offer reduced rents to low-income tenants. Money is attached to the housing unit.

Workforce Housing – Homeownership and rental housing that is affordable to moderate income workers and is located close to their jobs.

FY 2019 Income Limit Area	Median Family Income Explanation	FY 2019 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Washington County, VT	\$78,700	Very Low (50%) Income Limits (\$) Explanation	27,550	31,500	35,450	39,350	42,500	45,650	48,800	51,950
		Extremely Low Income Limits (\$)* Explanation	16,550	18,900	21,330	25,750	30,170	34,590	39,010	43,430
		Low (80%) Income Limits (\$) Explanation	44,100	50,400	56,700	62,950	68,000	73,050	78,100	83,100



Area Median Income

The area median income (AMI) is the total household income for the median household in a region/county.

Extremely Low Income - A household whose income does not exceed the higher of the poverty guidelines as determined by the Department of Health and Human Services or 30 percent of the median income for the area, with adjustments for smaller and larger families and for areas with unusually high or low incomes.

Very Low Income - A households whose incomes do not exceed 50 % of the median area income for the area, as determined by HUD, with adjustments for smaller and larger families and for areas with unusually high or low incomes.

Low income - A household whose income does not exceed 80% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families and for areas with unusually high or low incomes

Moderate Income - A households whose income is between 81 percent and 95 percent of the median income for the area, as determined by HUD, with adjustments for smaller or larger families and for areas with unusually high or low incomes.

Market Rate - There are no income limits tied to these units. Cost is based on quality, size and surrounding market.

Mad River Valley Housing Gap

MRV Affordable Housing Talk Series
September 30, 2020



2020!

Background

- Commissioned by MRVPD and the Towns of Waitsfield, Warren & Fayston
- Goal
 - Build on previous efforts to provide a deeper understanding of housing need & market demand

2017 MRV Housing Study an overview



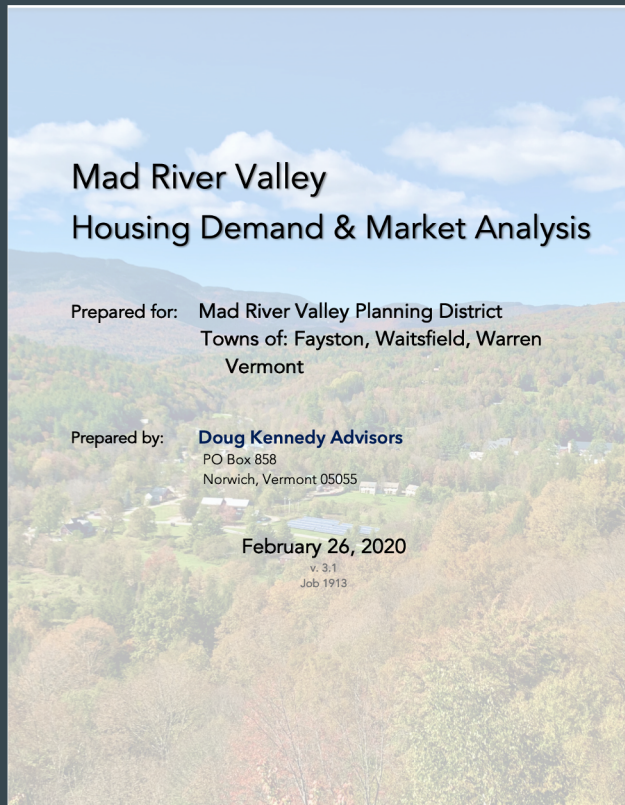
Affordable housing in the Mad River Valley
...a key to future economic vitality



MAD RIVER VALLEY
PLANNING DISTRICT

“Carrying out a program of planning for the future of the Mad River Valley, directed toward the physical, social, economic, fiscal, environmental, cultural and aesthetic well being of the member Towns and its inhabitants.”

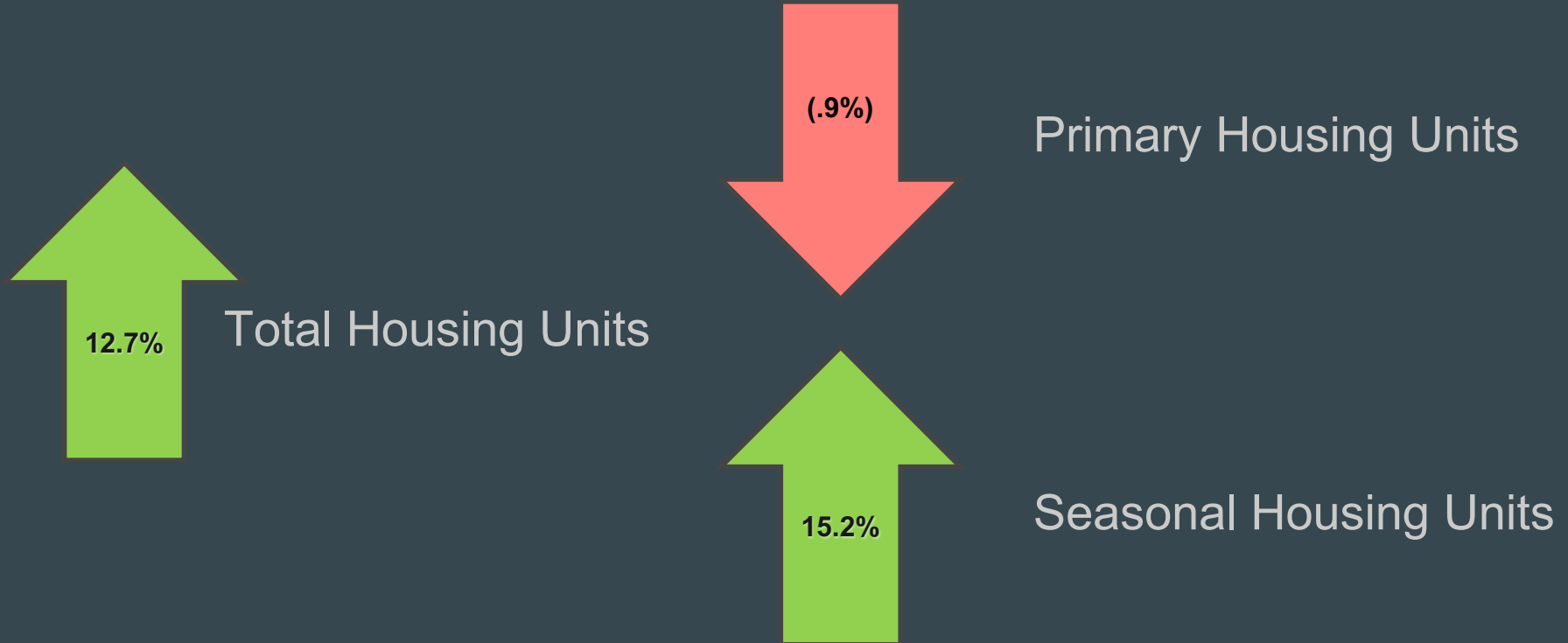
Scope



- **Project**
 - Quantitative analysis of
 - Demographic, housing & other regional data
 - Qualitative analysis
 - Local perspectives, including employers
 - Recommendations
 - Development projects that meet market demand
- **Geography**
 - Primary Market
 - Fayston, Waitsfield & Warren
 - Secondary Market:
 - Duxbury, Moretown, Waterbury & Granville

PLACE

Place - Housing Units in the Primary Market ('10-'17)



Place – Household size vs Home size ('17)

HOUSEHOLD SIZE:

2 People or Less

70%

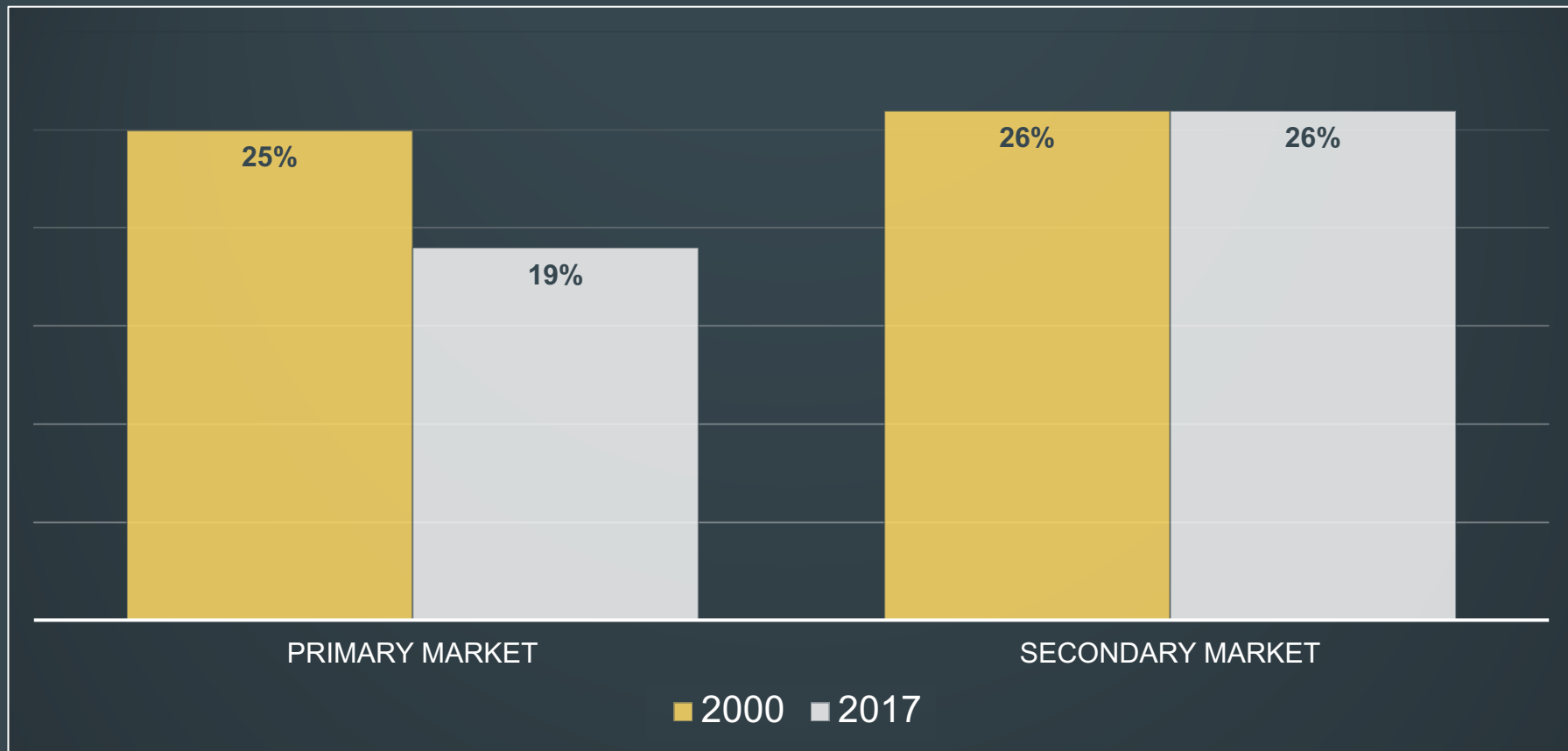
HOME SIZE:

2 Bedrooms or Less

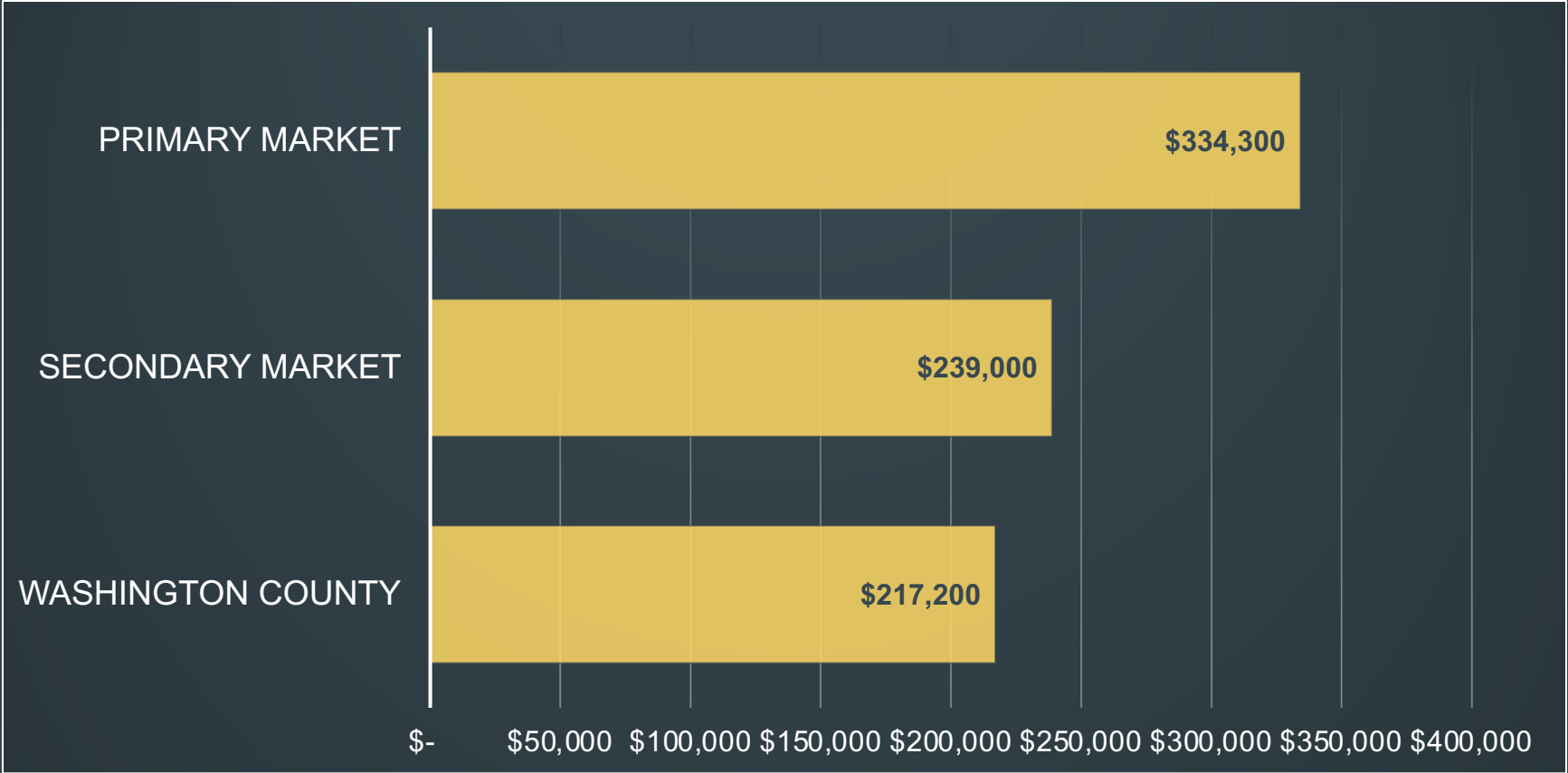


32%

Place - Rental Units as % of Occupied Units ('00-'17)



Place – Median Value of Owner-Occupied Units ('17)



Place

- Limited existing infrastructure
- High cost of development
- High transportation costs outside of village centers



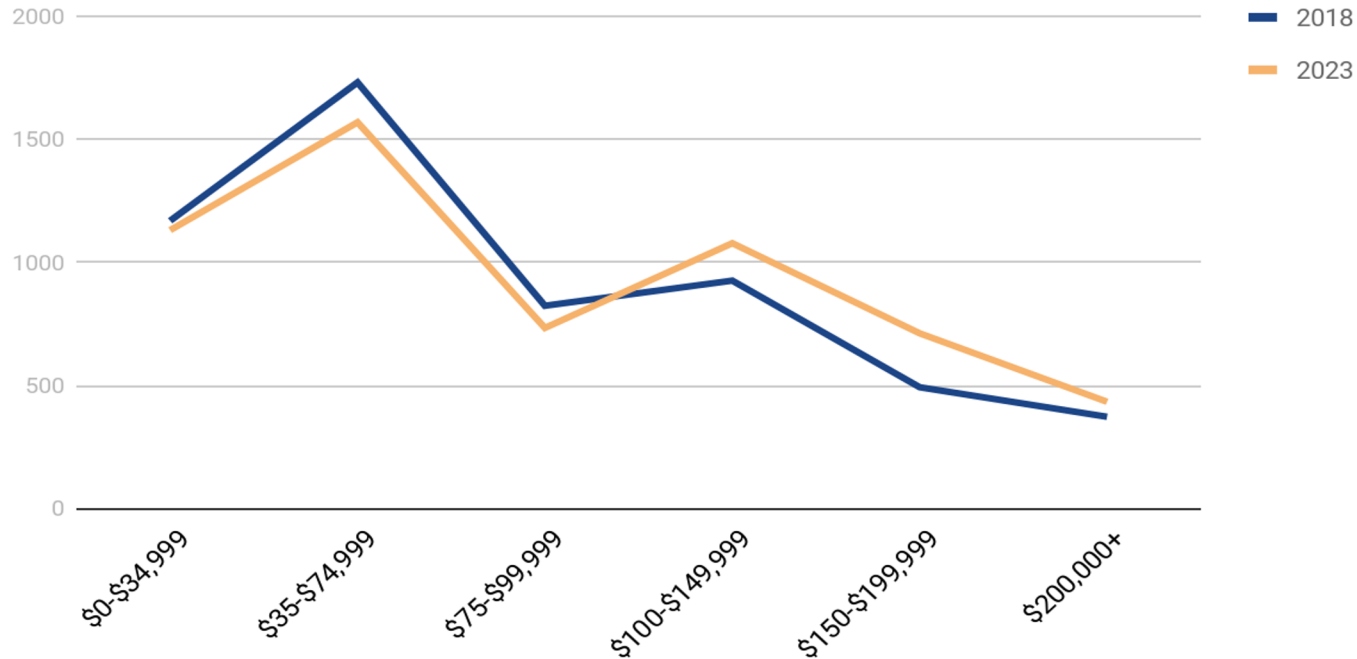
Place - Key Take-Aways

- ☆ Seasonal housing accounts for the entirety of recent housing supply growth.
- ☆ Mismatch between household size & housing size in the Valley.
- ☆ Portion of rental stock available to year-round residents (19%) is inconsistent with an employment base that includes a substantial number of lower to moderate income service workers.
- ☆ 1% rental vacancy, signaling a severe lack of supply.
- ☆ Ownership housing in the three MRV towns is expensive. Its median value of \$334k is 46% higher than the county as a whole.

PEOPLE

People – Age & Income -> greatest predictors of housing behaviors

Projected Population Change by Income



People – Projected Households Seeking Housing in '23

<i>Young/ Lower Income</i>	<i>Middle-Aged/ Lower Income</i>	<i>Older/ Lower Income</i>
16%	9%	8%
<i>Young/ Moderate Income</i>	<i>Middle-Aged/ Moderate Income</i>	<i>Older/ Moderate Income</i>
24%	17%	6%
<i>Young/ Higher Income</i>	<i>Middle-Aged/ Higher Income</i>	<i>Older/ Higher Income</i>
7%	11%	2%

Young: <34; Middle-Aged: 35-64; Older: 65+
Lower Income: <\$35,000; Moderate: \$35-\$100; Higher: \$100+

People – Waitsfield Average Annual Wage by Industry

Worker 1

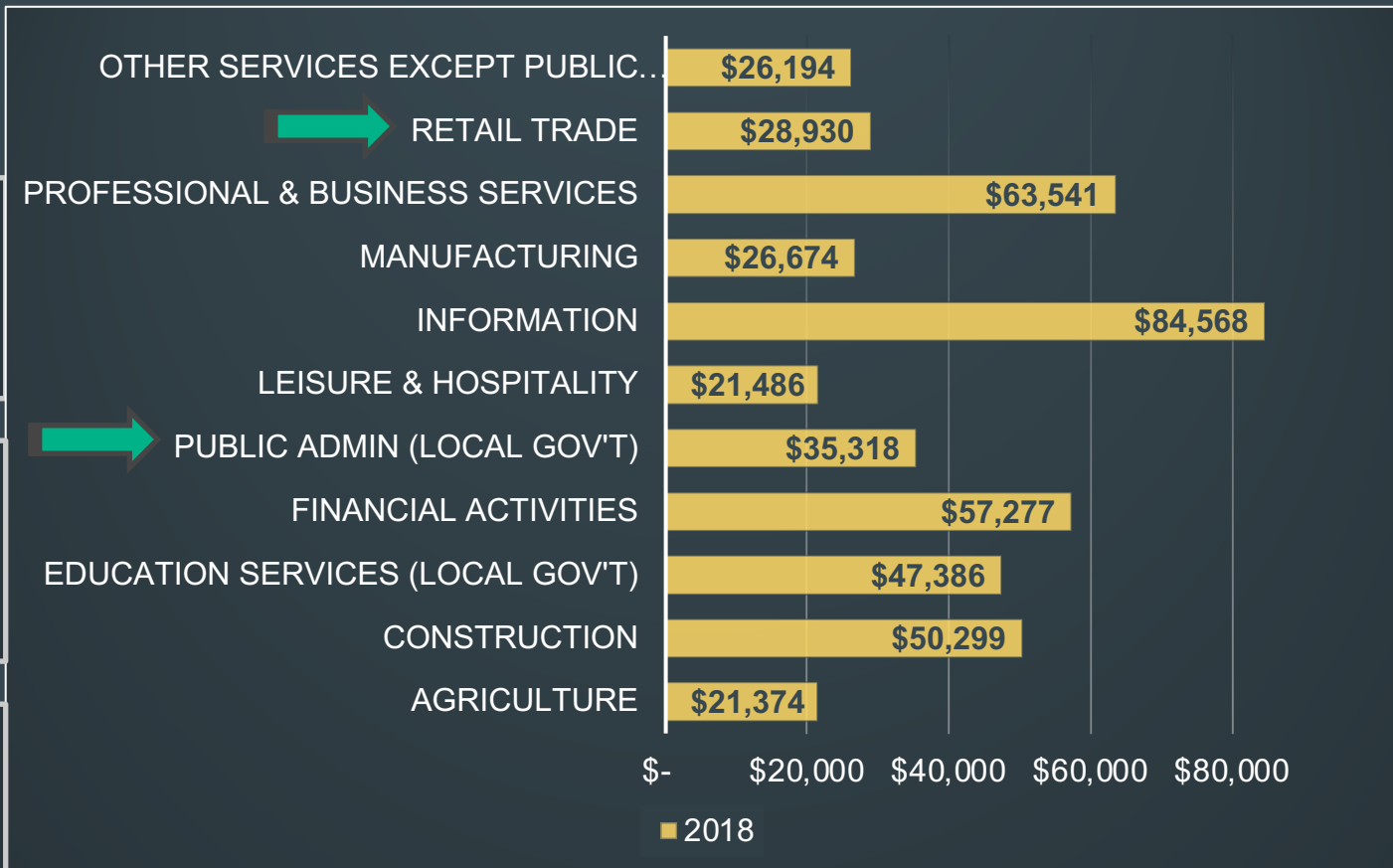
- Retail Trade
- \$28,930

Worker 2

- Public Administration
- \$35,318

Total HH Income

- \$64,248



People - Key Take-Aways

- ☆ MRV has a significantly older population than the surrounding region and projections show this trend will continue.
- ☆ Households headed by a person up to 34 years of age will account for 47% of the housing market in 2023
- ☆ Majority of MRV employees work in lower-wage industries.
 - ☆ 68% of workers make less than \$40,000/year
- ☆ An increasing number of MRV residents are higher-wage earners.
 - ☆ Households with income above \$150,000/year increased by 55% between 2010-2017.
- ☆ MRV labor force is shrinking.

PLACE + PEOPLE = HOUSING

Housing – What's affordable?

Affordable Housing:

- < 30% of income

- Median annual income for 2-person household (AMI):
 - \$63k
- Affordable home based on median income (30%):
 - \$225k
- Median value home in the MRV:
 - \$334k

Housing – Present Unmet Need

AMI		<30%	30-50%	50-60%	60-80%	80-100%	100-120%	120-140%
Household Income 2 Person		\$18,900	\$31,500	\$37,800	\$50,400	\$63,000	\$75,600	\$88,200
Age Bracket	35>	27	19	8	20	14	12	
	35-64	36	20	26	23	19	16	
	65+	69	34	8	8	4	5	
	Total	132	73	42	51	37	33	
Affordable House \$		\$66,000	\$110,000	\$134,500	\$179,500	\$225,000	\$271,000	\$326,500
# of Single Family Homes Sold in market, 2019		1	2	2	5	7	16	27

Housing – Key Take-Aways

- ☆ 148% of median income is required to afford the median home.
- ☆ Current data shows a community that has a severe lack of rental and home ownership opportunities for households who are younger than age 65 or make less than \$100,000.
- ☆ Current need is weighted more heavily toward rental units for young & middle-aged households (below \$75k HH income for a family of two).
- ☆ 368 households have a present unmet housing need (below \$75k HH income for a family of two).

OUTLOOK

Outlook – Market Demand Approach

1. Rental

- Households with incomes below \$63,000 (<100% AMI)
- Annual average 'lease-up' rate of 31 family and 11 senior households
- **Workforce Rental Housing**
- **Senior Rental Housing**

2. Ownership

- Households with incomes ranging from \$66,000-110,000 (120-140% AMI)
- Approx. 10-15 young & middle-aged renter households will seek a housing change in the next year
- **Ownership Project Oriented Toward 1st Time Buyers**

Outlook – 2017 Housing Study Approaches



Planning & Infrastructure



Regulatory



Development

Conclusion

- Current housing shortage is changing the MRV's demographics.
- To maintain middle-income, working-class population, steps need to be taken.
- Creation of new units is key, as is infrastructure focused in community identified locations.
- Short-term steps include modifications to existing housing stock & innovative projects.
- For the Mad River Valley community to thrive, bold steps must be taken to provide more housing options.

How Do We Better Our Housing Challenge?

Plan For The Town We Want To See



Image courtesy of VNRC

**We need more affordable housing.
Where can it best be worked into
the fabric of our community?**

- Reflect our culture and values through collaboration with towns, stake holders and community members
- Create a range of housing options
- Efficient use of Land/preservation of farmland, natural beauty, and environment
- Walkable neighborhoods near amenities, public transportation, and schools

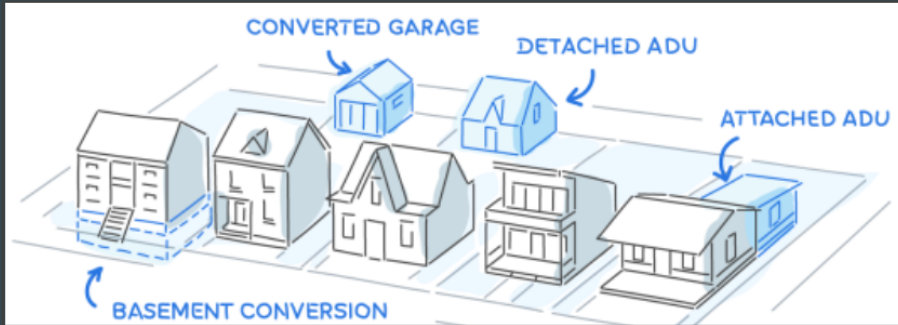
Create More Subsidized Units



Actively support Downstreet in their work to create federally subsidized units at the 30% - 60% AMI level.

- Community Support
- Infrastructure in place
- Plots of land dedicated to affordable housing near amenities, public transportation & schools
- Dedicate money to Housing Trust Fund to help reduce construction costs
- Patience

Short Term Solutions



Working toward the creation of larger scale projects is necessary, but these can take 3-5 years from funding to construction. What can we do now?

- Create more housing stock and density through construction of Accessory Dwelling Units, using a ADU Program
- Promote creative housing options such as Homeshare VT
- Amend town Land Use Regulations to approve a wider range of housing options



Create A Housing Trust Fund

A distinct fund established by the Town, Planning District or a 501c3 that receives ongoing dedicated sources of public funding and additional private and charitable funding to support the preservation and production of affordable housing.



- Dedicated money per affordable housing unit created
- Down payment and closing cost assistance for low-middle income homebuyers.
- Shared equity programs for ownership
- Support for local programs, such as the ADU Program.
- Home weatherization grants
- Individual infrastructure grants

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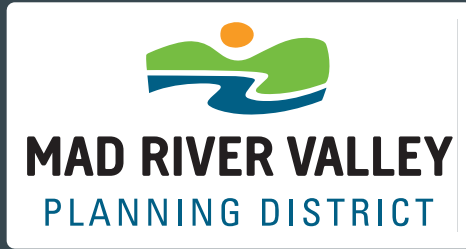
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