

Memorandum

4/19/21

Community & Economic Development

Heather Carrington, Community & Economic Development Officer
hcarrington@winooski.vt.gov

To: Mayor Lott and City Councilors

RE: Housing Stability Indicators Update

Background

Over the last year, City Council and staff have been discussing our concern about supporting our residents with stable housing during the COVID-19 pandemic, from homeowners to landlords and renters. Closure of the economy has resulted in economic hardships for many of our residents, which may result in an inability to pay mortgages and rents. Please see the third report on high level housing stability indicator data below.

Housing Stability Indicators

Unemployment Rates

Data Source: VT Department of Labor Statistics by Town

Area	2019 Annual Average	Sept 2020*	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021
Winooski	2.0%	5.4%	3.1%	3.4%	3.8%	4.7%	3.6%
Burlington	2.0%	4.5%	2.5%	2.9%	3.1%	3.8%	3.3%
Colchester	1.9%	3.3%	1.9%	2.2%	2.3%	2.9%	2.5%
South Burlington	1.5%	3.6%	2.1%	2.3%	2.4%	2.8%	2.5%
Chittenden County	1.8%	3.7%	2.1%	2.4%	2.5%	3.1%	2.7%
Vermont	2.4%	4.5%	2.9%	3.2%	3.3%	3.7%	3.3%

*VT Dept of Labor reported values have changed slightly since previous update

Throughout the pandemic, Winooski has seen higher unemployment rates than the surrounding communities or Chittenden County as a whole. The highest rate of unemployment in Winooski was recorded in April 2020 at 18.7%. The rate as of September 2020 was at 5.4%, and at last report in



February 2021 it was at 3.6%. Currently, Winooski's unemployment rate is 0.9% higher than that of the county, and 0.3% higher than the overall Vermont rate of unemployment. The gap between Winooski and the surrounding communities and the state is continuing to narrow.

Labor Force Reduction

Geographic Area	February 2020	February 2021	Reduction 2020-2021
Winooski	4,480	4,201	(279) (6%)
Chittenden County	94,628	87,681	(6,947) (7%)
Vermont	343,087	310,194	(32,893) (10%)

Some of the decline in unemployment rates overall can be attributed to a contraction of the labor force as people drop out of active job-seeking. Between February 2020 and February 2021 there was a reduction in the reported labor force at the local, county and state levels. Winooski's labor force did not contract as much as that of the county or the state, thus it is unlikely that the narrowing unemployment gap between Winooski and the larger geographies was due to a disproportionate reduction in the Winooski work force.

Non-payment of Last Month's Rent

Data Source: US Census Bureau Weekly Pulse Surveys

Vermont

Week 19 Nov 11-23	Week 20 Nov 25 - Dec 7	Week 21 Dec 9-21	Week 22 Jan 6-18	Week 23 Jan 20- Feb 1	Week 24 Feb 3-15	Week 25 Feb 17 - Mar 1	Week 26 Mar 3-15	Week 27 Mar 17-29
15%	17%	16%	22%	15%	6%	6%	12%	12%

The U.S. Census has been conducting weekly surveys during the pandemic to monitor the household impacts of COVID. The data is compiled both nationally and by state, and is not available at the county or municipal level. The percentage of Vermont renters who have not paid last month's rent dropped by as much as 7% from July through November, ending Week 19 at 15%. As of March 29th, the rate is down an additional 3% from November, but has risen from the lowest numbers in February. The rate of rent non-payment in Vermont was 12% as of March 29th. 12% rental household non-payment would translate to approximately 238 households in Winooski if the rate of non-payment is consistent with the state reporting. **Assuming the Vermont numbers reflect the Winooski renter experience, this indicates that 59 additional households were able to pay last month's rent over the November Week 19 reporting.**



Renter Confidence in Ability to Make Next Month's Payment

Data Source: US Census Bureau Weekly Pulse Surveys

Vermont

Confidence Level	Week 19 Nov 11-23	Week 20 Nov 25 - Dec 7	Week 21 Dec 9-21	Week 22 Jan 6-18	Week 23 Jan 20- Feb 1	Week 24 Feb 3-15	Week 25 Feb 17 - Mar 1	Week 26 Mar 3-15	Week 27 Mar 17-29
None	7%	15%	7%	3%	6%	5%	6%	3%	3%
Slight	9%	16%	28%	22%	21%	8%	4%	19%	12%
Moderate	25%	25%	23%	19%	19%	30%	26%	19%	20%
High	59%	45%	42%	56%	54%	57%	64%	59%	65%

While more rental households were able to pay rent over the last quarter, weekly census pulse surveys indicate that in Vermont, **renters' confidence in their ability to pay next month's rent experienced a sharp dip and equally sharp recovery between November and March.** 84% of renters expressed moderate or high confidence in mid-November. That number dropped to a low of 65% in mid-December as the deadline for spending CARES Act funds approached with no new federal relief package approved. The Rental Housing Stabilization Program stopped taking applications on December 11, 2020, the same week with the lowest renter confidence rate. Following the signing of a new federal COVID relief package in late December, confidence levels rebounded. At the last census pulse survey report, 85% of Vermont renters reported moderate to high confidence in their ability to pay next month's rent.

Mortgage Non-payment

Data Source: US Census Bureau Weekly Pulse Surveys

Vermont

Week 19 Nov 11-23	Week 20 Nov 25 - Dec 7	Week 21 Dec 9-21	Week 22 Jan 6-18	Week 23 Jan 20- Feb 1	Week 24 Feb 3-15	Week 25 Feb 17 - Mar 1	Week 26 Mar 3-15	Week 27 Mar 17-29
5%	4%	4%	3%	4%	6%	6%	3%	4%

Homeowner mortgage non-payment in Vermont has decreased over the last quarter from 6% at week 18 to 4% at week 27 reporting. 4% of 1,184 total homeowners in Winooski (both with and without mortgages) would equal about 47 households. **This translates to 24 fewer households behind on last month's mortgage payment in March than were behind in November.**



Homeowner Confidence in Ability to Make Next Month's Payment

Data Source: US Census Bureau Weekly Pulse Surveys

The following table reflects all Vermont homeowners. Approximately 35%, or over a third of Vermont homeowner households, own their homes outright and do not have a mortgage to pay as reflected in the "no mortgage" line. This percentage is aligned with Winooski homeowners, over a third of whom own their homes free and clear. This line value will vary on the table below based on the makeup of the survey respondents week to week.

Vermont

Confidence Level	Week 19 Nov 11-23	Week 20 Nov 25 - Dec 7	Week 21 Dec 9-21	Week 22 Jan 6-18	Week 23 Jan 20- Feb 1	Week 24 Feb 3-15	Week 25 Feb 17 - Mar 1	Week 26 Mar 3-15	Week 27 Mar 17-29
None	1%	3%	1%	0.4%	2%	2%	5%	1%	1%
Slight	8%	2%	4%	1%	4%	1%	6%	2%	2%
Moderate	10%	13%	17%	8%	9%	10%	8%	11%	9%
High	48%	45%	42%	51%	46%	43%	46%	50%	49%
No mortgage	33%	37%	37%	36%	40%	40%	35%	36%	39%

*rounding may result in slight variance from 100% totals

Homeowner confidence levels in ability to pay increased between the last reporting period and the current period. During the final week of the last reporting period (week 18, ending November 9th, 2020) 19% of homeowners expressed less than high confidence levels. As of week 27, ending March 29th, 2021 that number had dropped to 12% representing the lowest rate of uncertainty throughout the pandemic. **By week 27, 88% of homeowners either had high confidence in their ability to pay their mortgage or had no mortgage to pay.**

Vermont homeowner confidence in ability to pay next month's mortgage is slightly higher than renter confidence in ability to pay rent. 88% of homeowners and 85% of renters felt moderate or high confidence in their ability to pay their April mortgage or rent. The overall change reflected in the Census Household Pulse Survey for Vermont indicates that both renters and homeowners saw an increase in households able to pay last month's rent or mortgage. The final week of reporting indicates that 78% of renters and 96% of homeowners in Vermont paid their rent/mortgage last month.

If the Vermont data holds true for the Winooski community, the net change indicates that 83 additional households were able to pay their housing payment from Week 19 to Week 27 reporting. The data indicates improving housing stability for both renters and homeowners.



Eviction and Foreclosure Protections

Vermont S.333 placed a moratorium on all evictions and foreclosures of occupied residences until 30 days after the Governor's declared State of Emergency ends. Right now, this is set to end on April 15, 2021, so at the earliest evictions and foreclosures could not proceed until May 15, 2021. In addition, mortgages guaranteed by Fannie Mae and Freddie Mac are covered by a moratorium on foreclosures that has been extended until June 30th, 2021. Together, Fannie Mae and Freddie Mac provide the guarantees for roughly 50% of US mortgages.

Rent and Mortgage Assistance

Vermont Emergency Rental Assistance Program (VERAP)

The Vermont Emergency Rental Assistance Program (VERAP) was created to help renters dealing with financial challenges related to the COVID-19 pandemic. For eligible households, the program offers rental and utility assistance to help Vermonters avoid eviction or loss of utility service. VERAP was established by the Consolidated Appropriations Act of 2021.

VERAP helps tenant households with paying rent, past-due rent balances (also known as "arrear"), utility and home energy costs, utility and home energy cost arrears, and other expenses related to housing. Utilities include separately stated electricity, gas, water, sewer, trash removal and energy costs, such as fuel oil, wood and pellets.

The Vermont Rental Assistance Program provides:

- Maximum 12 months of rent and back rent ("arrears"); but no arrears prior to April 1, 2020. If you have arrears, you must put at least one month of your VERAP grant toward arrears. Assistance for current rent is approved three months at a time.
- Utility costs including electricity, gas, water, sewer, trash removal and energy costs, such as fuel oil, wood and pellets
- Expenses to fix unhealthy housing conditions, pay for internet service, or relocation costs
- You can apply for rent-related help first and return later to your application to apply for utility help because payment for utilities is not online yet.

Eligible households must meet all four of the factors below:

1. You must be obligated to pay rent on a residential dwelling in Vermont.
2. You must have hardship due directly or indirectly to COVID-19.
3. You must be at risk of unstable housing.



City of Winooski

Vermont's Opportunity City

27 West Allen Street
Winooski, Vermont 05404
802 655 6410
winooski.vt.gov

4. Your income must be below 80% of Area Median Income.

Find more information at www.VSHA.org and apply online at this website: <https://verapapplicantportal.reframeassist.io/#/auth/login> You can also call 1-833-488-3727 toll-free.

