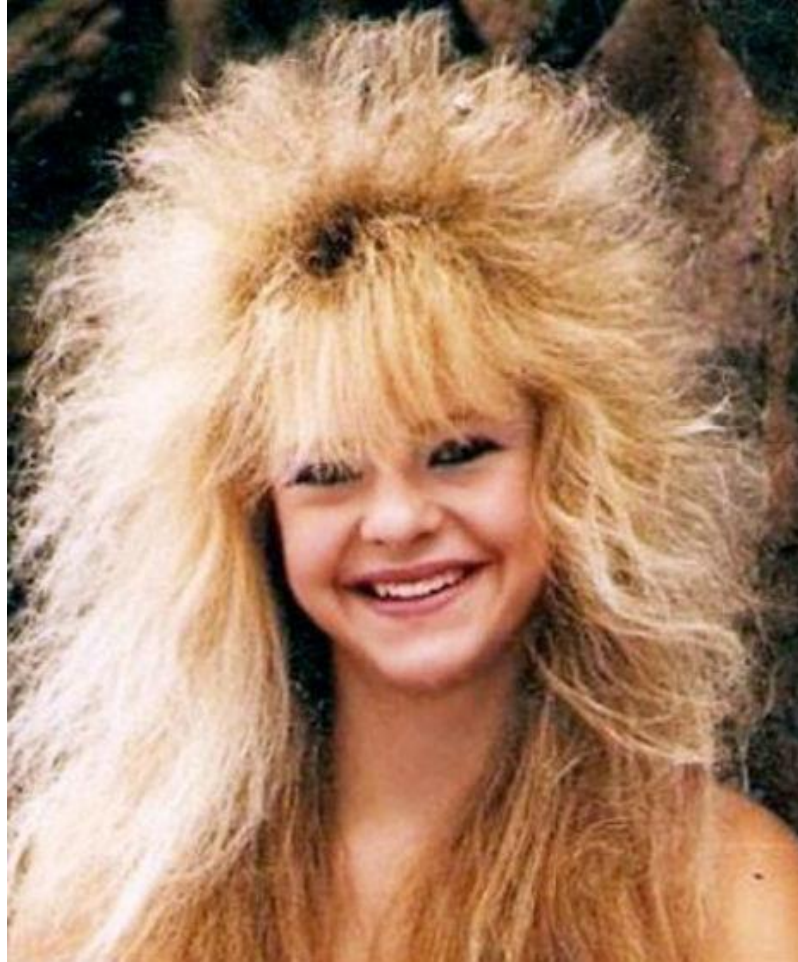


# Burlington Housing Trust Fund

Mad River Valley Affordable Housing Talk Series  
October 28, 2020

- About me
- Burlington as a case study
  - Why a HTF?
  - How does it work?
  - How did it get done?
  - Issues, impact, and outcomes
- HTFs in the USA

# Environment in the 1980's: An Amazing Time for Hair!



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# Environment in the 1980's:

- The Fiscal Environment = Scarcity and Uncertainty
  - Funds for affordable housing were disappearing
  - Federal revenue sharing for cities disappeared under President Reagan
  - Burlington received \$1M/year
- The Political Environment = Appetite for Resilience
  - 34% of low-income renters were cost burdened
  - Concerns about gentrification and scarcity of available affordable housing
  - Newly elected Mayor Sanders' administration wanted to ensure that the City could produce AH whether or not federal funds were available
  - Expiring Uses

# Solutions

- Housing Trust Fund
- Inclusionary Zoning
- Shared Equity Ownership

Q: What do all of these have in common?

# Solutions

- Housing Trust Fund (HTF)
- Inclusionary Zoning (IZ)
- Shared Equity Ownership

Q: What do all of these have in common?

**A: Permanent Affordability!**

# BHTF Quick Facts

- Municipal dollars
- Funded by \$.01 for every \$1,000 of assessed value
- Annual allocation typically \$220K. Has been augmented by General Fund in some recent years by an additional \$170K
- Used for risk or gap funding for projects and non-profit capacity
- Used as federal match
- Priority of permanently affordable housing

# HTF

## How'd It Get Done?

- Introduced in 1985 – bipartisan committee of developers, residents, and City officials.
- Passed by popular vote in 1988
  - General election question
- Broadly supported
- Making the case: fiscal responsibility
  - Rather than rely on federal dollars that may or may not come in, the HTF would provide a one-time subsidy for permanent affordability.
  - In the absence of federal dollars, City needed a way to build a non-profit developer capacity



## Voices of Support for Question #5:

“I urge voters to approve Question #5; it will be an important step towards keeping Burlington affordable for people who live here or who grew up here and want to remain here. The federal government has abandoned its support for housing; we have to step in with innovative efforts of our own. Question #5 will allow us to support affordable housing in the future.”

*Mayor Bernard Sanders*

“It’s disturbing to understand that a family of four earning \$35,600 a year cannot afford to purchase a home in Burlington. What does this mean for our children? We need this Housing Trust Fund!”

*Alderman Allen Gear*

“The Chittenden Affordable Housing Committee of the Greater Burlington Industrial Corporation (GBIC) strongly endorses the formation of local housing trust funds funded by property taxes, impact fees and other sources, as a means of facilitating the creation of affordable housing...”

*GBIC*

“Creating more affordable housing must be one of our city’s highest priorities. I strongly support Ballot Item #5 and encourage you, the voters, to approve it. Question #5 is a crucial step in making housing opportunities available for all of the people of our community.”

*Senator Sally Conrad*

## Also endorsed and supported by:

### Members of the City Council

Erhard Mahnke	Ward 1
Sharon Bushor	Ward 1
Terry Bourcius	Ward 2
Gene Bergman	Ward 2
Tom Smith	Ward 3
Barbara Nolfi	Ward 3
Allen Gear	Ward 4
William Aswad	Ward 4
James Hildebrand	Ward 4
Arthur Anderson	Ward 5
Paul Sutherland	Ward 6
David Thelander	Ward 6

### Candidates for the City Council

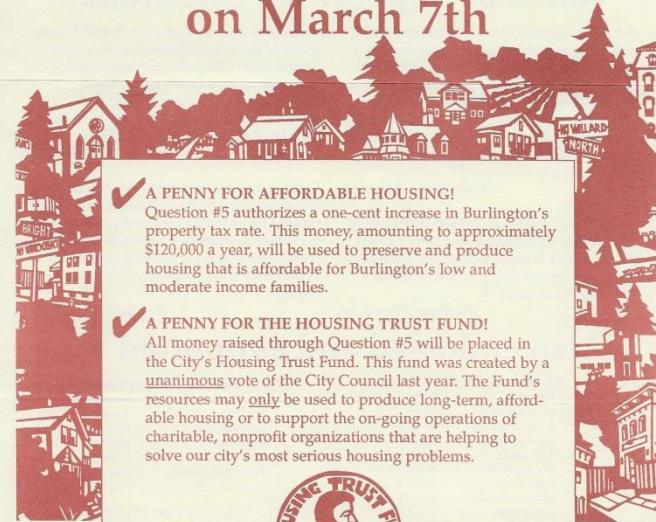
Gary Sisco	Ward 1
Ian Diamondstone	Ward 2
Ian Galbraith	Ward 2
Chris Fleury	Ward 4
Randy Amis	Ward 5
Paul Fleckenstein	Ward 6
Carol Brown	Ward 6

### Candidates for Mayor

Sandra Baird  
Nancy Chioffi  
Peter Clavelle

Vote  YES for Affordable Housing  
Vote  YES on Question #5

## You can do something for AFFORDABLE HOUSING on March 7th



✓ **A PENNY FOR AFFORDABLE HOUSING!**  
Question #5 authorizes a one-cent increase in Burlington’s property tax rate. This money, amounting to approximately \$120,000 a year, will be used to preserve and produce housing that is affordable for Burlington’s low and moderate income families.

✓ **A PENNY FOR THE HOUSING TRUST FUND!**  
All money raised through Question #5 will be placed in the City’s Housing Trust Fund. This fund was created by a unanimous vote of the City Council last year. The Fund’s resources may only be used to produce long-term, affordable housing or to support the on-going operations of charitable, nonprofit organizations that are helping to solve our city’s most serious housing problems.

Vote YES on Question #5!

Paid for by Friends of Question #5

P.O. Box 523, Burlington, Vermont

14,000 fliers hand delivered!

# Process

- After approved by voters, required a State legislature approved change to the municipal charter because this was a new tax collected directly by the municipality

# Issue

- HTF tied to assessed value of property. The original language of charter change did not allow the HTF to grow when a City-wide reappraisal occurs
- Result: amount collect decreases over time through inflation! The effective rate is .54 cents, not 1 penny

# What's Happened Since 1988?

- Mayor's Housing Summit of 2019
- Listening sessions and policy research resulted in a recommendation that the HTF be restored to a penny. Then approved by:
  - City Council (January 2020)
  - Popular Vote (March 2020)
  - Legislature (Summer 2020)

# BHTF

## 1988 -2020

- Since 1990:
  - How many units? **1800+ affordable homes or beds**
  - How much invested? **\$7.4M invested**
  - Per Unit? **Approx. investment of \$4,126/per permanently affordable unit/bed**
- How used? **Funds projects and capacity of non-profits who create/preserve aff. housing**
- Who Receives?
  - Project Grants: **CHT, CSC, COTS, BHA, Habitat for Humanity, Dismas House, Ethan Allen Residence**
  - Capacity Grants: **CHT, COTS, HomeShare, Cathrdral Square**
- Other than dedicated tax, what other monies fund the HTF?
  - **Inclusionary Zoning Payments-In-Lieu (none since 2011)**
  - **General Fund (discretionary and only since 2016)**
  - **Replacement Housing Payments (once every 1-2 years)**
- Just one tool in the tool kit!

# Impact to Taxpayer of Increase to Housing Trust Fund Rate Restoration to Full Penny

	Assessed Value (median)	Currently Paid to Existing HTF/year (1/2 penny)	Proposed/year (after penny increase)	Proposed/year (after penny increase) after City-Wide Reassessment*
Single Family	\$230,000	\$12.42	\$23.00	\$30.67
Rental Building (3+ units)	\$439,100	\$23.71	\$43.91	\$58.55
Commercial Property	\$608,000	\$32.83	\$60.80	\$81.07
Contributions to the HTF/year		\$200,384	\$371,081	\$494,775

# How Does Burlington Compare to other Towns and Cities?

Name of City	Amount of HTF	Population	Per capita HTF/year
Burlington	\$200,384	42,239	\$4.74
Montpelier	\$110,000	7,484	\$14.70
South Burlington	\$50,000	19,141	\$2.61
Chapel Hill	\$688,395	57,233	\$12.03
Boulder	\$3,000,000	324,073	\$9.26
Portland, Maine	\$1,553,337	66,882	\$23.23
Berkeley	\$3,000,000	122,324	\$24.53

Note: Hinesburg also has a HTF

# What Do Other Housing Trust Funds Do?

(Per Center for Community Change's "*HOUSING TRUST FUND SURVEY REPORT 2016*")

- States and Cities
- Revenue collections ranged from less than \$100,000 to a \$30 million per year
- 1:6 leverage
  
- How else do others fund their HTF?
  - **developer fees through inclusionary zoning in-lieu** and impact fees
  - **property taxes**
  - tax increment districts
  - hotel/motel tax
  - short term rentals fees
  - **demolition taxes**
  - recordation taxes
  - real estate transfer taxes
  - land sales
  - bond revenues
  
- The most commonly dedicated source of public funding for city housing trust funds are developer impact or linkage fees and inclusionary zoning in-lieu fees, followed by property taxes.

# Questions?

Want more information?

<https://www.burlingtonvt.gov/CEDO/Housing-Trust-Fund-0>

Questions and/or comments after the presentation

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