



Montpelier, VT Listening Event

Narrative Report

February 4, 2011

Overview

At the recommendations of the local partnering organization/Community Development Advisory Council Member the meeting was absent any small group exercise. It was decided that “round table” discussion by those in attendance provided a unique opportunity to review and discuss the community development challenges identified during previous events and poll the group in terms of similarities and differences which may be unique to the Vermont experience. This is particularly true given the Montpelier event was the 5th session in the series of five Listening Events (Berlin & Manchester, NH, Bangor & Portland, ME & Montpelier, VT).

Topics

Those in attendance reviewed and discussed the following community development challenges within the context of two Framing Questions.

1. Are the community development challenges identified at previous Northern Tier Events specific to ME & NH or shared by VT and if so;
2. What specific community development challenges exist as an impediment to progress in VT?

Community Development Challenges Brought Forward at the Previous Listening Tour Events

1. What approach best serves the community development needs within the Northern Tier of the District (Place Based or Regional Approach)?
2. The absence of Broad Band Infrastructure & it's impact on
 - Workforce Development
 - The ability to attract business and industry and support current needs
3. Aging Housing Stock & its impact on working families.
4. High Cost of Energy
 - NH's Northern Pass Project
5. The “aging” of New England
6. Role of Community Colleges as a “portal” to a 4 year degree program OR as primary providers of workforce development training.

Participant Responses to Previously Identified Community Development Challenges in NH & ME

Place Based or Regional Approach for VT's Community Development Sector

- It was generally agreed to by all those in attendance that the above mentioned community development challenges are NOT specific to NH and ME and that in fact VT is impacted by similar if not the same community development challenges.
- Those in attendance suggested that VT must work with its NH and ME community development partners to alleviate these challenges. Suggests participants are supportive of working regionally on positively impacting these issues. Specifically those in attendance suggested the application of “Acute Pressure” that fosters “political will” is the only means of positively impacting these issues.
- Vermont has to work regionally; most of it borders other states and another country. These border communities are impacted by neighboring tax policies, infrastructure, and resources (for example retail along the New Hampshire border is scarce).
- Must stand together with a joint agenda: an interconnected network

Broad Band Internet Service

- Can't be done by for-profit business
- Coverage issues at city/town edges, not just rural areas. It's a geographical issue because of the north-south orientation of the mountain ranges (and valleys) in Vermont.
- Low-income housing buildings can be a hub offering access to residents – Lack scale with limited impact.
- Speed and access is an issue in VT. VT speed is slower than others.
- Cost: small businesses pay more for internet access.
- Roll-out: hard to unbundle services and sometimes one part of the bundle isn't available in VT (IE. Telephone, Cable Television and Internet).
- Private telecommunications companies take the lucrative side of the business and leave non-profitable side to States, Municipalities or other NGOs to resolve.
- It was suggested Vermont has money to make universal broadband happen in the next 3 years: need state level authority to make people play well together.
- National policy issue: broadband companies aren't required to lease infrastructure to other providers which creates a very fragmented system.
- Service coverage doesn't have a pattern or a reliable corridor: for example I-91 doesn't have consistent signal
- This issue won't be solved with one size fits all technology because of VT's geography: mountains, valleys, rocks, buildings, and foliage interfere with satellite and cell signals
- A general lack of political will and local control inhibits moving forward regionally.
- International border: homeland security issues related to poor technology access could provide the opportunity to access multiple “pots of money” (Homeland Security, FCC, USDA, Etc.).

Aging Housing Stock

- Similar issue amongst all New England's older towns and cities. Weatherization needs are endless.
- In 2009, an estimated 44% of owner-occupied, primary residence housing stock was built before 1950. (Source: Vermont Housing Finance Authority)

High Cost of Energy

- Energy burdens are endless on homes and commercial sites.
- Vermont has one of the lowest costs of energy in New England but is ranked high in total cost when compared to all 50 states.

The Aging of Vermont/New England

- Vermont and Maine are top 2 in regards to aging populations: we have many “**GOMERs**: Get Out of My Emergency Room”: people with long medical histories make it more difficult for ER docs,
- Vermont’s Median age is 37.7 (Source: US Census)
- Once a senior sells their home, they can’t afford another in area with services (transportation, medical); Vermont is on the cliff and there is no water in the pool.
- Vermont has the highest rate of influx of people age 85+
- In the next 25 years, Vermont’s 65-and-over population is expected to increase by 112 percent, according to the U.S. Census. That increase is on par with a projected national increase of 104 percent. Additionally, Vermont has the lowest birth rate in the nation.
- For more information: www.stowetoday.com/stowereporter/archives/article_12e07feb-b168-584b-b226-f7b9ebf9d185.html

Role of Community Colleges and Workforce Development Training

- Community College structure in Vermont is very weak on technology careers: not responsive to local need, not a local campus feel, tech is covered by Vermont Technical College
- Business Dynamics Statistics: According to the Kaufman Foundation: creators of jobs are companies younger than 2 years old; job creation policies are focusing on older more established companies
- Vermont doesn’t have the 3 models of tech Ed. in New Hampshire: NH secondary Ed., regionally integrated with high schools, VOCI
- Labor, business and government need to work together to eliminate division of wealth and find solutions that work: for example applications to work in New England as a region.

Participant Input Regarding Vermont Specific Community Development Challenges

When asked about community development challenges that are Vermont specific, the following issues/items were identified as impediments to building equitable economies and sustainable communities in VT.

1. Lack of access to reliable transportation (Public)
 - Lack of access to public transportation: long commutes to living wage paying jobs, affordable housing opportunities, etc. and 2nd/3rd shift do not have public transit options,
 - Vermont pay cut: crossing the border from NH equates to a 20-30% pay decrease
2. Lack of access to medical services for young families.
 - Disproportionate lack of medical services and educational opportunities in rural areas: leaves dysfunctional market or “ill-liquid” stagnant development
3. Continued declines in housing values & Vermont’s “New Construction – Cost & Market Value Conundrum”.
 - New Construction in Vermont can typically cost \$85 - \$95 per square foot to build. This includes the land, site work and the cost of the home. Lenders will typically “value” the new home at \$65 per square foot thus leaving the buyer/builder “under water” the day the mortgage is closed.
 - Realistic “Comps” don’t exist and valuations from Lenders don’t reflect the “real cost” to construct energy efficient homes.
4. Gentrification of the cost of land & the impact (or lack thereof) by “part-time” residents.
 - Second homes: Vermont and Maine are top 2 for second homes. These bring limited economic impact excluding property taxes. Second home owners don’t typically invest financial or social capital, and drive up the cost of land. Many “part-time” residents will live 6 months and 1 day out of state to avoid income taxes.
 - VT towns can resist housing development if it effects provision of school services
 - To pay for educating 2 children from K-12, it was suggested one would have to tax a home for 90 years

Input from Listening Event Participants Regarding their Research & Data Needs

General Observations regarding VT and Research

- Rugged individualism creates data collection issues; selective with what we share and who we share data with.
- Research is often urban based although it may not always be evident to the researcher.
- Current Lack of access to reliable data: one big employer in one sector eliminates data because it is proprietary business information; Vermont law prevents release of data if it reveals a particular business' proprietary information: for example forestry business in southern VT, IBM manufacturing in Chittenden County

Specific Data/Research Needs/Comments Provided by Participants

1. Unbiased critical study that doesn't look at community development from one lens (IE. Housing, Workforce Development, Energy, etc.) but connects multiple community development challenges/policy issues quantitatively demonstrating the interrelatedness of these issues and how they impact the low-income communities we serve in Vermont, New Hampshire, and Maine. For example, because there wasn't affordable housing, what does that mean for employment, because there are higher utility costs, what does that mean for business development?
2. Relationship between the loss of housing equity during the most recent recession and how such occurrences have changed family's assets/savings for children's education/business financing/retirement.
3. Current cost of capital has led many to refinance their homes which have helped some people begin saving more as evidenced by our Lender's balance sheets.
 - a. **Research Question:** What has been the economic impact on families at the micro level who have chosen to refinance? Has this translated to the improved financial conditions of working families in terms of asset creation?
4. Given the recent regulatory changes brought forward by Dodd-Frank many banks report pressure for increased capital earnings and reserves. Profit margins are lower for providing services to low and moderate income customers relatively so Banks are moving towards working with people with higher balances and less risk; people who are least able to pay fees are becoming unbanked or paying higher fees.
 - a. **Research Question:** Have some elements of Dodd-Frank created the unintended consequences of serving to create a class that is financially excluded and/or unable to access ANY financial institution thereby causing them not to have savings or retirement accounts and/or are forced to use check cashing services, high rate credit cards, etc. How does this impact the financial literacy of individuals and communities?
5. Low income people are increasingly excluded from banking services, access to credit and mortgages. Moreover even if they save, their savings are shrinking in relation to inflation in this low-interest environment. I would like the Community Development Committee to take up this issue in particular and become an advocate for the increasingly 'unbanked' low income community. As both the regulators of monetary policy and a bank regulator the Federal Reserve Bank is in a unique position to lead on this issue and to make a difference for this community.

This is an issue that looms large as it will contribute to intergenerational poverty. People need jobs. They also need to be able to build assets and equity if they and their offspring are ever to move up into better paying jobs. The stock market is back. Bank and investor bonuses are back. It's time to focus on financial opportunities for the citizens hardest hit from the crash or the gap will merely widen.

Additional Points of Interest

- Languages spoken in Burlington schools: 47 (source: Burlington School District).
- Burlington is Vermont's largest city (39,000) within the most populated county (30% of the State's population).