

Agenda Summary
June 11, 2025

Agenda Item No. B-1

Housing Task Force / Consultant 80% Report

Summary: This time has been set aside to hear from the Housing Task Force and for the housing consultant, CommunityScale, to present their draft 80% report.

Town Plan & Policy Impact: N/A

Fiscal & HR Impact: N/A

Recommendation: No action needed. CommunityScale will return at your July 9 meeting with a final report.

Housing Needs Assessment

Town of Stowe | 2025





KEY INDICATORS

Housing is fundamental to Stowe's vision for a sustainable community.

Source: Town of Stowe

To sustain and advance the community's vision for itself, Stowe needs attainable housing for:

- **Families** with kids to enroll in local schools
- **Workers** to staff local businesses
- **Local seniors** who need to downsize
- **Young adults** who grew up here and want to stay or come back
- **Tax base** to help fund necessary municipal services and investments
- **Full-time residents** to join boards and lead community organizations

The visitor industry remains critical to the local economy, but it's accommodations should be balanced rather than competitive with local community needs.

Draft values from Stowe 2050 Town Plan visioning process



KEY INDICATORS

The Stowe market has the potential demand to add over 500 full-time households by 2035.

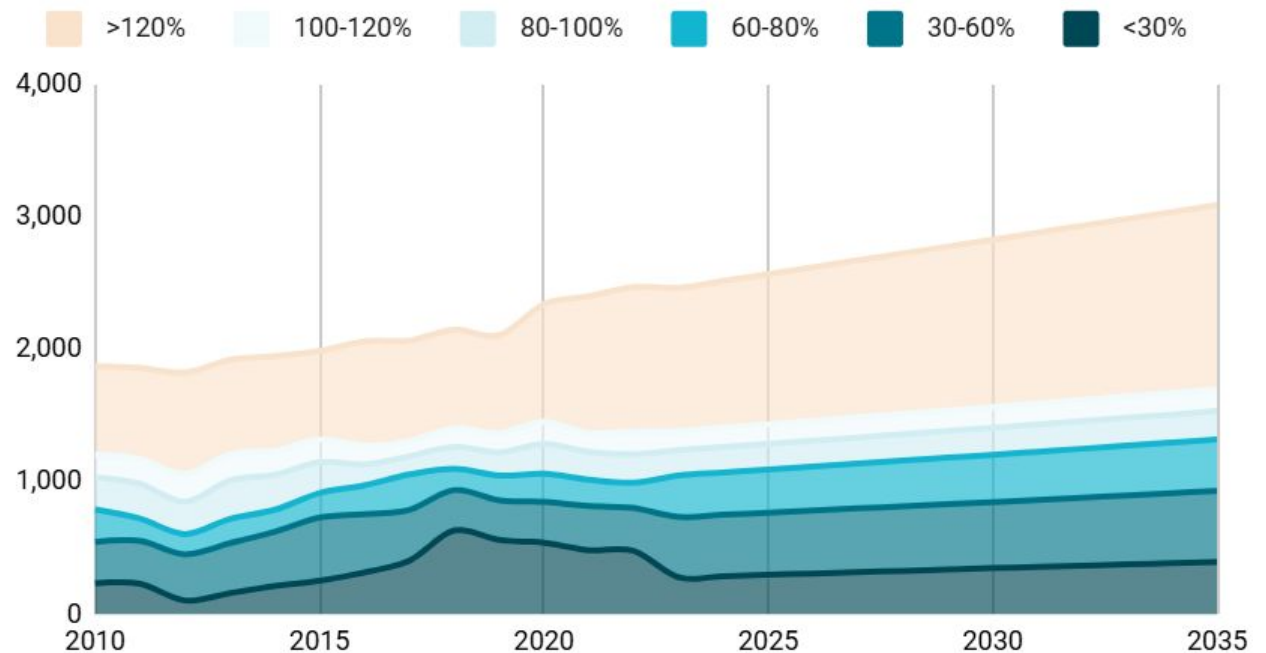
Source: 2023 ACS 5-Year, CommunityScale

Stowe's household population has been growing over the past decade and is on track to continue doing so for the next 10 years, at least from a demand perspective.

In terms of relative incomes, growth is expected at all levels with the largest absolute increase within the >120% AMI group. This may be in large part due to lower-income households being priced out by Stowe's high housing costs.

Realizing this growth is not inevitable or assured - it assumes the corresponding housing units are built or otherwise made available to accommodate the new households, including a sustainable share of homesteaders.

Household growth trajectory and projection



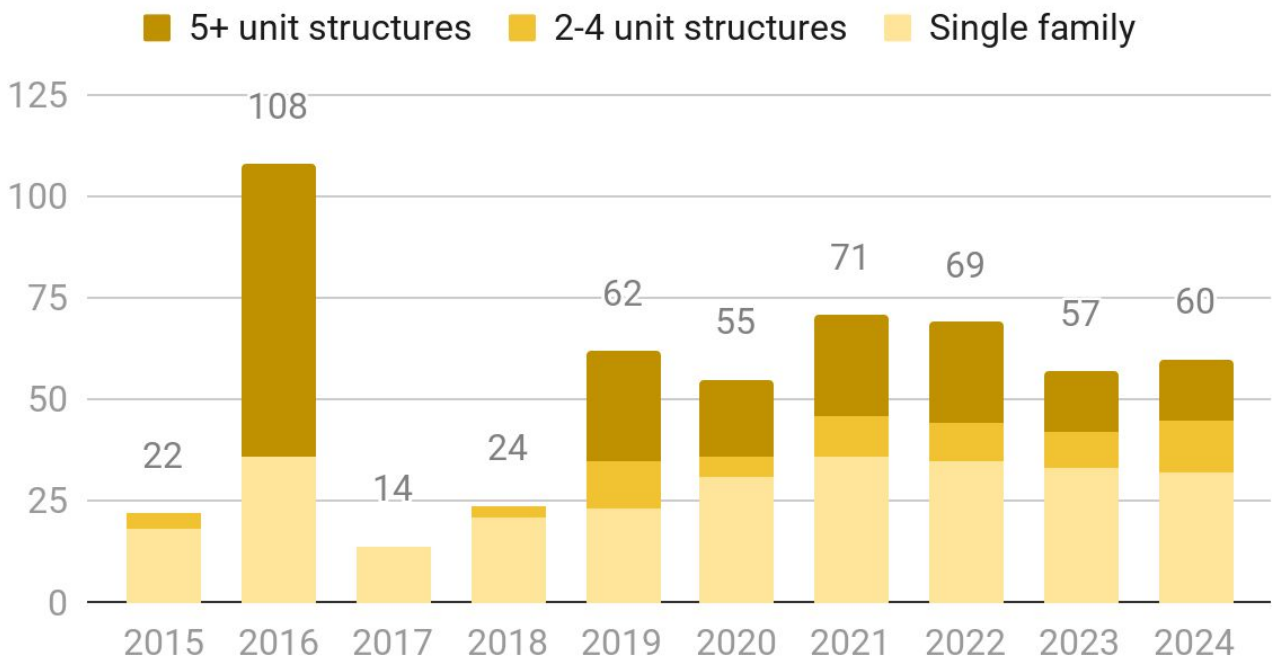
KEY INDICATORS

Stowe is building at the right pace - but many new units are not going to full-time residents.

Source: US Census Building Permit Survey, 2015-2024

Stowe has built more than 500 units over the past decade. Continuing at this pace would provide enough units to keep up with potential growth over the next decade. However, most new units built in Stowe are absorbed as second homes and vacation rentals.

Building permits issued over time by structure type



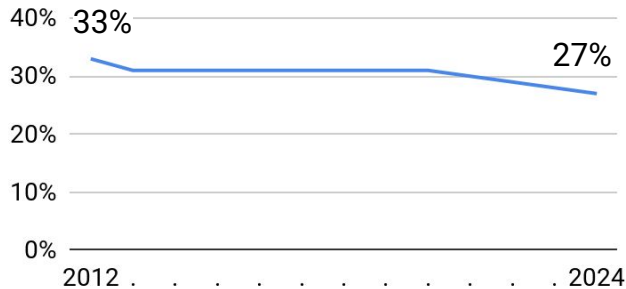
KEY INDICATORS

Non-homestead properties outnumber and out-compete homesteads.

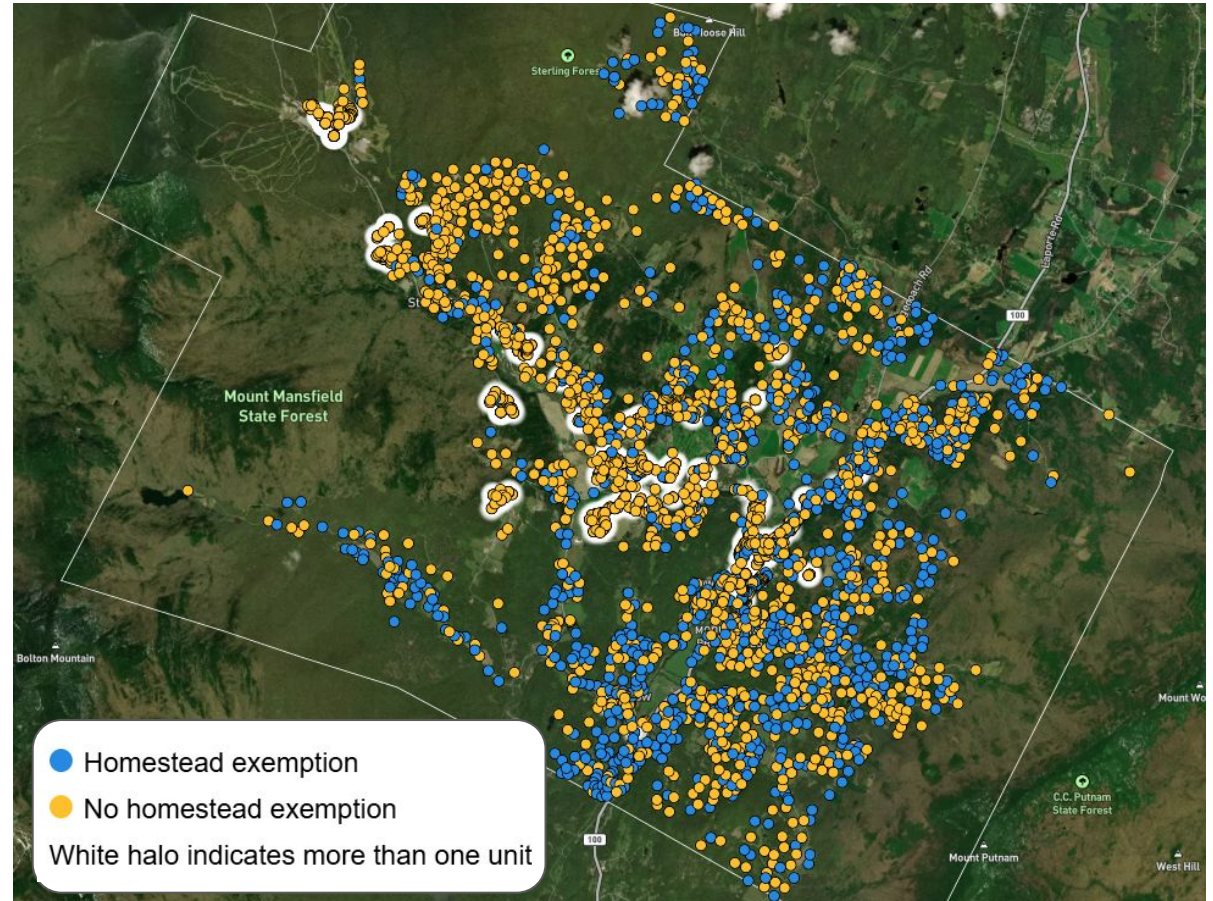
Only about 1/3 of residential properties file homestead exemptions, down from 43% in 2012. According to local realtors, as few as 1 in 10 clients are looking for full-time residence in Stowe (the rest are second home buyers).

The map at right illustrates the mix of homestead and non-homestead properties across Stowe. Villages such as Moscow, Lower Village, and Stowe Village have retained higher shares of homestead properties than most other parts of town.

Homestead parcels as share of total parcels



Distribution of homestead and non-homestead residential properties



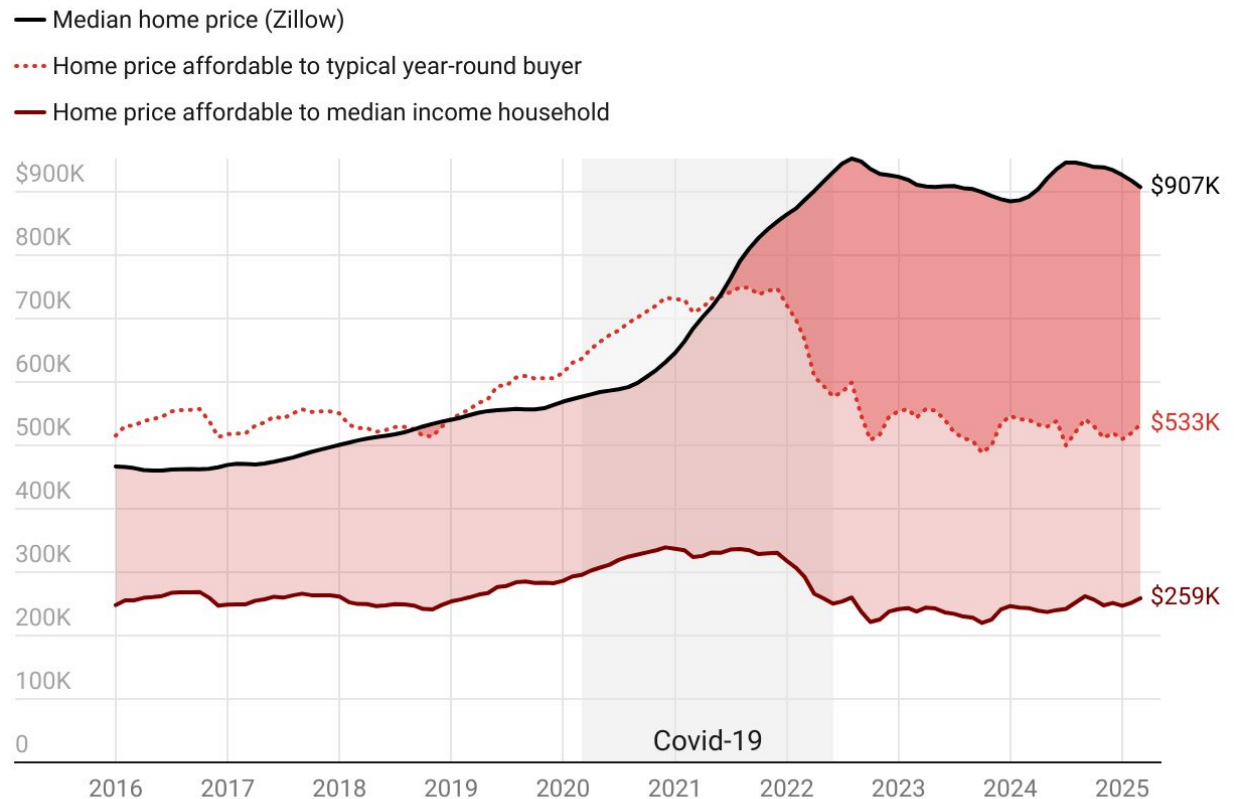
KEY INDICATORS

Homeownership is completely unaffordable for most existing and prospective full-time residents.

This chart compares the median listing price in Stowe with the home value attainable to a household earning the median household income. A wider gap means higher barrier to entry for first-time homebuyers and increased risk that an existing resident might be priced out of the community if they choose or need to move to a different house.

Median income households have been priced out of the local market for more than a decade. This chart also includes a line tracking prices affordable to the typical household interested in moving to Stowe full-time (earning an estimated double the median household income, many as remote workers). These more affluent buyers could afford housing in Stowe until the Covid pandemic, at which point Stowe became unaffordable to nearly all potential full-time residents.

How affordable is Stowe?



Time series model inputs for affordability with current figures: 6.65% interest rate (Mar 2025); property insurance; 1.34% homestead property tax rate; 20% down payment; \$907,000 typical home value (Zillow, Mar 2025); \$84,000 median income (Mar 2025 CommunityScale estimate); typical year-round home buyer income estimated at twice median income.

KEY INDICATORS

The median home price of \$907k is unattainable to residents in virtually all local professions.

Stowe’s median home price is over \$900k, a figure even local lawyers and computer science workers in dual-earner households would struggle to afford. Workers in lower paying - but still traditionally middle class - jobs have no choice but to live outside of Stowe despite working local jobs that contribute to the economy and community.

Attainable housing prices for single- and dual-earner households by occupation

Occupation	Attainable home price (single earner - dual earner)	Attainable rent (single earner - dual earner)
Legal	\$365,000 - \$730,000	\$2,423 - \$4,847
Computer science	\$310,000 - \$620,000	\$2,068 - \$4,135
Management	\$270,000 - \$540,000	\$1,801 - \$3,602
Business and finance	\$250,000 - \$500,000	\$1,668 - \$3,335
Education	\$195,000 - \$390,000	\$1,290 - \$2,579
Maintenance	\$190,000 - \$380,000	\$1,290 - \$2,579
Community services	\$185,000 - \$370,000	\$1,223 - \$2,446
Office and administration	\$155,000 - \$310,000	\$1,045 - \$2,090

ANALYSIS

Long commutes are threatening the labor supply, while work from home fills houses but not jobs.

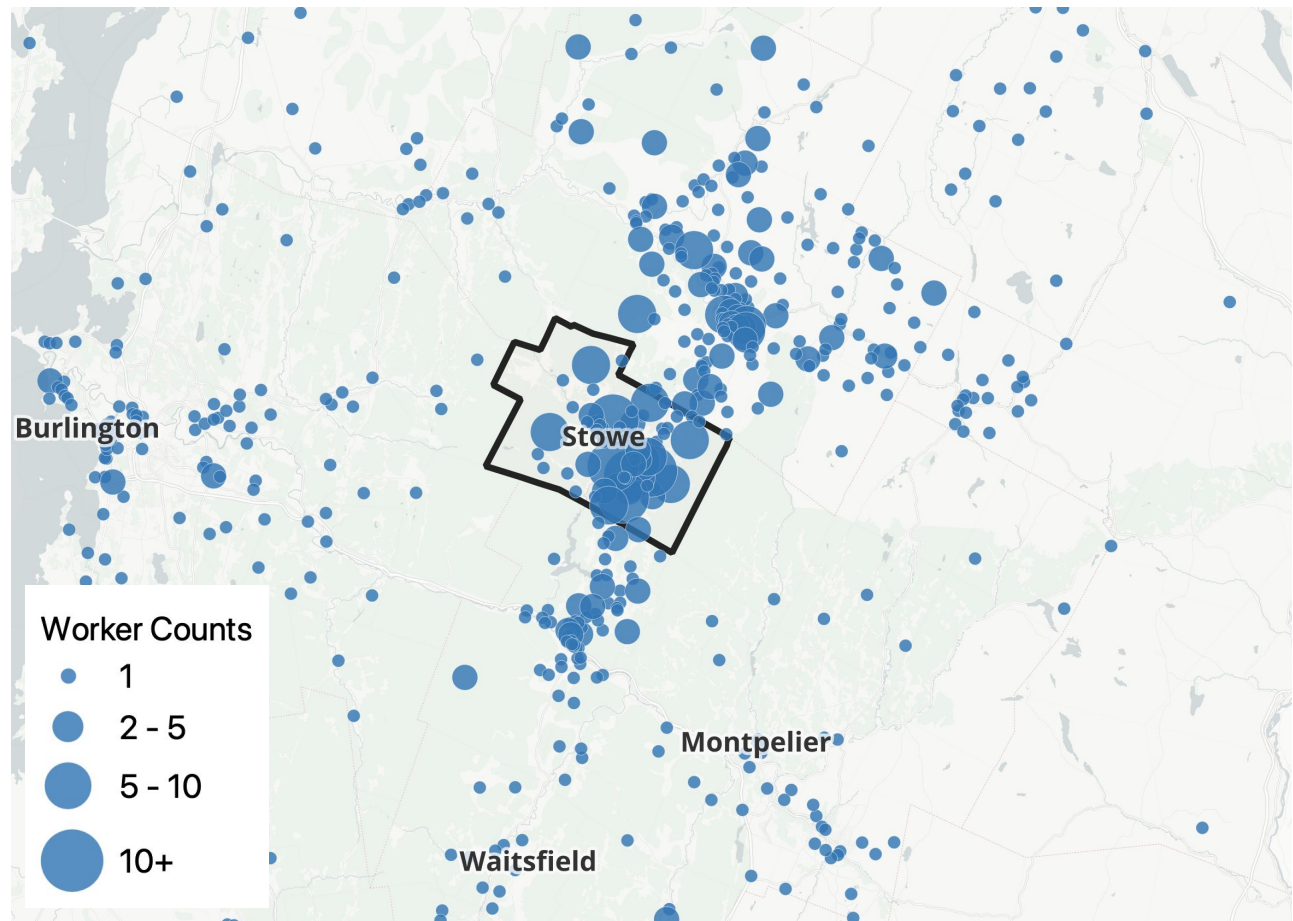
Source: Census Longitudinal Employer-Household Dynamics (LEHD) 2022

About three quarters of the 4,632 people working in Stowe live outside town limits. Commuting long distances to work in Stowe has been relatively typical for years. However, as the local workforce is pushed to live ever further away by rising housing costs, a growing share are leaving their jobs in Stowe for more manageable options closer to home. If this trend continues, local employers could have increasing trouble filling the jobs necessary to run their businesses.

At least 15-20% of Stowe residents work from home. While this does not directly support the labor needs of local restaurants, accommodations, and other employers, it does provide a new source of income to support more households living in town.

This data does not account for many seasonal workers such as J1 Visa holders who often live in employer-sponsored dormitories and thus somewhat outside the competitive housing market.

Where people live who work in Stowe



KEY INDICATORS

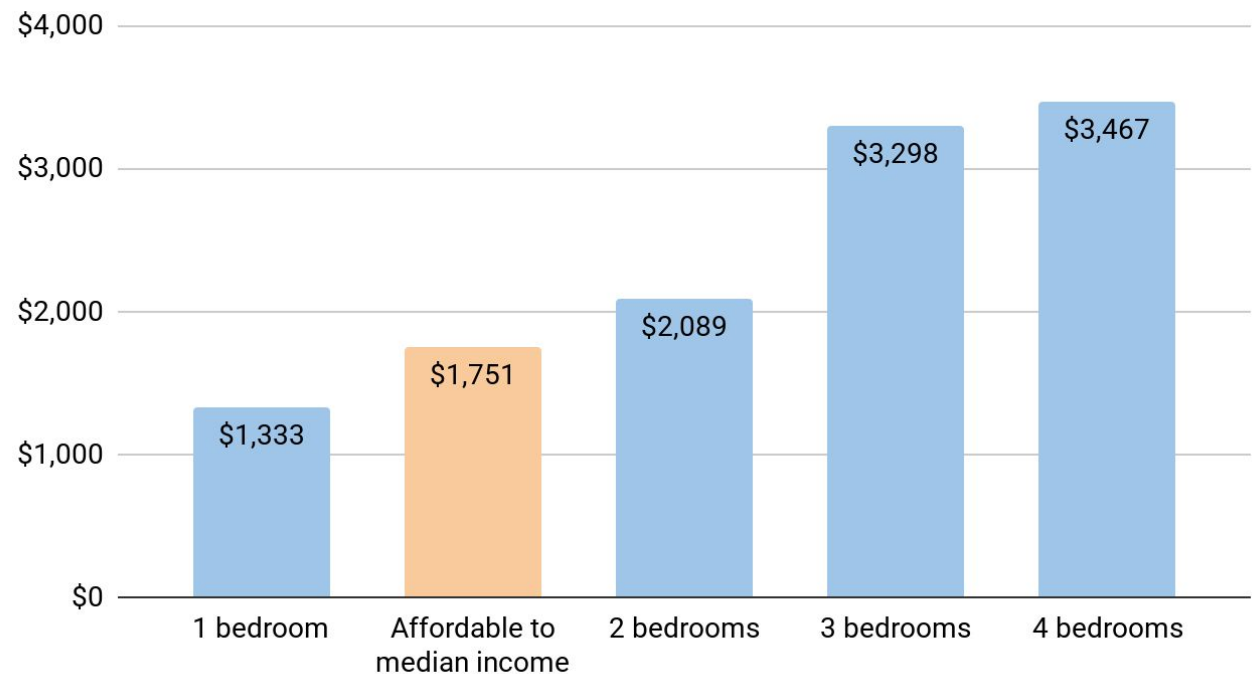
Renting smaller units can be more affordable than owning, but there is not enough supply at all sizes.

Source: RentCast, CommunityScale

Households earning the median household income in Stowe can afford small rental units but larger options with more bedrooms are generally not attainable. However, there is a general lack of supply of rental units, as evidenced by the very low vacancy rate reported by local developers and realtors (near 0%). Overall, about a quarter of current housing units are rental today.

State plans call for a new housing mix of at least half rental. Especially to the extent these added units are new constructed (rather than converted from STRs), they are likely to command higher than average rents due to high land and construction costs.

Average recent rents for Stowe units by bedroom count



KEY INDICATORS

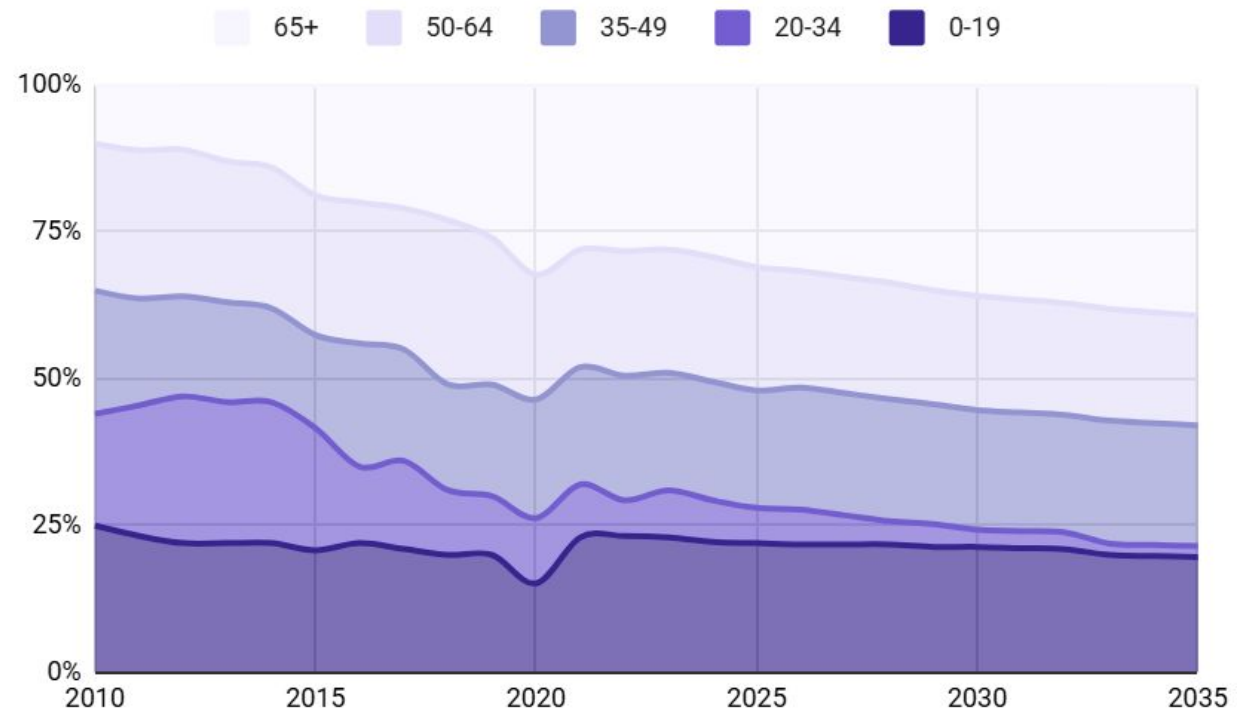
The Stowe population is aging rapidly, with a diminishing share of young adults and families.

Source: ACS 5-Year, CommunityScale

Like many other parts of the country and the state, Stowe's senior population is projected to be its fastest growing, especially as more households age into this cohort. However, this trend is particularly pronounced in Stowe, with at least a third of the population aging above 65 by 2035.

At the same time, the 20-34 age cohort is projected to diminish almost entirely over the next 10 years, likely leading to a steep decline in the number of local school children living in town to replenish enrollments as the current adolescent cohort graduates and potentially moves away.

Changing share of population by age cohort



This chart illustrates trends in population by age cohort, both historic and projected. The projection is based on recent trends extended. Depending on economic, policy, and other conditions, the actual future age distribution may vary over time.

KEY INDICATORS

School enrollment is at risk of further decline without new families moving to Stowe.

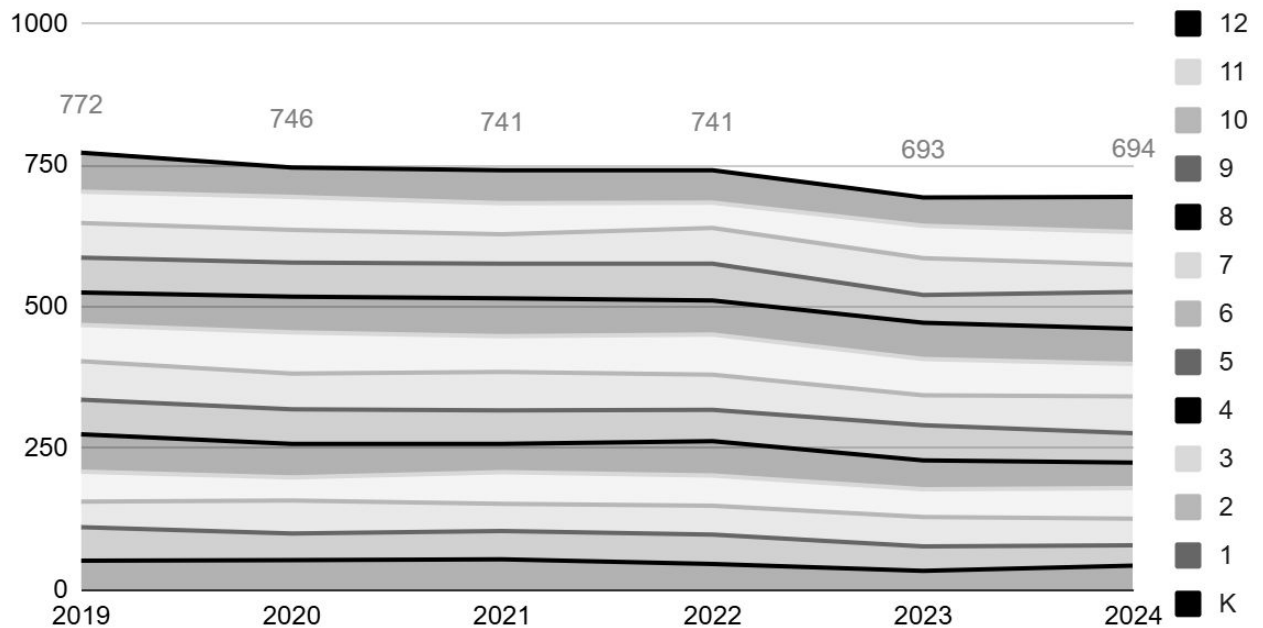
Source: Lamoille South Supervisory Union

While Stowe's school enrollment has been holding steady for some time, declining numbers of young households - especially in the 20-34 age group - could foreshadow fewer new families entering the school system in the future.

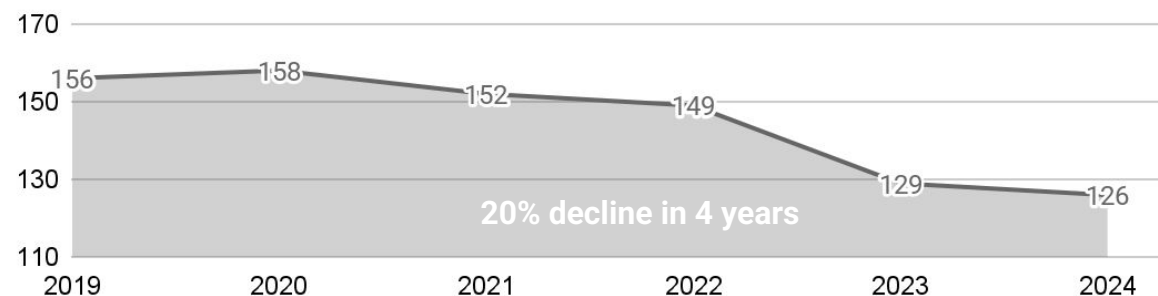
Indeed, enrollment among K-2 grades has been dropping significantly over the past several years. This could be a trailing indicator of many fewer new families moving to Stowe since Covid a few years ago, when many of today's kindergarteners were born. The more direct the correlation between a spike in housing prices and a decline in young student enrollees, the more difficult it may prove to reverse this trend.

Beyond impacting school stability and community sustainability, lower enrollment can mean higher taxes on homestead households. State school funding is issued on a per-pupil basis, so fewer students means more burden on homestead taxpayers to pick up slack in the local school budget.

Stowe school enrollment trends by grade level



Stowe school enrollment trends (grades K-2)



KEY INDICATORS

Barriers to year-round housing production and access.

Costs: Construction costs and labor shortages are driving up prices and diverting resources and investment to second home construction.

Competition: Existing and prospective full-time residents cannot compete with second home and short-term rental markets.

Land: Growth Centers where higher density is allowed are limited in scale and don't include significant development opportunity sites.

Infrastructure: There is sufficient sewer capacity - and water in most places - but access is largely limited to the Mountain Road corridor.

Legal structure: State law and tax rules limit the Town's ability to raise funds and provide financing incentives.

Funding: Federal and state affordable housing subsidies are scarce and competitive.

Sentiment: The community lacks a clear vision of what it wants, where, and how, delaying or discouraging development.

KEY INDICATORS

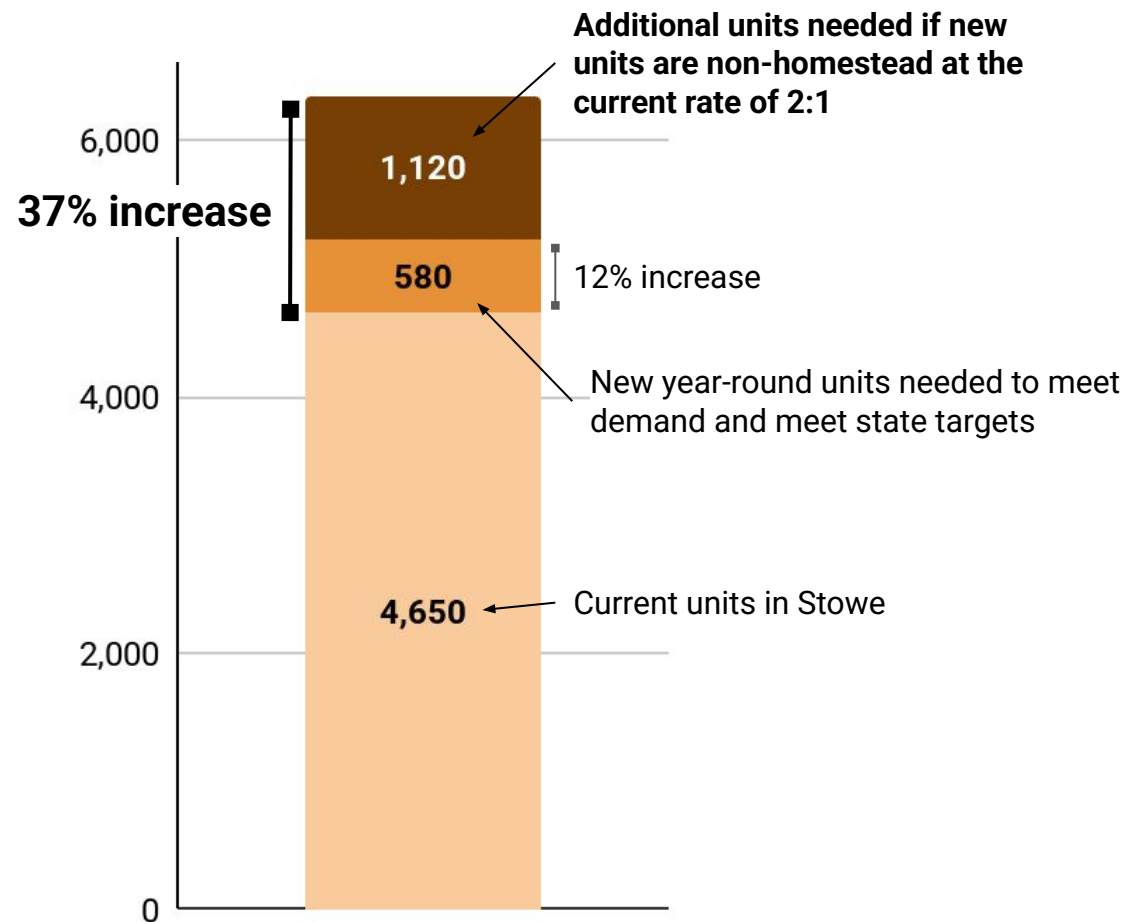
Stowe needs 580 year-round units in 10 years, but the town can't just build itself out of the housing crisis.

Source: CommunityScale, Town of Stowe

To keep up with year-round resident demand, Stowe needs to add about 580 year-round units in the next 10 years. This would also satisfy the production target set by recent state legislation.

However, if subject to Stowe's current rate of 2 non-homestead units for every homestead unit, **reaching this target may require building 1,700 total units on the assumption that 1,120 of them are absorbed by the second home and short-term rental markets.**

Production target based on current share of non-homestead units



KEY INDICATORS

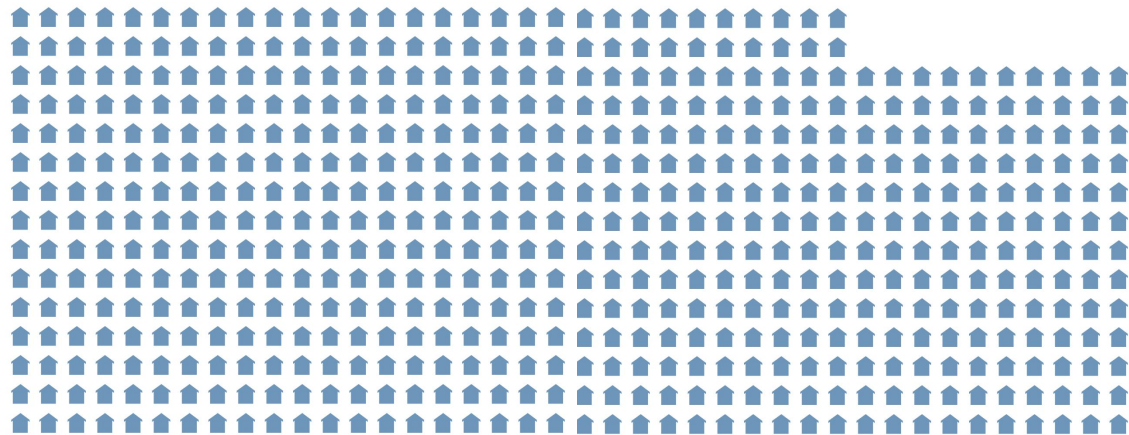
Stowe should consider a production target of at least 580 units over 10 years.

The community needs a concrete housing production target to work toward. The target should be driven at least in part by factors the Town can directly control, such as through the commitment of public funds and other resources.

Supporting the goal of more year-round units, Stowe should focus new production on the housing types that year-round residents need but are in short supply:

- **More small ownership units** (currently, less than 15% are 0-2 bedroom)
- **More larger rental units** (currently, about 10% are 3+ bedrooms)
- **Higher rate of rental units overall** (currently 26%; state calls for 50-66% of new units)

Housing production target: 580 new units over the next 10 years.



KEY INDICATORS

Stowe should aspire to create at least 100 units of permanent community housing over 10 years, defined by income-restrictions and local residency.

In support of a sustainable community, residents and stakeholders aspire toward more housing units that are attainable to a wider range of incomes and occupied by year-round residents. This target focuses on catalyzing units that are both income-restricted and reserved for people who call Stowe their permanent home.

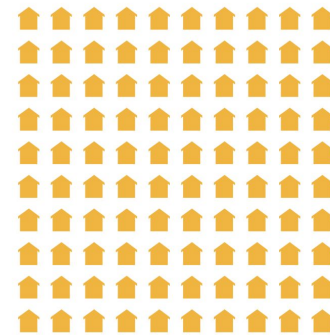
This target may overlap with the 580 new units goal but is otherwise independent. Units count toward this target if they are created as part of a new development or if converted from an existing market-rate unit through a mechanism such as deed restriction.

The goal for this target is not to focus on deeply subsidized “capital A” affordable but to include a range of attainable housing models that serve a wide range of incomes at or below market-rate.

While the exact parameters of what qualifies a unit by this standard need further community discussion to finalize, they could include the following:

- Secured through deed restriction.
- Developed through inclusionary zoning.
- Produced by converting STRs to long-term rentals.
- Calibrated to income levels that match state programs (i.e. up to 120% AMI).
- Calibrated to incomes more reflective of Stowe residents (i.e. 120-180% AMI).
- Distinct income requirements for different product types and tenures (rent/own).
- Monitored to ensure occupants truly live in Stowe full-time.

Permanent community housing target: 100 units over the next 10 years.



KEY INDICATORS

The community should agree on a set of performance metrics to track progress over time.

Performance metrics are trailing indicators that help the Town measure progress toward the goal of a more sustainable community. There is not a single, all-purpose metric available. Instead, the Town should monitor a collection of metrics that each measure aspects of a sustainable community.

While it may be possible to set specific targets for certain metrics, even establishing directional goals will help monitor progress, especially if the goal involves reversing a trendline (for example turning decline into growth).

Census data:

- **Total households:** Should increase over time to reflect a capture of potential demand.
- **Vacant units:** Should reduce as a share of total units to suggest more year-round residents.
- **Income diversity:** Growth should continue at all income levels, not just the top.
- **Young householders:** Should increase over time as a share of total household population.

Town-specific data:

- **Homestead exemptions:** Should increase as a share of total parcels over time.
- **School enrollment:** Should reverse its decline and start to increase over time (starting with K-2).
- **Short-term rentals:** Should represent a shrinking share of overall units over time (especially STRs that are not primary residences).
- **Voter registrations:** Should continue to increase in step with overall household growth.

KEY INDICATORS

Stowe needs an “all of the above” strategic plan.

Vision: Clarify the Town’s housing vision and define what the community wants where for more predictability.

Housing tracker: Establish a dashboard or similar public tracker to monitor progress toward housing goals.

Revenue: Introduce revenue sources to help finance affordable housing.

Housing trust: Support an existing housing trust and/or the creation of a new non-profit housing trust.

Housing reserve fund: Establish and contribute to a discretionary reserve fund.

Manage the STR supply: Control the number allowed, manage allocation of new registrations, and restrict registration transfers.

Zoning: Modify regulations to promote density, infill, and attainable housing where contextually appropriate.

Public land: Develop town-owned land as affordable or mixed-income housing with conditions.

TIF: Establish Tax Increment Financing opportunities to catalyze mixed-income housing development.

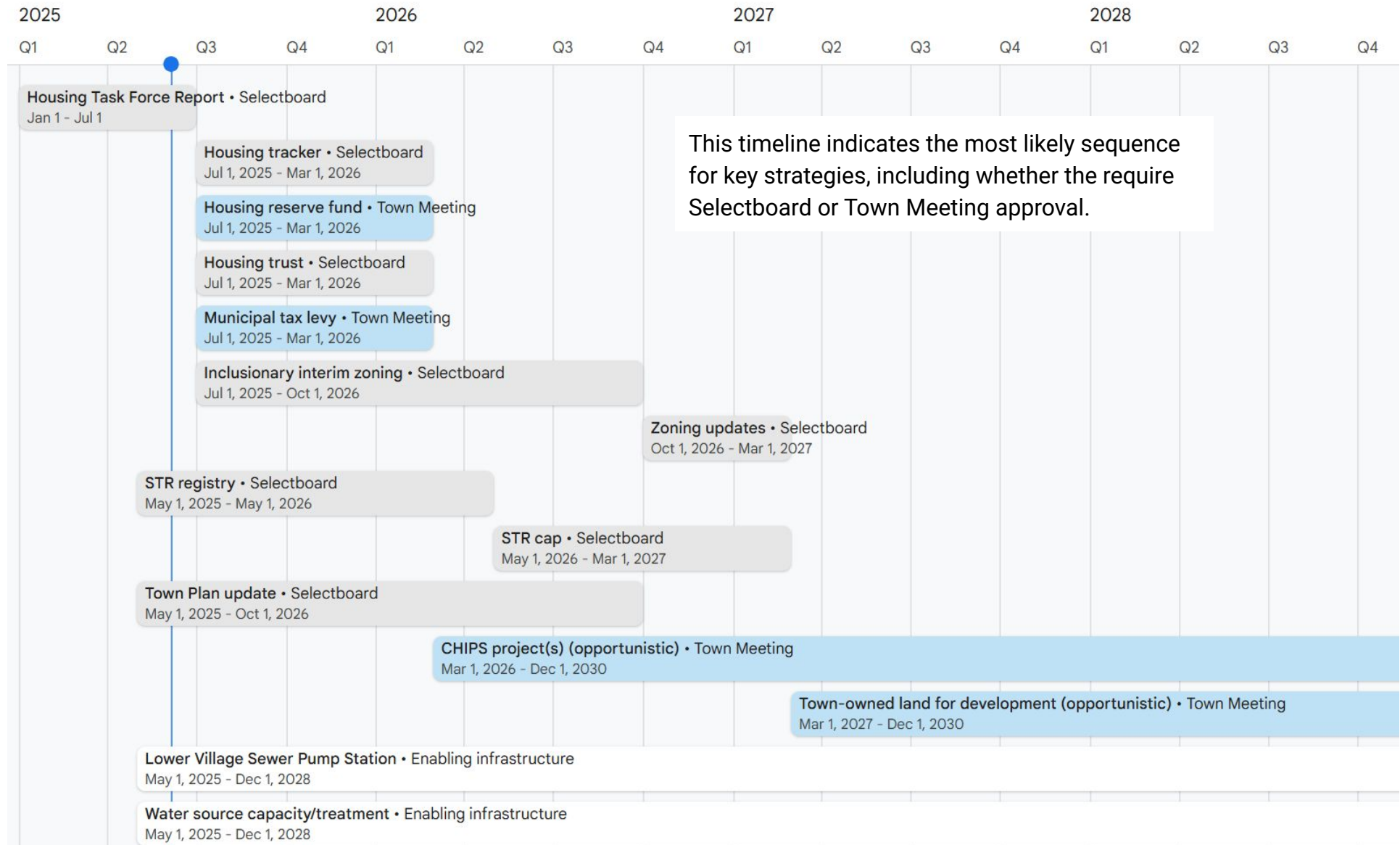
Advocate: Promote workforce housing development locally and lobby the State House to highlight Stowe’s unique circumstances and constraints.

OVERARCHING STRATEGY

Capacity: Supplement Town staffing and resourcing in line with establishment of new policies and programs.

KEY INDICATORS

Implementation critical path





Community Priorities

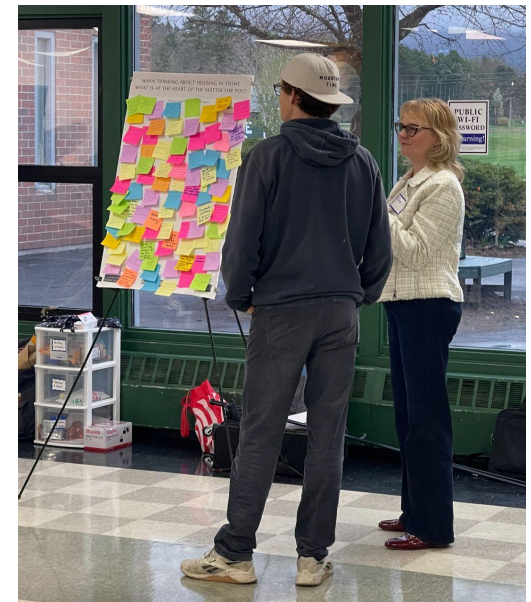
PRIORITIES

Public workshop overview

On May 6, the planning team held an in-person workshop to share initial findings from the study and gather community feedback on priorities, strategies, and policy concepts. The workshop's interactive exercises were also made available in an online survey format for access by those unable to attend in-person.

The following section summarizes results from the interactive exercises focused on community priorities around strategies, tax investment, and housing locations.

Over 80 people attended the in-person workshop and over 350 people submitted responses to the online survey. Most participants were middle-aged local homeowners who have been in Stowe for many years. However, the process included representation from many other perspectives too, including renters and younger and older residents.



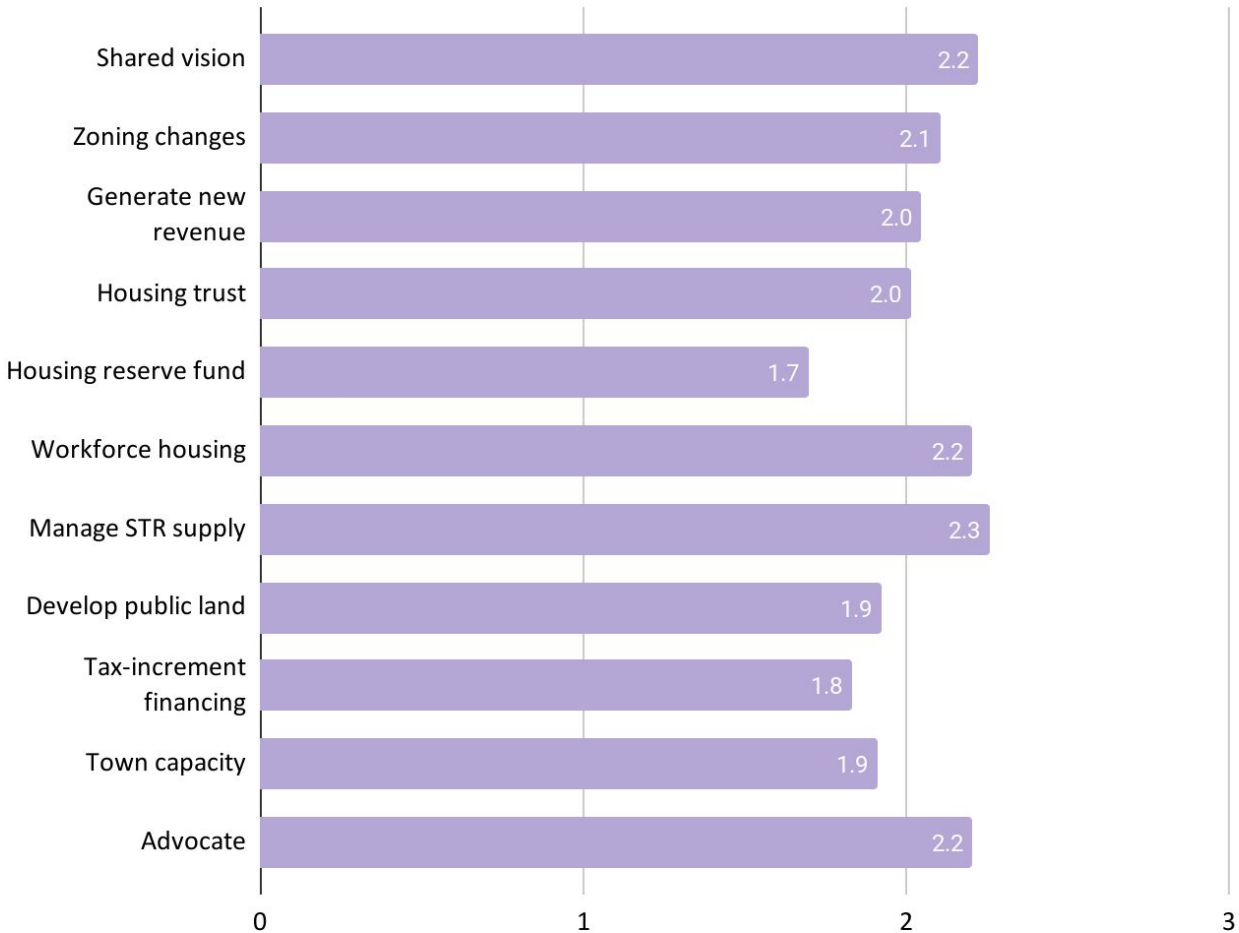
PRIORITIES

Prioritizing policies and strategies.

Participants were asked to indicate how much of a priority they would consider each of these policy and strategy ideas proposed in the working plan.

Though some scored higher than others, all choices were considered relatively high priorities (above a 1.5 out of 3).

Note: This survey data is intended to indicate the community’s general preferences and priorities as one of multiple inputs to the planning process. This data is not necessarily statistically significant or intended to be taken as a definitive vote on its own regarding actions to take.



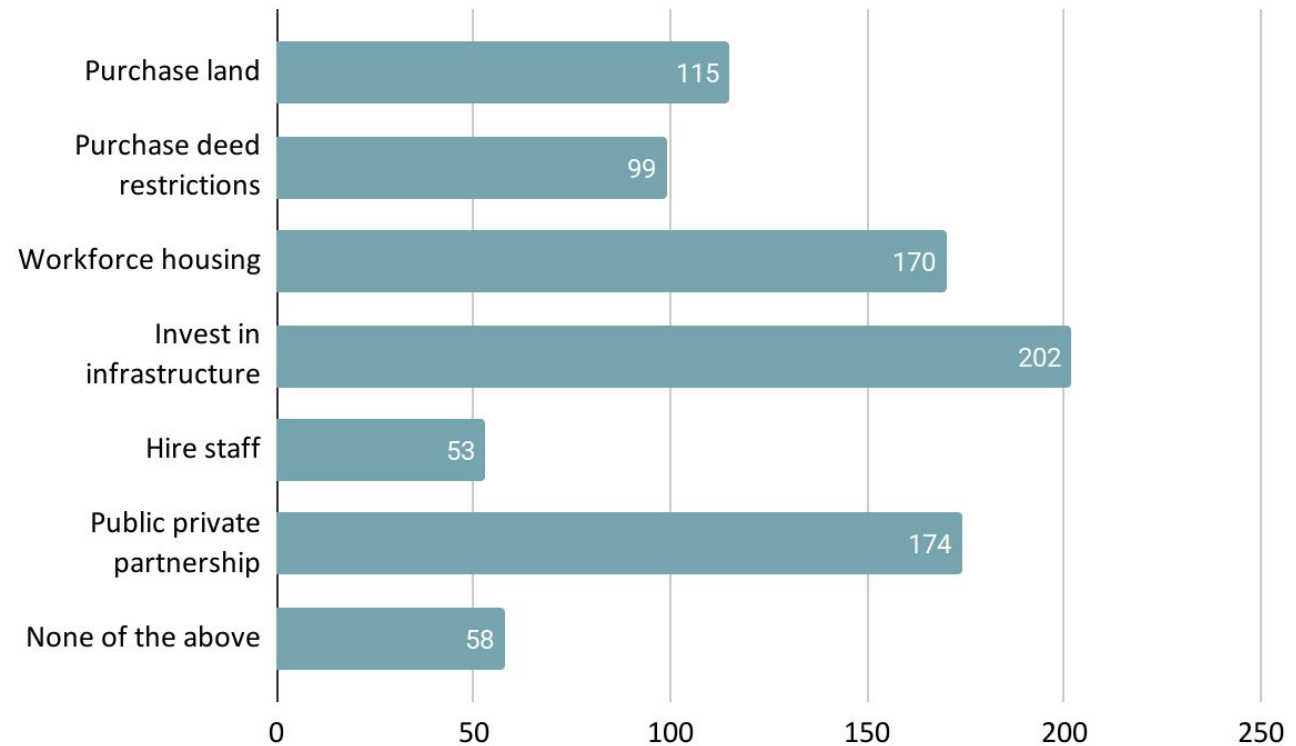
PRIORITIES

Choosing how to spend tax dollars toward housing goals.

Participants were asked, “If the Town used tax dollars to support community housing, how would you prioritize these investments?”

This question is about more than just relative levels of priority - it is asking participants to consider where actual tax dollars should be spent. Results were less evenly distributed than the priorities exercise. Infrastructure, public-private partnerships, and workforce housing scored highest.

Note: This survey data is intended to indicate the community's general preferences and priorities as one of multiple inputs to the planning process. This data is not necessarily statistically significant or intended to be taken as a definitive vote on its own regarding actions to take.

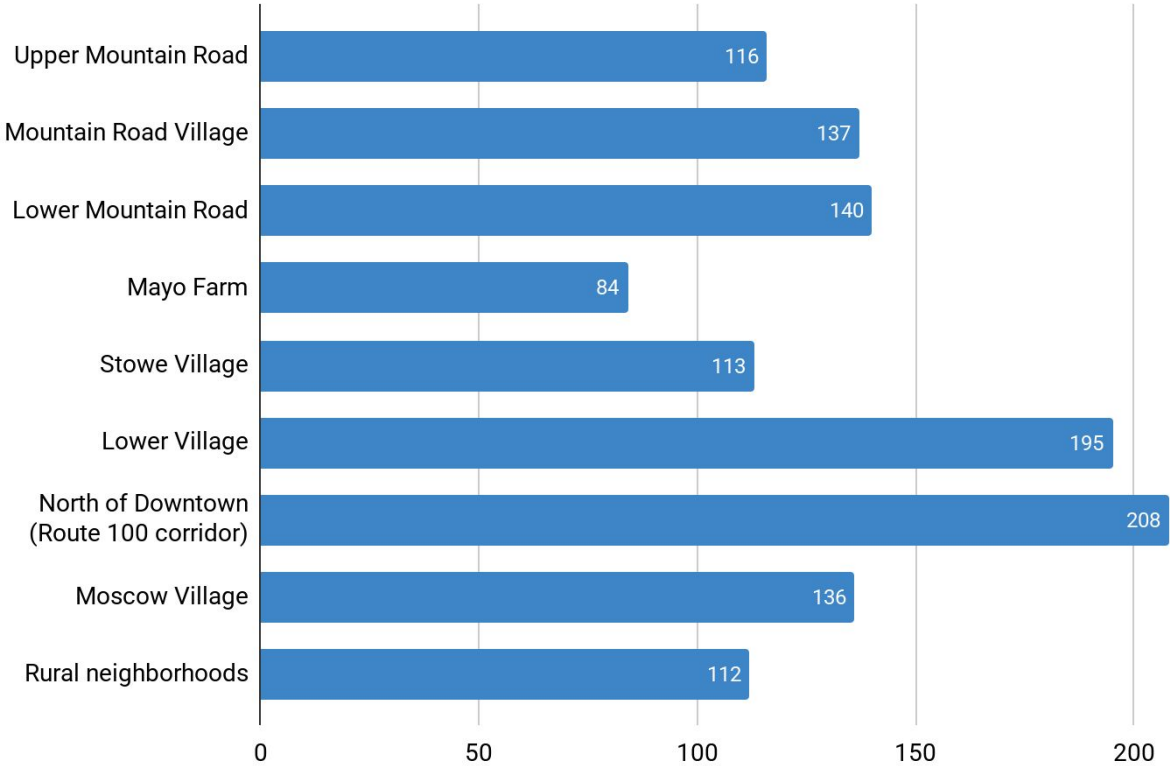


PRIORITIES

Locating where housing development is most appropriate.

Participants were asked, “Where in Stowe would new housing make the most sense to you?” All available options received a significant number of votes, suggesting there is some level of support for housing throughout Stowe. However, most people indicated new housing is most appropriate along the Route 100 and Mountain Road corridors and in/around the villages.

Note: This survey data is intended to indicate the community’s general preferences and priorities as one of multiple inputs to the planning process. This data is not necessarily statistically significant or intended to be taken as a definitive vote on its own regarding actions to take.





Strategies Toolkit



KEY INDICATORS

Cost-benefit analysis: Overview

The matrix below compares strategies in terms of key measures of cost and benefit.

Strategy	Effort to gain approval	Staff capacity to implement	Capital cost to implement	Year-round units produced	Commentary
Housing reserve fund	Moderate	Low	Low	Moderate	Allows funds to carryover from year to year and provides an expedient way for the Selectboard to utilize the funds (such as in contrast with a la carte annual appropriations).
Housing trust	Moderate	Low	Low	Moderate	Partnering with an existing and/or new organization represents the most resource-efficient way for the Town to expand its affordable housing investment capabilities.
Municipal tax levy	High	Low	Low	Moderate	Adds to an otherwise limited set of resources with which to invest in affordable housing.
Inclusionary zoning	Low	Moderate	Moderate	High	Takes advantage of Stowe's uniquely strong market-rate demand and price tolerance.
STR cap	Moderate	High	Low	High	Perhaps the only way to slow speculative investment, revert some units back to long-term rentals for full-time residents, and release investment properties to the market.
Zoning updates	Moderate	Moderate	Low	High	Leveraging recent zoning changes to promote Stowe's housing goals.
CHIPS project(s) (opportunistic)	Moderate	High	High	Moderate	Helps maximize the potential of certain key sites.
Town-owned land for development (opportunistic)	High	High	High	Moderate	Creates an opportunity to unlock some of the few remaining sites in town, including those currently owned by the Town and those the Town could acquire and make available for housing.

KEY INDICATORS

Cost-benefit analysis: Detailed

The table below describes how cost-benefit scores were derived for each strategy.

Strategy	Effort to gain approval	Staff capacity to implement	Capital cost to implement	Year-round units produced
Housing reserve fund	While the establishment of a new fund does not itself require new revenue, it represents a new role for the Town as a direct investor in affordable housing which not everyone supports.	Most effort will be required during the set-up period; once in place, relatively low effort required by accounting, legal, and others to administer and provide annual reports.	Embodied as a new accounting designation, this is a vehicle for funds derived by other means and does not require significant capital expense of its own.	Coupled with a new tax levy, this funding could help close financial feasibility gaps to enable projects that might not otherwise be possible. And/or, this funding could enable affordable units as part of developments that might otherwise only include market-rate.
Housing trust	The Town needs to evaluate options and choose a path forward which may take more time and consideration. Choices include partnering with an existing third party, partnering with a new third party, or establishing a quasi-governmental entity to manage. Each choice has different implications in terms of cost, complexity, and control.	Most effort will be required during the set-up period; once in place, relatively low effort required by accounting, legal, and others to administer and provide annual reports.	Embodied through a partnership with a nonprofit entity, this is a vehicle for funds derived by other means and does not require significant capital expense of its own.	Depending on funding levels, available sites, and allowable density, a nonprofit partner could incrementally add new housing at a variety of scales, from single family and ADUs to multifamily developments containing dozens of units.
Municipal tax levy	The workshop revealed broad support for raising new revenue for housing investment. However, some residents feel burdened by the existing tax rate so clear communication and justification for increases will be important.	Most effort will be required during the set-up period; once in place, relatively low effort required by accounting, legal, and others to administer and provide annual reports.	Funds will be raised through direct taxes, not allocated from existing capital budgets.	Coupled with the reserve fund, this funding could help close financial feasibility gaps to enable projects that might not otherwise be possible. And/or, this funding could enable affordable units as part of developments that might otherwise only include market-rate.

KEY INDICATORS

Cost-benefit analysis: Detailed

The table below describes how cost-benefit scores were derived for each strategy.

Strategy	Effort to gain approval	Staff capacity to implement	Capital cost to implement	Year-round units produced
Inclusionary zoning	The impact of this rule would be borne by developers most directly, not existing residents.	Crafting the ordinance will take time, including potential draft iterations for public comment and Selectboard review. Once in place, administration may require more explanation and negotiation time with developers than other zoning rules. Additionally, monitoring compliance with affordability agreements would require Town resources.	While the cost of providing new affordable units will be borne by the developer (and possibly passed on to market-rate unit occupants), the Town may require consultant support to craft the final ordinance.	Stowe permitted nearly 800 units among 5+ unit projects between 2015-2025 which could have yielded about 80 affordable units with a 10% inclusionary requirement. It is likely many developments may contribute payments in-lieu rather than building affordable units, but this could also offer a significant source of revenue that can be invested in affordable units elsewhere.
STR cap	While many residents support this concept, many are skeptical or opposed, including some who rely on STR revenue for supplementary income or as a business in itself. Getting the details right will be critical and also potentially challenging.	Creating the registry has required extensive staff time already. Maintaining STR registrations on an ongoing basis will likely continue to require significant staff time in administration and stakeholder engagement, especially if caps are location-based.	Most of the required investment is in staff time.	While this rule would not directly lead to the overall creation of new units, it would discourage speculative investment purchases that drive up prices and could, over the long-term, encourage conversion of some STRs to long-term rental units.

KEY INDICATORS

Cost-benefit analysis: Detailed

The table below describes how cost-benefit scores were derived for each strategy.

Strategy	Effort to gain approval	Staff capacity to implement	Capital cost to implement	Year-round units produced
Zoning updates	Most people agree the Town needs more housing units but there is not universal agreement on where new development is more or less appropriate. Passing this policy may involve debates about details such as density, height, parking, and specific locations where development may become more or less permissible.	Writing zoning updates is relatively low-effort but managing the process to gather and incorporate feedback from the community and Selectboard could require significant staff effort and time.	Targeted near-term zoning updates will primarily require staff time to develop and implement. However, a consultant may be needed for more extensive changes to the code longer-term.	Any increases in allowable density represent net-new units that would not have been possible without revised zoning. Additionally, zoning changes can be crafted to reduce per-unit development cost, potentially leading to more attainable housing options.
CHIPS project(s) (opportunistic)	[Update in progress as we consider shifting focus from TIF to CHIPS] TIF involves new Town investment in infrastructure which is technically paid for by the tax increment created by the new development but it does represent the Town assuming some level of new risk which not all residents may support, for example given the risk that taxpayers must fill shortfalls in the event the new tax increment does not cover the bond cost.	[Update in progress as we consider shifting focus from TIF to CHIPS] TIF districts can be complex to set up, would require a specialized consultant, and often require ongoing collaboration and negotiation with potential developer partners.	[Update in progress as we consider shifting focus from TIF to CHIPS] A specialized consultant will be needed to help finalize and document the TIF district. Additionally, though it will be repaid through the tax-increment mechanism, the Town may need to spearhead expensive infrastructure investments as part of the development and construction phases.	[Update in progress as we consider shifting focus from TIF to CHIPS] TIF developments are typically high density, contributing significant new housing supply in a single project. Additionally, these projects are not financially feasible without the public-private partnership behind them.

KEY INDICATORS

Cost-benefit analysis: Detailed

The table below describes how cost-benefit scores were derived for each strategy.

Strategy	Effort to gain approval	Staff capacity to implement	Capital cost to implement	Year-round units produced
Town-owned land for development (opportunistic)	The public workshop and online survey revealed support for this strategy, though finding consensus on which site(s) to prioritize will require continued community conversation.	Especially given the limited supply of Town-owned land (and available land in general), it is likely each property offered for development will involve significant community dialogue regarding its appropriate use and development/design parameters as well as extensive negotiation with developer partner(s) on the details of proposed projects.	Though land currently owned by the Town could be considered a "free" resource, it has substantial inherent value that would be "spent" to the degree it is contributed to a development deal rather than sold at market value. Additionally, this could include additional land purchased by the Town.	Similar to TIF, the units created on these sites are possible entirely "but for" the Town's contribution of the land. While the Town does not hold extensive amounts of land, there are several public sites that could yield a significant number of units.