

Barriers to Housing



Results of Stakeholder Survey

Vermont Department of Housing and Community Development – July 2019

Executive Summary

Barriers to Housing – Survey Report

Vermont Department of Housing and Community Development (DHCD)
July 2019

Purpose

To engage stakeholders in the [Zoning for Great Neighborhoods](#) project and identify top housing barriers to address when developing the guidance on incremental updates to municipal regulations.

Method

WHEN: Survey issued between June 26 - July 9.

WHO: Targeted at people with a stake in how housing development works in Vermont.

HOW: Survey link emailed through professional email networks of planners, developers, realtors, and non-profit housing organizations. Requested forwarding.

WHAT: Informal survey to hear from people with a knowledge of Vermont's housing and development issues.

Results

Who were the Respondents?

- 212 people completed the survey
- 87 people responded with optional written comments indicating a high degree of interest in the subject.
- Responses were well distributed between people representing public and private interests.
- About 1/4 of respondents work for organizations representing all of Vermont, and 1/ represent the Northwest and Central Vermont (great Burlington-Montpelier area) suggesting interest in responding was highest in the areas with most housing needs.
- Half of respondents work in municipalities with populations above 5,000 and 25% work statewide, with fewer numbers representing small town views.

What were their Responses?

- Using their own words to describe the housing types most needed in Vermont, respondents indicated that a wider range of diverse housing options are needed in walkable places, especially smaller, efficient units, both for rental and purchase.
- The high costs of construction and land availability were identified as the primary factors preventing those housing needs from being met.
- Municipal land use regulations were ranked the fourth factor preventing housing needs from being met, below people resisting change in their neighborhoods.
- Developers ranked municipal land use regulations as the second primary factor preventing housing needs from being met, while municipal officials and planners ranked it below several other factors.
- Planners ranked the complexity of regulations significantly lower than respondents as a whole.
- Optional comments from respondents included concerns about state and local permitting processes, suggestions for better approaches to permitting, other types of housing options, need for public infrastructure investments to support housing, concerns about neighborhood stability, and reminders about the housing concerns in rural Vermont being different from those in economically vital areas.

See [supporting charts and graphs](#) and [comments provided by responders](#).

Conclusions

The need to build or upgrade more housing units to meet the demand for a wide variety of homes in walkable places is widely acknowledged. All sectors agree that the high cost of labor, construction materials and land, as well as the availability of land, are the primary factors preventing Vermont's housing market from meeting the demand.

Municipal regulations, especially requirements restricting densities and the costs and the delays from permit appeals are considered significant barriers by developers. Planners and municipal officials consider local regulations less of a factor in addressing housing needs, but they generally agree with developers about the aspects of municipal regulation that create barriers.

DHCD will apply these conclusions in the following ways as a part of the Zoning for Great Neighborhoods project:

- In communicating the need for updates to zoning regulations, refer to other factors that affect housing supply, such as high construction costs, to create context.
- Local land use regulations can be a factor in decreasing the availability and efficient use of land in walkable places and is one of the few factors that citizens have the power to change. DHCD will encourage municipalities to further update regulations, making more housing options possible.
- The guidance DHCD produces will encourage municipalities to address the following barriers identified in the survey (as well as others):
 - Redefine density limits to create more opportunities for homes in walkable places
 - Clarify expectations about development to reduce appeals
 - Reduce the complexity of permitting systems
 - Reduce requirements for on-site parking
 - Allow a wider range of dwelling types/uses
- DHCD will develop a package of related policy recommendations to support training, education, and implement the guidance.

Please use these informal survey results to spark discussion about housing needs in communities and the local solutions that are possible.

DHCD welcomes your suggestions on ways to help more communities become housing-ready.

Please feel free to contact [Faith Ingulsrud](#) with your suggestions, questions about the survey or the [Zoning for Great Neighborhoods](#) project.

Survey Results

212 Responses

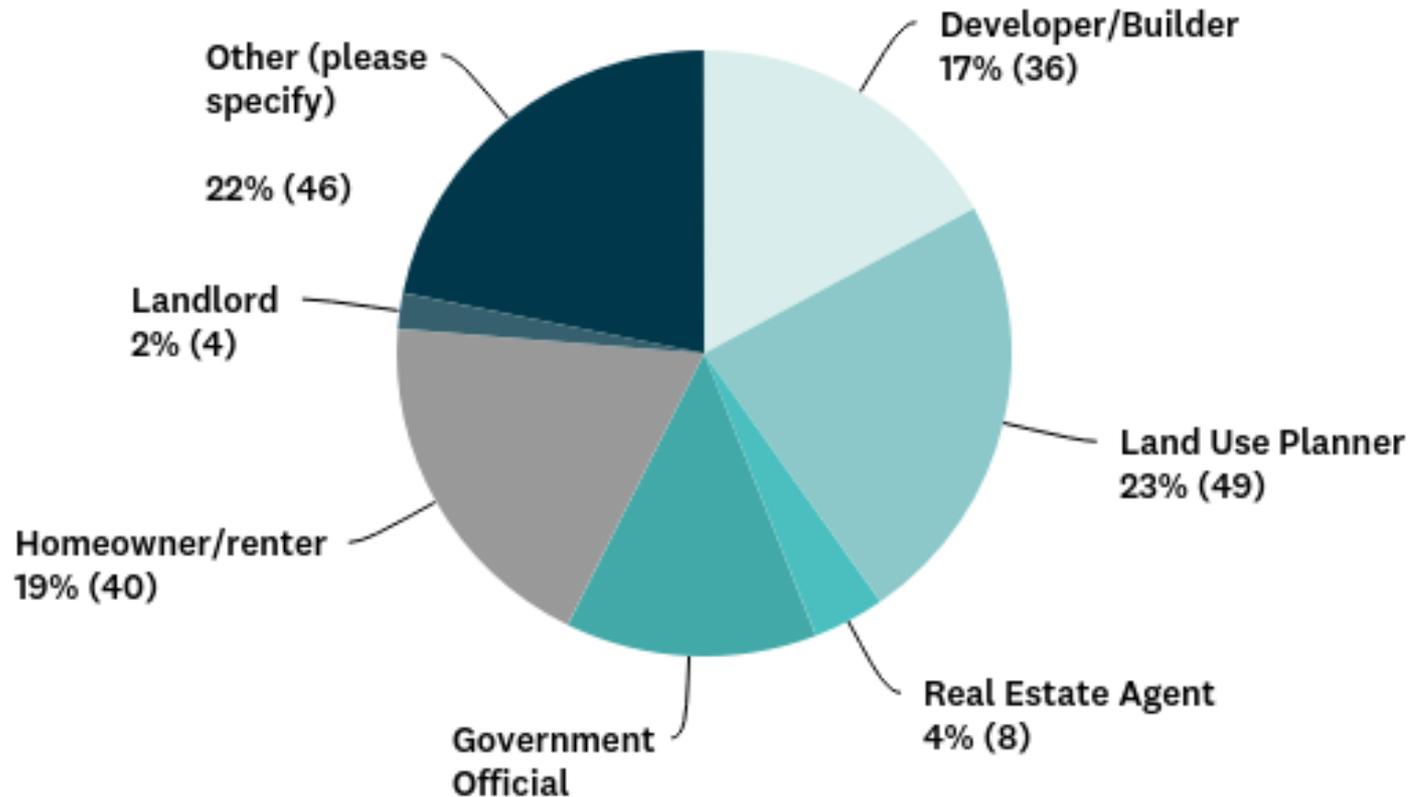
87 Optional Comments

Survey received an enthusiastic response considering it was issued during the 4th of July week.

Who Responded

Survey Results

What is your primary role? (The role that informed your responses)
Choose one.

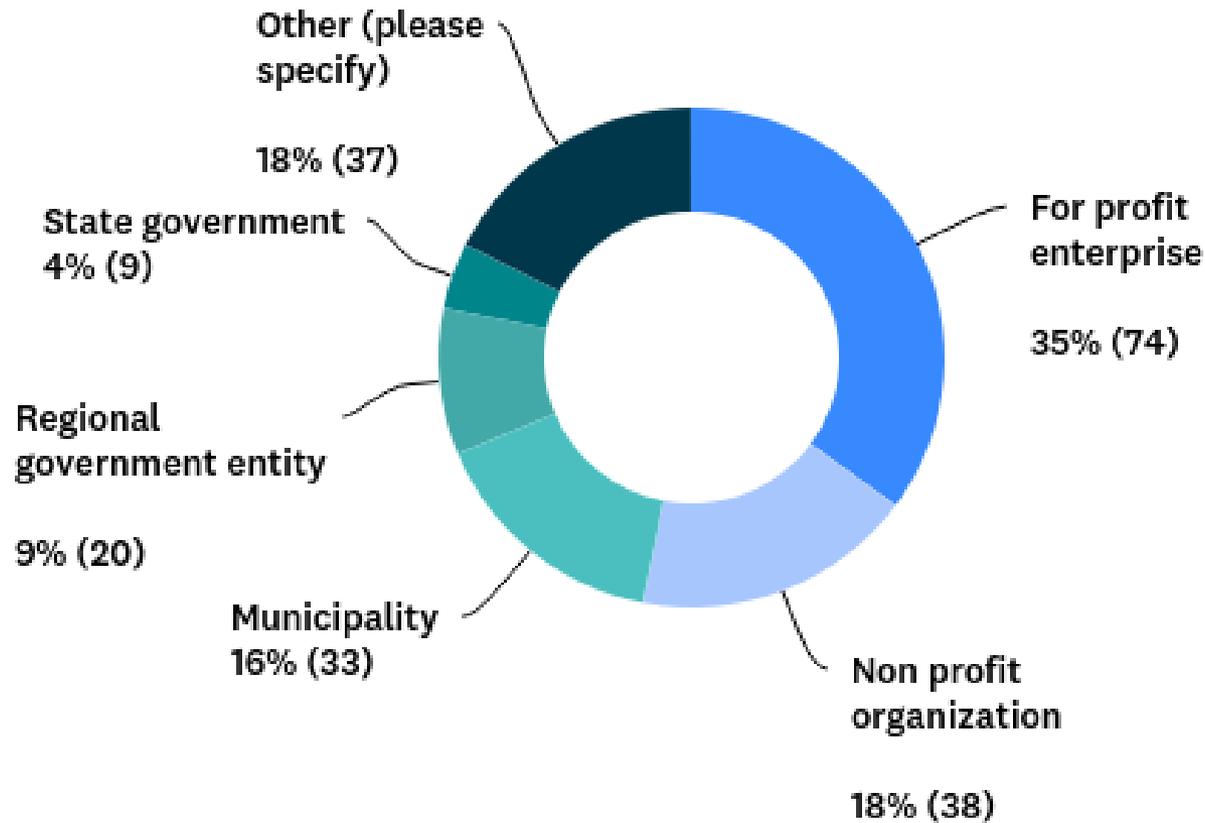


Respondents represent a range of stakeholder groups.

Who Responded

Survey Results

Which describes your work place best? Choose one.

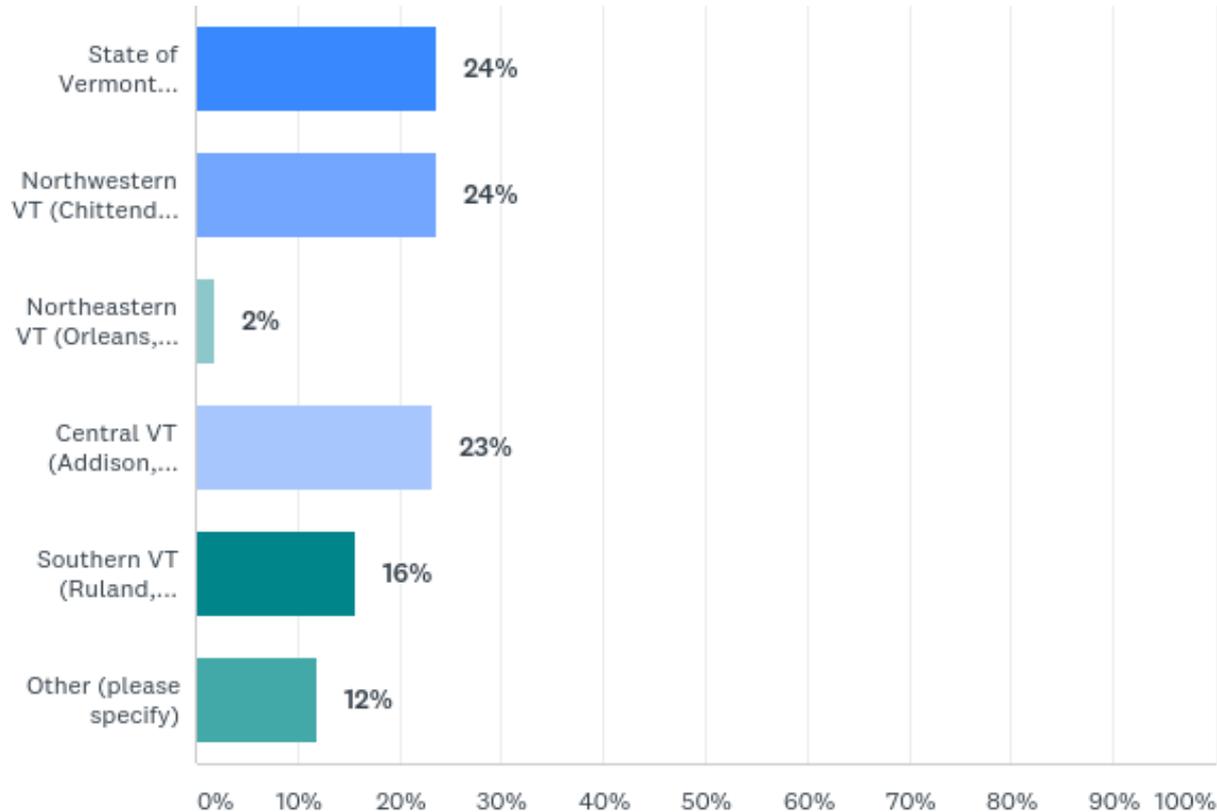


Roughly equal distribution between public and private interests.

Who Responded

Survey Results

Experience with what geographic area informs your responses? Choose one.

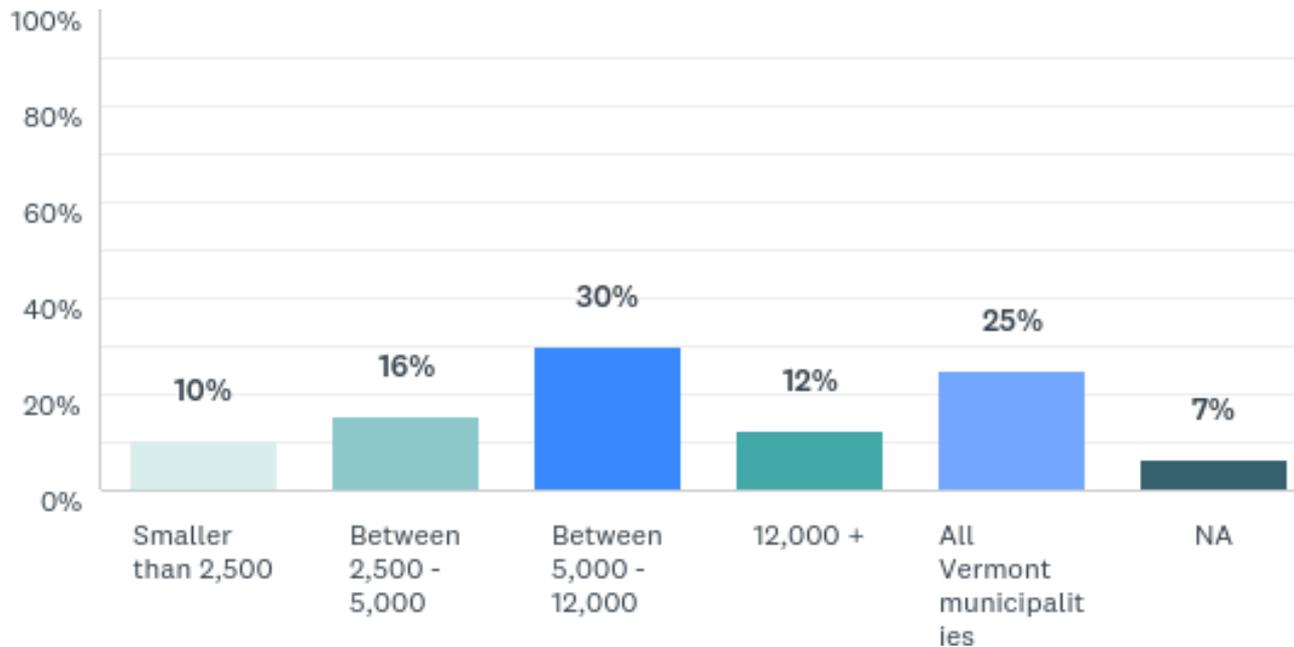


More responses from areas in Vermont with high housing demand (e.g. greater Burlington and Montpelier areas).

Who Responded

Survey Results

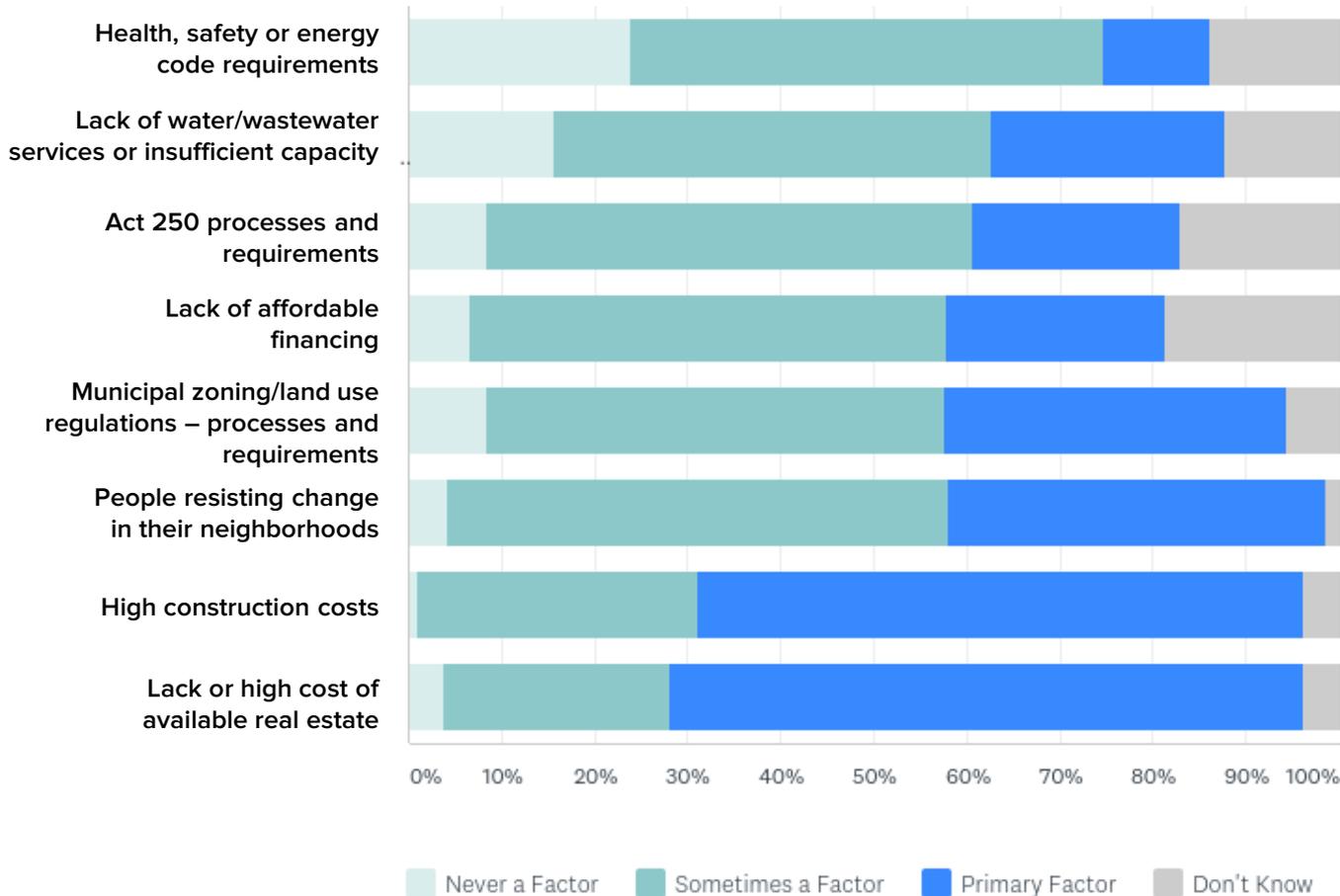
How large are the municipalities you normally work in or with? (Numbers = residential population) Choose one.



Responses mostly reflect conditions in the municipalities with over 5,000 people.

Survey Results

Q2. What factors make it difficult to achieve those housing needs in walkable places (downtowns, village and surrounding neighborhoods)?



High costs, lack of available land and community resistance to change, along with municipal land use regulations are the primary factors affecting housing starts.

Survey Results

Q2. What factors make it difficult to achieve those housing needs in walkable places (downtowns, village and surrounding neighborhoods)?

Ranking	All Responses	Developers	Planners
Lack or high cost of available real estate	1	3	1
High construction costs	2	1	2
People resisting change in their neighborhoods	3	4	3
Municipal zoning/land use regulations – processes and requirements	4	2	7
Act 250 processes and requirements	5	4	6
Lack of water/wastewater services or insufficient capacity	6	5	5
Lack of affordable financing	7	7	4
Health, safety or energy code requirements	8	8	8

Developers consider municipal regulations to be a primary factor affecting housing opportunity while planners consider it to be less of a factor.

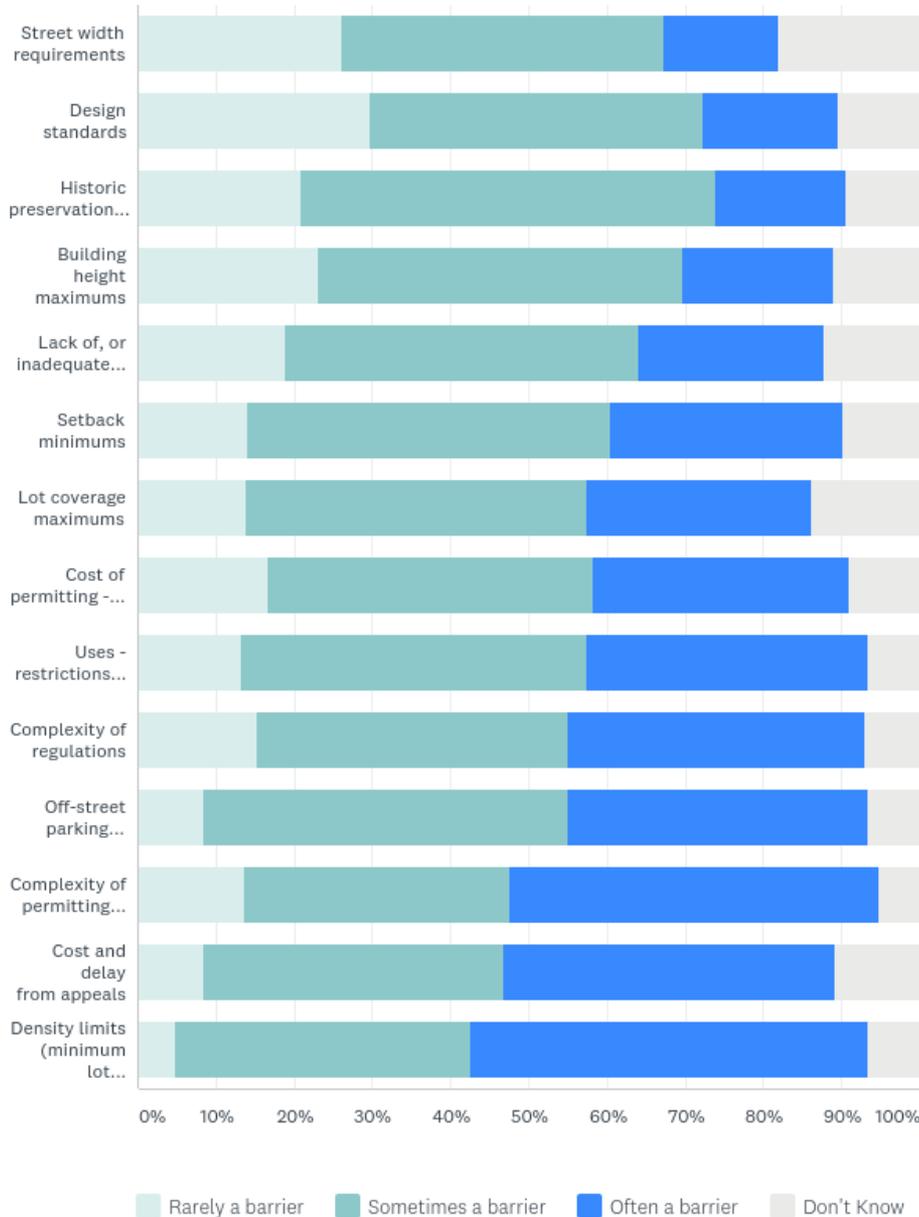
Survey Results

Q2 Comments - Other Factors

- *Empty nesters aren't downsizing*
- *Labor costs – lack of tradespeople*
- *Layers of regulation stack up to restrict developable land*
- *Developable areas limited*
- *Lack of capital for non-profits*
- *Too much competition from non-profits*
- *Path of least resistance leads to construction outside walkable places*
- *Public transit insufficient to stop owning a car*
- *Cost of brownfield remediation*
- *High construction costs and low median wage*

Survey Results

Q3: Indicate the degree to which the following items are a barrier to creating the housing in walkable places (downtowns, villages and surrounding neighborhoods)?



Density limits, appeals, complexity of permitting and regulations, and parking requirements create barriers to housing in walkable places.

Q3: Indicate the degree to which the following items are a barrier to creating the housing in walkable places (downtowns, villages and surrounding neighborhoods)?

Survey Results

Ranking

All responders consider the complexity of regulations to be more of a barrier than the planners.

Developers consider fees and other permitting costs to be a significant barrier, as well as lot coverage limits.

Planners consider lack of adequate staffing to be more of a barrier than others.

- Density limits
(min lot size, max units/acre, etc.)
- Cost and delay from appeals
- Complexity of permitting process
- Off-street parking minimums
- Complexity of regulations
- Uses – restrictions on dwelling types
- Cost of permitting
(fees, impact fees, etc.)
- Lot coverage maximums
- Setback minimums
- Lack of, or inadequate professional staff support
- Building height maximums
- Historic preservation requirements
- Design standards
- Street width requirements

	All Responses	Developers	Planners
Density limits (min lot size, max units/acre, etc.)	1	1	1
Cost and delay from appeals	2	2	2
Complexity of permitting process	3	6	4
Off-street parking minimums	4	7	3
Complexity of regulations	5	5	10
Uses – restrictions on dwelling types	6	8	5
Cost of permitting (fees, impact fees, etc.)	7	3	9
Lot coverage maximums	8	4	6
Setback minimums	9	9	7
Lack of, or inadequate professional staff support	10	13	8
Building height maximums	11	10	11
Historic preservation requirements	12	14	12
Design standards	13	11	13
Street width requirements	14	12	14

Survey Results

Q3 Comments on Barriers

- *State regulation: Act 250, wetlands, stormwater, wastewater, stream erosion, etc.*
- *Conflicts and lack of coordination between state and local regulation*
- *If you know the regulations, or if there is well educated and professional support, zoning and regs. shouldn't be a barrier.*
- *Need clearer permit process for different types of congregate housing, such as seasonal worker housing, dorm-style nano housing for young professionals or creative economy workers.*
- *Lack of understanding in municipal offices about what constitutes barriers - and then the resolve to make changes.*
- *Reliance on zoning -- lack of other housing, building codes*

Survey Results

Optional Comments

Need to Change Attitudes

Municipalities need to LEAD on this, not just reduce barriers.

Why Homeowners Don't Create Units

Even with a large home in ideal location, we lack the money and experience to create small units for rent.

Survey Results

Optional Comments

Water/Wastewater Stormwater

Costs of development are prohibitive, especially to meet various state regulations for stormwater, contaminated soils, etc.

Rural Vermont

In areas not growing, changing zoning may do nothing. Much of Vermont isn't growing. Other incentives are needed too.

Survey Results

Optional Comments

When Regulations Help

In some cases, LACK of design standards is part of the problem, as neighbors have concerns that new housing added to a historic downtown will wreck the feel of the existing settlement.

Broadening Idea of Centers

Ski resorts and college campuses should also be considered walkable places. We should look at how to transform the resorts and closed college campuses into new neighborhoods.

Optional Comments

Municipal Barriers or Solutions to Housing in Walkable Places

General

Based on questions so far, many people will not be qualified to answer your survey, which they will do anyway

Thank you for doing this.

Need more private public partnerships.

i would like to feel more as if we were all working together and not picking factions to promote and factions to ignore. we endeavor to be practical, inclusive, and open minded, not only to those with more than us, but those with less than us.

Cost of housing development is typically higher in small, infill spaces than in larger, "suburban" neighborhoods. Improving options in these suburban areas that are also close to jobs and health care is important to moving the needle on housing affordability and economic vibrancy in Vermont.

The approval process should start with the attitude of "how can we help" achieve good results. Too often (typically?) bureaucracy is driven by fear of change and "how can we slow this down." It is easier for government to say "no" than "yes," and that is a strong factor in slowing the permit process to a crawl. Our permit system has evolved into a "legalized blackmail system," often doing little to improve a proposed design and a lot to make the design more costly and expensive.

Less regulation rather than MORE is something that no regulatory entity in VT would ever dare utter.

All of the above, plus the often inadvertent encouragement or ease of developing in green fields.

Only thought is to keep in the forefront the fact that zoning is reactive (not proactive). Its going to impact projects that come in for permits but wont create the demand for permits. In an area that is growing, adjusting zoning can impact how new neighborhoods get built. In areas not growing, changing zoning may do nothing. Much of Vermont is in the latter- The economics don't support housing development. Where zoning is stopping development, that certainly needs to be fixed to move onto the next step. But don't assume that removing that barrier will create the change we want and get housing built because it probably won't. Other incentives are needed too.

Lack of creativity and high risk aversion of development community.

Lack of genuine development experience

Blight, low quality-low income housing, challenging tenants, non-qualified home purchasers.

Multiple property owners make for challenges, note "the pit" where a parking garage with above housing never happened.

Process needs streamlining with a more common sense approach to solving real problems versus perceived problems

In the attempt to meet the housing need we should avoid at all costs the development of housing outside of existing centers.

My answers are for NH, not VT, but I bet most of the barriers are similar. Thanks.

Lack of enforcement mechanisms to ensure that state, regional, and municipal housing plans and law appear in municipal regulations. Little accountability or concerted commitment by state leaders. Lots of turf wars and few willing to tackle governance structures that create today's incentives and disincentives.

It's rarely one causal factor alone. Generally, there is a primary obstruction, perhaps wastewater, reinforced by a multitude of second level costs that make building risky and reduce profit margins and incentives to take the risks.

The housing crisis is real not only in downtowns where almost all the assistance resources are focused but also outside of those designated areas. Vermont needs to look beyond designated areas to build housing. Vermont needs to give assistance to construction of moderate income housing - workforce housing. The costs of getting out of the ground are prohibitive. The cost of complying with all kinds of state and local regulations is exceedingly high. The costs to towns of putting in place infrastructure that prepares areas for development and complies with state regulations (stormwater, slightly contaminated soils etc) is excessive. Zoning, put in place to mediate the public and private intersection of need, is only one issue and efforts across the country to regulate zoning itself has backfired in many places.

Too many restrictions on ADUs; complicated state permitting system as well; stormwater management is costly; student loan burden and high rents make it challenging for young professionals to make the switch to homeownership; not enough transit access

Look at eliminating permits altogether in places to avoid appeals. Mandate density for state sewer and water funding. Ramp up property taxes slowly on all improved value for moderate (up to 200% county median) priced units.

More alignment regionally on regulations would make development easier on a large scale.

There is stagnation and very low demand for new housing in some parts of the state

Need to have funding for improving walkable conditions as well as the housing.

The keynote from the 2016 Smart Growth Summit, <https://www.incrementaldevelopment.org>, really resonated with me--is there anything the state can do to provide TA, seed \$/finance, or jumpstart this kind of activity in VT? [John Anderson, Incremental Development Alliance]

Costs

Municipal fees.

Access to infrastructure makes the land more expensive, and owners not inclined to build affordable housing like it that way.

Cost of housing development is typically higher in small, infill spaces than in larger, "suburban" neighborhoods. Improving options in these suburban areas that are also close to jobs and health care is important to moving the needle on housing affordability and economic vibrancy in Vermont.

As noted previously, these responses will vary significantly depending on whether the walkable place has high land values and development pressure, or low land values and no development pressure. The main barrier to housing development in the latter is that most developers cannot or will not take a chance building in an area where historical land values and rents indicate they won't make a profit. Without substantial subsidies and tax incentives, it doesn't make sense for developers to build in these places. Consequently, the development that does tend to occur in centers is subsidized and restricted to low-income tenants, reinforcing low median income and low rents in the area. Any non-income restricted housing development tends to occur piecemeal and be exclusively single-family homes on large lots outside of centers.

One classic in Montpelier is the \$1400 sewer/water hookup fee to return a former 3-unit back into a 3-unit even though the property owners have paid metered sewer/water fees on the entire property forever. The fee is not for a real service - it's just a penalty. Why?

Remove all municipal and state fees for workforce and affordable building- lessen permitting requirements.

Walkability

More bicycle paths and sidewalks need to be added into road projects in small towns and villages. It might take a while to develop complete networks but every new segment incorporated in village and community settings, is one step closer to fostering housing with a walkable community around it.

Ski resorts and college campuses should also be considered walkable places. Considering the high number of ski resorts/year-round resorts a Vermont housing resource should address how to house the resort workforce. Also considering the number of small colleges which have closed, we should also be looking how to transform college campuses into new neighborhoods.

Continued focus on cars and parking needs and limited vision of affordable, green, convenient, safe public transit and accessibility to businesses and services for local residents. Need better balance between downtown development supporting businesses and residential housing.

We need better last-mile public transportation, and much more viable municipal areas.

Limited or no public transportation to employment and shopping centers. Geographic and man made barriers (I-91 in Fairlee)

Building more affordable housing in job-rich locations is important, but we could spread the wealth to more areas of the state by revitalizing more of Vermont's historic walkable towns and villages. Place and setting make a difference and even languishing historic settings possess latent economic value. Many Vermonters want to live and work in neighborhoods where their daily needs are close by. Our downtowns and villages are existing assets that provide a set-up for entrepreneurial businesses and for living.

Lack of good public transit makes going car-free difficult or infeasible. So parking and cars remain an issue and take up a lot of real estate.

Bike and pedestrian friendly vs. car friendly design and habits. As leaders, we need to walk and ride places to gain that perspective.

In some municipalities, "walkable" places are already surrounded by other types of development (typically what many would call suburban sprawl). Attempts at infill are difficult due to pervasive NIMBYism in many VT municipalities.

There is little land available in walkable places. And when there is, it is in undesirable areas, like next to railroad or industrial areas. No one wants to buy a house or live in places like that.

Use regulations and auto orientated DNA throughout regulations and finance is a barrier to good urban design. There is no ROI for investing in VT Downtown's outside of Chittenden County.

Extend the villages to create new walkable neighborhoods. Be careful not to increase the density in existing, traditional neighborhoods. While this might add a few new rentals now, many neighborhoods are on the tipping point of becoming all expensive rentals and losing the engaged residents.

As many potential residents in downtown areas do not have cars or one car per family, parking requirements need to be reviewed. Any community that is encouraging economic development in these areas needs to look all aspects of parking. Not just for the immediate future but long term.

The successful opposition to Costco emboldens small wealthy groups to oppose projects for selfish reasons. They see that writing checks can legally delay projects indefinitely.

Municipalities

Lack of understanding or acknowledgement at municipal level leading to substantial delays or roadblocks from unenlightened players. Also, thinking that they don't need it despite plans for "economic development" and unrealistic expectations of how long projects take to complete or need for municipality to play a partnership role.

Attitude! If communities welcome creation of new housing, it will happen.

Our zoning was recently rewritten to accommodate more housing options. (Montpelier)

Our towns need to be friendly to incoming population and the housing required by local industry. We seem to run into the feeling that "We don't want that here" rather than an inviting and welcome governing body.

Municipalities need to LEAD on this, not just reduce barriers. Figure out who has "housing friendly" regulation and permitting and follow best practices.

Municipalities and town officers work very hard to make affordable walkable housing doable. Instead of working hard to get it done, they work very hard to interpose every possible obstacle.

We have no municipal barriers. We are happy to help a viable project through the process. We lack the regional-level capacity in Addison County to structure affordable housing projects, and the high land and construction costs coupled with the low rents here compared to Chittenden County does not attract

developers. This is for multifamily housing scenarios. Maybe smaller towns have awful zoning, but for my part- I'm tired of being blamed for the affordable housing problem. Our zoning is very good, we have a dedicated staff planner to make it better, and our zoning staff is helpful. Give us some developers to work with rather than going over the same zoning tips a thousand times... we get it.

The municipalities all too often place the burden of off-site improvements onto the developer instead of taking care of it themselves.

Zoning

Municipal zoning is sometimes used to make it difficult or impossible to locate certain housing in the best locations.

In some cases, LACK of design standards is part of the problem, as neighbors have concerns that new housing added to a historic downtown will wreck the feel of the existing settlement

Local zoning and administrative staff give advice that is in conflict with zoning regs.

Zoning and building regulations have historically been a problem and recent fixes to this have not yet taken hold, largely due to poor government communication and support for property owners and some shortfalls in the new regs.

I am not convinced that form based code is helpful

Minneapolis is a great example. Its plan to eliminate single family zoning is something that should be carefully considered.

Zoning needs to be more performance standards based rather than Use-based. If I have a large building, who cares how many businesses or apartments are in it (or at what ratio) as long as there are no nuisances caused and parking is adequate.

Need more flexibility in municipal regulations to allow for housing as infill, density.

We often see zoning regulations and processes seemingly put into effect to protect character. However if current or new regulations had been in place which our communities were forming, many conditions we know and love could not have formed and would not exist.

There are often restrictions on issues such as density, road design or pitch or slope restrictions. These issues can be solved through responsible design with solutions rather than restrictions. If mixed use is not allowed, it should be. People should be able to live, work, shop, and play in the same place.... a core concept to walkable.

Density, many zoning regs allow only single family and not multi family or ADU's.

Use of alternatives to regulate density and intensity of development such as lot coverage or FAR is an effective tool.

New construction is expensive and there is often plentiful housing in walkable areas, but zoning requirements often limit what can be done with the buildings. The need for 4 bedroom housing units are becoming more rare and families of that size often prefer housing outside the center of town. Zoning regulations have recognized the changes needed and allow for conversion or construction of smaller units. Family size, delay in marriage and family creation and technology (no need for bookcases, large deep TVs, CD, racks, etc) has all created the need for smaller, more affordable units, yet parking regulations, maximum units per lot area, etc have all created scenarios where there are large 1,500-2,000 square foot, 3-4 bedroom apartment units in downtown areas that are too expensive on a monthly basis that can't be divided into more affordable 1-2 bedroom 750-1,000 square foot units.

Get rid of zoning. The type of housing we need was built before zoning based on financing and market condition. Zoning interferes with the process.

Form-based code, while imperfect, has been instrumental in overcoming many barriers to housing development in Winooski. Large projects can be permitted in as few as thirty days with a degree of predictability that significantly mitigates developer risk.

Other Regulations

Stream line and or eliminate parts of Act 250. Storm water rules are nuts both in content and process. Fix farm runoff and sewer discharges. Eliminate septic systems run in to LC. (i.e. places like inner Mallets Bay in Colchester.

Exempt downtown areas from Act 250 and amend state enabling legislation to disallow building height limitations and minimum lot sizing in downtown areas. Improve state level protections for towns interested in implementing TDRs. Place practical limitations on greenfield development, while incentivizing and removing barriers to downtown redevelopment. Explore ways to limit private actions against development in downtown areas.

Less Act 250 in VT's downtowns, especially the downtowns that are undesignated, would create more housing supply and lower rents, giving us a more affordable and competitive Vermont.

In dense areas ripe for infill it's not reasonable to expect that with that infill that all storm water can be managed onsite. There needs to be better provisions to use the storm drain systems in place instead of insisting no more water can go into them with any new development.

ACT 250 is unnecessary when developing in downtowns especially those communities with robust development regulation already in place.

ADUs and Homeowner Units

I live in an ideal location to age in place and make small apartments in my house, but money and experience is lacking on my part to accomplish this

Allow exception for ADUs or conversion of 10 x 10 sheds into living spaces with composting toilets and misting showers so no running water out septic sewage needed.

Busy City staff referring many new inquiries from folks to the dense and complex zoning and permit regulations (usually posted online) leaving it to the individual to educate themselves and interpret how to get simple answers or how to even start (or even hire legal help)

Vermont has the most tenant-friendly regulations in the nation. The single biggest barrier to creating private rental units is that no wants to be a landlord.

Building Types

Tiny houses could help both seniors and homeless or very low income people. It is also an energy efficient way of living along with a lifestyle that allows for use of community resources. Making space in an area, walking distance to services could ameliorate many current issues

Perhaps we lack imagination when trying to solve this problem. There are many architects designing quality, affordable housing for lower and middle income folks. It's time to listen to what they have to say. Check out Robert Swinborn from Brattleboro.

I live in the French Block which I think is fabulous and what Montpelier should be doing — reusing vacant and historic old properties in downtown. It took a lot of public money to make this work. Wouldn't it be great to have all the vacant or dilapidated buildings downtown fixed up and inhabited for people of all incomes!

Infrastructure

The primary limitations are lack of sufficient infrastructure (wastewater) and land costs.

Remove Act 250 jurisdiction in areas served by public water and sewer systems.

Lebanon is obviously acutely impacted by the water/sewer issue. Hanover doesn't provide for much density within their ordinance generally speaking. Those are the two municipalities that have enough infrastructure to make it work. WRJ has less clarity in its zoning rules, which makes it hard to know exactly what to expect.

Wastewater, wastewater, wastewater.

Sewer is a huge barrier as many mid-size to small towns have no sewer system

Many regulations are tied to available supporting infrastructure (or lack thereof) -- lack of investment in water and wastewater systems, especially in smaller villages, is a real barrier to higher density forms of housing. Most urban areas in VT served by water and sewer have pretty -- accommodating regulations. Difficulties I've encountered w/ regs are mainly in suburban towns transitioning to more urban forms/densities of development (NIMBYs, public vs. privately funding infrastructure--including sidewalks, municipal/private parking, etc.)