



Housing in Burlington:

Town-Gown Efforts to Manage Student Housing

11 March 2024



Investigative Report 24-03

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Investigative Report: An investigative report is a tool used to inform citizens, policymakers, and State agencies about issues that merit attention. It is not an audit and is not conducted under generally accepted government auditing standards. Unlike an audit, which contains formal recommendations, investigative reports include information and possible risk-mitigation strategies relevant to the topic that is the object of the inquiry.

Contributors to this report:

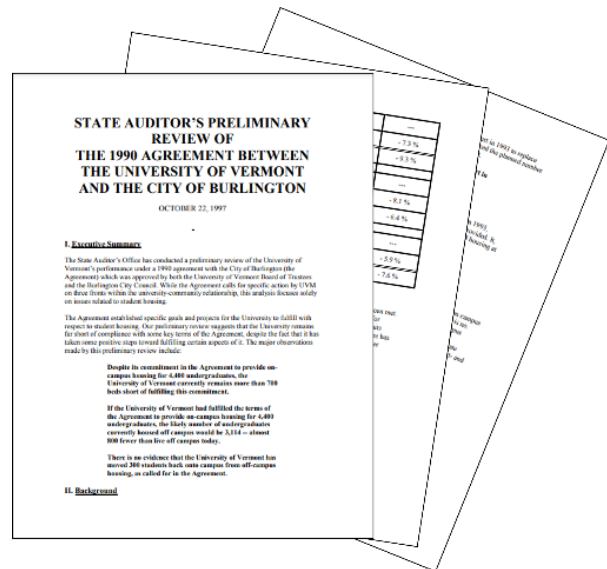
Doug Hoffer, State Auditor

Tim Ashe, Deputy State Auditor

Ilan Weitzen, Government Research Analyst

Introduction

This is the second time the State Auditor's Office has reviewed attempts by the City of Burlington and the University of Vermont (UVM) to reach agreements intended to increase the amount of UVM campus and affiliated housing and reduce the pressure off-campus students impose on the Burlington housing market. The first [review](#) in 1997 analyzed UVM's fulfillment of obligations under their 1990 agreement with Burlington. This report has been produced while a new Memorandum of Understanding is being considered to address these same issues. The MOU would be the third between Burlington and UVM.



While previous and future MOUs are agreements between the City and UVM, there is a compelling State interest in the factors giving rise to the agreements and the agreements' success addressing them. Each year the State budget includes a substantial appropriation of funds to UVM –\$54 million in FY24, plus \$1.6 million in capital funds for building construction, renovation, and major maintenance. Also, whatever impacts the number of UVM students living off-campus has on the Burlington housing market, especially on rental supply and rent prices, will at least partially result in affordable housing organizations seeking grant funding from the Vermont Housing and Conservation Board (VHCB). VHCB funds affordable housing development and land conservation throughout Vermont, including Burlington. Prior to the pandemic, the State budget appropriated approximately \$30 million each year to VHCB.¹ Recent awards to Burlington affordable housing projects include: \$7.3 million to the Champlain Housing Trust (CHT) to construct 38 apartments on the site of the former VFW, \$2 million to the Committee on Temporary Shelter (COTS) to construct 16 apartments on Main Street, and more than \$5 million to a combination of CHT and Cathedral Square for new rental and ownership units at the Cambrian Rise development.²

Our review is limited to providing context about the relationship of UVM's enrollment numbers and real estate to the Burlington community. In light of what we report here, we offer suggestions to the relevant parties regarding any new MOU in order to increase the chances that the intended benefits will be realized.

Our review is timely as two housing pressures are effectively locking horns – Burlington's extremely low vacancy rate of 1.5% and UVM's stated intention to achieve and maintain a 1st year undergraduate enrollment count of 3,000 students. Collective failure to manage the housing element of this enrollment level could further stress Burlington's housing market, necessitating State funds to mitigate the impacts.

¹ Annual VHCB appropriations have jumped since the beginning of the pandemic. \$99.5 million was appropriated to VHCB in FY23, and \$86.5 million in FY24. In some years, the Legislature has increased VHCB's appropriation through the mid-year budget adjustment process.

² VHCB's [2018](#), [2019](#) and [2023](#) Annual Reports to the Vermont General Assembly.

What did we find?

- UVM’s total student count has grown substantially, from 9,095 in 1990 to 13,469 in 2022.³ This includes both undergraduate and graduate students.
- On-campus and affiliated housing has not kept pace with the growth in student count, rising from 4,278 available on-campus and affiliate beds in 2000 to 6,637 beds in 2023.
- UVM student count growth accounts for more than two-thirds of all Burlington population growth since 1990.
- Compliance with previous agreements between the City and UVM has been mixed. The available data suggests that their combined effect on the Burlington housing market has not reduced off-campus housing pressures.
- The draft MOU presented in December 2023, as written, leaves open the possibility that UVM could comply with the MOU while the number of students housed off-campus grows. Weaknesses include the definition of the term “Available Beds,” lack of clarity about which type of students UVM and UVM-affiliated housing will serve (underclassmen, upperclassmen, graduate students), permissiveness about the use of so-called “forced triples,” discussed below, and a lack of consequences if UVM does not meet its expectations.

A Note About the Data We Encountered

In order to prepare this report, we reviewed an extensive range of sources and documents – previous agreements between the City and UVM, reports UVM filed with the City, enrollment data from UVM websites and supplied by UVM administrators, and more. We appreciate the responsiveness of the UVM officials we contacted; they supplied us with everything we requested.

However, the data is confusing. For example, it is not clear how much of UVM’s 6,637 bed housing capacity is occupied by upperclass students or graduate students. Similarly, different sources list different annual enrollment figures.⁴

The challenge of reaching a clear understanding of UVM’s housing performance is illustrated by a simple snapshot in time. In 2019 (the last year of the second Agreement described below) UVM reported on-campus and affiliated housing capacity of 6,411 beds. That Fall, UVM reported undergraduate enrollment totaling 10,700. If all 6,411 beds were occupied by undergraduates, there would be a “gap” representing 4,289 students who would need to find off-campus housing. However, UVM estimated that in 2019 only 2,741 undergraduate students were living off-campus in Burlington. Normally UVM assumes that roughly 80% of its off-campus undergraduate students live in Burlington, with the remainder in other communities. In this case, 80% of the 4,289 student gap is 3,431 students. It appears that 690 students have not been accounted for. This reporting gap reduces our confidence that the off-campus Burlington undergraduate student count has been accurately reported.

³ Total excludes certificate and non-degree students. Source: <https://www.uvm.edu/oir/enrollment>.

⁴ For example, in a 2012 letter to the City providing an update relating to the second agreement, UVM reported that Fall 2011 undergraduate enrollment was 10,239, while [UVM’s student enrollment data tool](#) reports the same enrollment figure as 10,459.

All stakeholders would benefit from *de novo* calculations and reporting of UVM’s total undergraduate enrollment, total graduate enrollment, total on-campus and affiliated housing capacity, and estimated number of undergraduates and graduate students living off-campus in Burlington over time.

Burlington Population and Housing Trends – Context for a New MOU

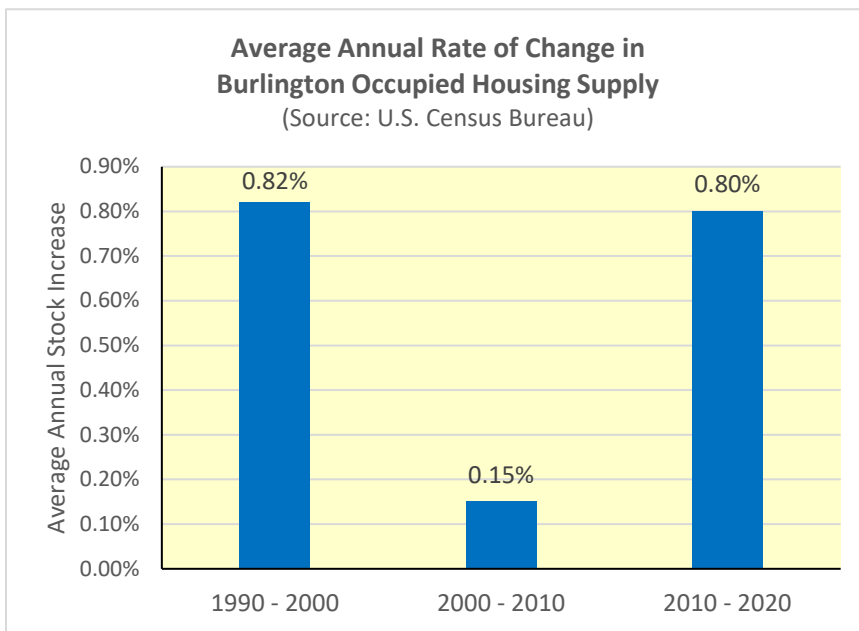
Burlington’s housing market is impacted by a number of factors. Among the most consequential are changes in household sizes, the rate of new housing creation, the conversion of housing units to short-term rentals, and, the focus of this report, UVM student housing policy and assets.

Burlington’s population growth since the first UVM MOU has been modest. In 1990 Burlington’s population was 39,127, and rose to 44,595 in 2022, an increase of 5,468. During the same period, UVM’s total student enrollment grew by 4,993. While comprehensive historical data is not available, using the assumption first offered by UVM that approximately 80% of off-campus students reside in Burlington,⁵ we conclude that most of Burlington’s population growth the last three decades is attributable to UVM enrollment growth and that one of every four Burlington residents is a UVM student.

Burlington renters, non-student and student alike, have confronted extremely tight rental conditions for many years. In 1990, the city’s rental vacancy rate was 4.0%. By 2010, the rate had dropped to just 2.5%. A 2023 analysis conducted for the City’s Community and Economic Development Office (CEDO) had the December 2023 vacancy rate at an anemic 1.5%. The Vermont Housing Finance Agency considers a rental vacancy rate of under 5% to be unhealthy for renters, pushing up rents.⁶

The rate of increase of housing supply in the City (which does not include dormitories) has been modest since 1990 as seen in the chart at right. The decade from 2000 to 2010 was especially sluggish, with a 0.15% annual increase in housing supply.⁷

At the same time, some housing units have been *removed* from the rental and homeownership markets in favor of being listed as short-term rentals. Just 36 short-term rental properties were listed in Fall 2014. By September 2023, that number climbed to 270



⁵ In its 2015 report to the City, UVM estimated that 79% of off-campus students live in Burlington.

⁶ The 1990 and 2010 vacancy rates are drawn from Vermont Housing Finance Agency’s HousingData.org [rental vacancy rate tool](#). The 2023 vacancy rate is from an analysis performed by Burlington’s Community and Economic Development Office by Allen, Brooks & Minor.

⁷ Vermont Housing Finance Agency’s HousingData.org [rate of change in housing supply tool](#).

properties.⁸ It's important to note that that represents 270 entire properties – the figure does not include instances in which a single room in a house or an apartment may be listed.

Overall, there are two critical numbers that express the pressure UVM off-campus students place on the Burlington housing market: total student enrollment and total on-campus and UVM-affiliated housing. The data points to a growing divergence between UVM's increasing enrollment and their capacity to house those students.

The undergraduate housing gap has grown by 1,849 beds since 2000 (59%) and is now almost 5,000 beds. This gap does not include graduate students in the student count, though any on-campus and UVM-affiliated housing that is available to them is included. In other words, the true UVM student housing gap is even wider.

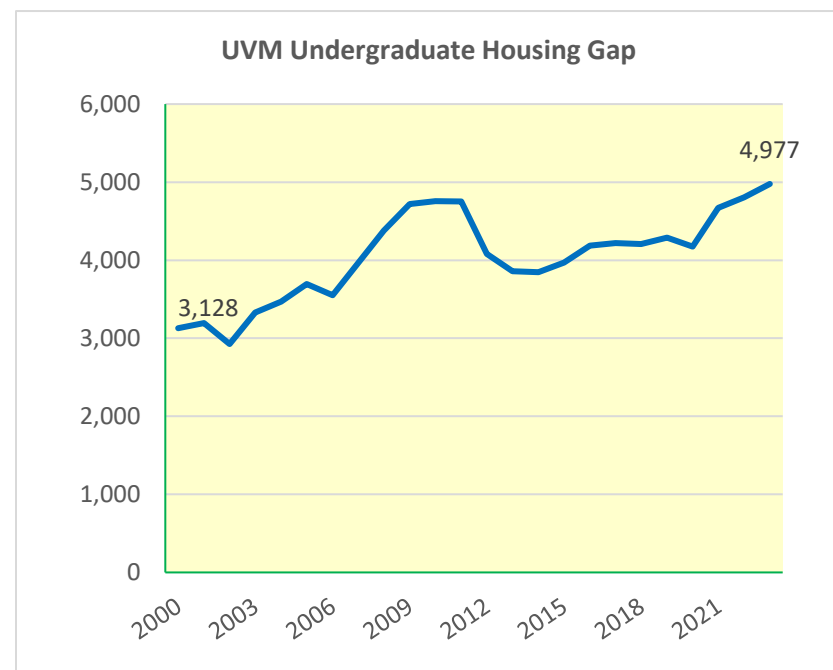
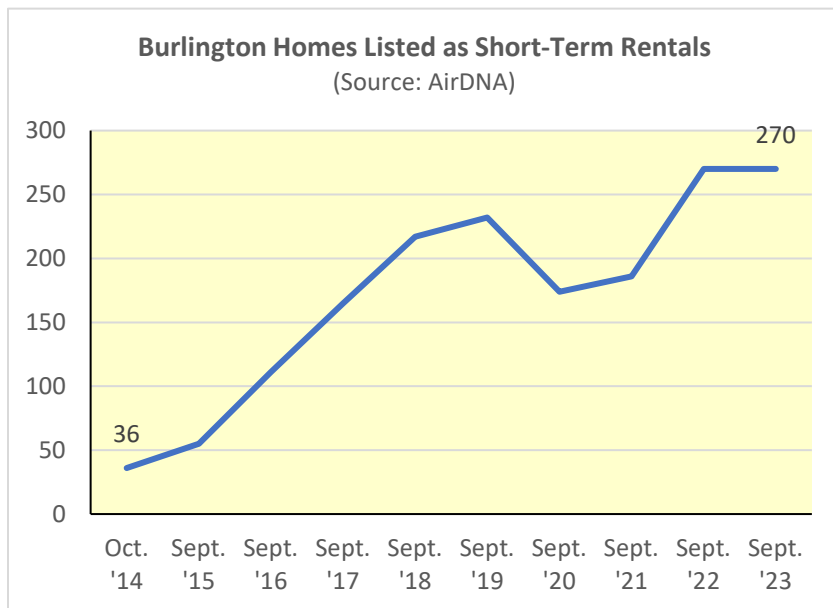
Impact of Previous Agreements

The First Agreement: 1990 - 1999

As our office wrote in its 1997 review, "On March 21, 1990, UVM and the City of Burlington signed an agreement concerning their relationship with respect to housing of students, parking

facilities and traffic circulation. The Trustees of the University...and the Burlington City Council originally entered into the Agreement to address points of friction that could otherwise injure the long-term relationship between the University and the City."

The Agreement outlined three goals relating to UVM student housing:



⁸ Vermont Housing Finance Agency's HousingData.org [short-term rentals tool](#).

1. Provide housing for a total of 4,400 students on-campus by specifically providing housing for 850 more students than the 3,550 housed on campus at the end of the 1989 fall semester.
2. Provide housing for students currently residing in fraternity/sorority housing if the number of beds drops below 370 due to the closing of a house or loss of residential space in any building.
3. Build 100 new apartments for the residents of University Heights by 1995

Three specific actions were required in order to meet the housing goals:

1. The construction of at least 165 new student apartments to house a minimum of 544 students at University Heights and the Redstone Campus.
2. Returning at least 300 students who currently reside in off-campus, non-fraternity/sorority housing to on-campus housing.
3. The construction of 100 new apartments (depending on the regulatory process) at the Orchard site, or elsewhere if conditions warrant, to replace University Heights Housing.

Seven years into the life of the Agreement, UVM’s performance fell far short of the on-campus housing goals. The second goal was moot because there was no actual reduction in available fraternity and sorority housing capacity. The third goal was achieved with the construction of Centennial Court in 1993.

The most impactful goal, however, was not met. Despite the addition of 208 student beds on Redstone campus in 1993, the September 1997 edition of the UVM Campus Master Plan stated that the then-current on-campus housing capacity was 3,700 students, more than 700 less than was anticipated in the Agreement.

UVM President Salmon explained in a letter to Burlington’s then-Mayor Clavelle that UVM’s failure to increase the on-campus housing stock was primarily due to a decline in enrollment negating the need for additional on-campus beds. He also cited UVM’s belief, at the time, that rental vacancy rates were rising which would make it harder to market to students who were not required to live on campus.

Regardless of any merit to UVM’s claims, the consequences for Burlington renters of UVM’s failure to add more on-campus housing were significant. The chart below shows a summary of what the number of undergraduate off-campus students would have been if UVM had provided housing for 4,400 students on-campus, as called for in the Agreement. In short, if UVM had fulfilled all the terms of the Agreement, there would have been as many as 800 fewer off-campus students competing with nonstudent renters.

Projected UVM Housing Statistics (SAO 1997)					
Students / Year	Enrollment	Annual On-Campus	Annual Off-Campus	Projected On-Campus (<i>Under Agreement</i>)	Projected Off-Campus (<i>Under Agreement</i>)
Undergraduate, Fall '89	8,029	3,545	4,484	3,545	4,484
Undergraduate, Fall 95	7,539	3,550	3,989	4,400	3,139
Undergraduate, Fall '96	7,375	3,545	3,830	4,400	2,975
Undergraduate, Fall '97	7,514	3,613	3,901	4,400	3,114

The Second Agreement: 2009 – 2019

In 2009 the City and UVM formalized a second agreement (officially called a Memorandum of Agreement) establishing mutual commitments to address continued concerns about the impact of students on Burlington’s neighborhoods and rental housing market. Originally set to expire in 2014, it was extended by both parties in 2019.

The Agreement committed UVM to:

1. Pursue construction permits to allow the use of McAuley Hall for 163 additional student beds to be made available by the start of the 2009-2010 academic year.
2. Pursue construction permits for a 400-bed apartment-style project with the goal of having those available for the 2011-2012 academic year.
3. Provide a 1:1 housing match for the enrollment of new students beyond the number enrolled in the Fall of 2009, to be certified by the University bi-annually.
4. Identify the number of students living off campus and, to the extent possible, where they live, so that both parties could collaborate to address impacts on specific neighborhoods, and report these statistics annually to the City Council.

The Agreement committed the City to: (1) exclude on-campus housing requirements then being recommended by the City’s Planning Commission in its pending zoning ordinance⁹, and (2) refrain from enacting any ordinance requiring that UVM create additional housing above and beyond what was specified in the agreement.

The most notable of our findings is that the Agreement, as structured, had very little impact on the number of undergraduate students actually living off-campus in the City, despite the fact that both parties adhered to their obligations. In 2011 (the first year the count was provided by the University), UVM reported a total of 2,790 students residing in Burlington proper. Eight years later, in 2019, the total provided was 2,741 **In other words, according to UVM, just 49 fewer students were living off campus following the decade the 2009 Agreement was in effect.** Therefore, although the undergraduate population in Burlington did not increase pressures on Burlington’s housing market, the Agreement did not alleviate them either.

We also find that the Agreement did not include mechanisms to ensure that data collected by UVM and reported to the City was accurate and sufficient to hold UVM accountable for its performance. In particular, in order to estimate the number of students living off-campus in Burlington, UVM relied first on self-reporting by students, and then simply extrapolated from those responses though it is not clear

⁹ In February 2009, Burlington’s Planning Commission recommended a series of changes to Burlington’s Comprehensive Development Ordinance. Section 4.4.4 of the proposed [“ZA-09-13 UVM Core Campus and Height Overlay”](#) package would have prohibited UVM from filing permits for any new development exceeding 10,000 sq. ft. after September 1, 2014 unless at least 70% of enrolled students were housed within defined Institutional zoning districts or outside of Burlington, or after September 1, 2017 unless 75% of enrolled students were housed within defined Institutional zoning districts or outside of Burlington.

whether survey respondents were a representative sample of students. Using this process, UVM assumed and reported that just under 80% of the off-campus population lived in Burlington.¹⁰

In addition, we find that UVM’s housing strategy during the performance period relied at least in part on the use of “forced triples.” The term refers to the conversion of double rooms, designed to comfortably accommodate two residents, into triple rooms by adding an extra bed. Sometimes utilized on campuses as a temporary solution during peak admission periods or unexpected housing shortages, “forced triples” have become a more permanent strategy at some universities to address the disparity between the number of students and available housing capacity.

The Next Agreement: 2024

The draft of a new, third agreement, a Memorandum of Understanding, between Burlington and UVM to address the impacts of UVM students on the Burlington housing market was presented to the City Council on December 18, 2023. At its core, the Agreement would require UVM to increase the “Available Beds” on campus by 1.5 beds for every additional undergraduate student enrolled beyond Fall 2023’s baseline enrollment. For its part and to facilitate UVM’s obligations, the City would commit to work with UVM to enact zoning modifications affecting three locations: UVM’s Trinity Campus, 280 East Avenue, and the Waterman block. These zoning changes would combine to enable UVM to add up to 1,500 new student beds.

We offer the following observations about the draft MOU to help Burlington and UVM officials ensure that a finalized agreement truly holds both parties accountable and achieves their primary objective of alleviating off-campus students’ impacts on Burlington’s housing market.

1. The draft MOU utilizes a definition of undergraduate student housing that would allow UVM to satisfy the letter of the agreement, but not the spirit. It reads:

“Available Beds means the total number of beds for UVM Undergraduate Students made available, or for which a contract for construction has been executed, as a result of efforts on the part of UVM through any of the following methods:

- *Existing on-campus housing*
- *Newly constructed on- or off-campus housing*
- *Leasing additional newly constructed or currently existing off-campus housing units within Chittenden County for the specific purposes of housing Undergraduate Students”*

As written, it appears UVM could satisfy their housing obligations under the MOU by simply converting double rooms into triples. Beds “made available” in “existing on-campus housing” are not the same as new dorm rooms or new dwelling units. Theoretically, UVM’s on-campus and affiliate housing stock could actually go down while still complying with the MOU by increasing the number of forced triples. In such a scenario, enrollment would grow, and off-campus pressure would worsen even while the MOU was adhered to. We do not suggest this is UVM’s intention, but it is at least possible under the draft MOU as written. This highlights the

¹⁰ This methodology is described in the UVM’s 2015 letter to the City updating adherence to the second agreement.

need for definitions that are more explicit. In the past UVM has used the term “design capacity” to signify the number of students intended to occupy its real estate. If a room intended for two students became a forced triple, the “design capacity” remained two occupants. This or another term would make it easier to track the capacity of UVM-owned and affiliated student housing to accommodate undergraduate students.

2. The draft MOU addresses only *undergraduate* housing, but UVM could also grow enrollment in its graduate and medical programs. While some community impacts (e.g., noise) may be more acute with off-campus undergraduate students, the effects on the housing market are the same whether the renter is an undergraduate or graduate student. While UVM has articulated their intent to maintain incoming first-year class sizes of approximately 3,000, UVM’s *graduate* student enrollment has grown significantly over the last two decades. As shown in the table below, total graduate student enrollment (including medical students) has grown by 46% since 2000.

Graduate Students	Spring 2000	Spring 2024	Change
Masters	727	839	112
Doctorate	295	728	433
Medicine	385	487	102
Total	1407	2054	647

The parties should consider including graduate student enrollment into any new MOU.¹¹

3. Draft MOU Term #2, “UVM’s Housing Increase Commitment,” reads: “UVM will increase the number of Available Beds by an amount that is at least 1.5 times the increase in the number of Undergraduate Students over and above the Baseline, as measured at the annual Census Date, for the duration of this MOU.” This raises three concerns. First, because it relies on an increase in “Available Beds”, which can be achieved by simply utilizing forced triples, it has the same problem discussed above. Second, because the new Available Bed commitment is silent on who they will house, underclassmen and/or upperclassmen, UVM can comply with the MOU while *adding* to off-campus housing pressures since there is nothing requiring juniors and seniors to utilize the on-campus or affiliate options. Third, as students become juniors and seniors, holding all other factors constant there should be unused Available Beds in years 3 and 4 of a four-year cycle. UVM can comply with the MOU by saying they have “available beds” (e.g. the potential conversion of doubles into triples) that just aren’t filled. The result would be unused theoretical beds while off-campus pressure grows from the baseline year.
4. Term #5, “UVM’s Commitment to Furnish Data,” is important but the lack of specificity risks its effectiveness. At a minimum, the MOU could be more specific about what’s to be in the report, including the location of every UVM or affiliated housing facility, the number of Available Beds (or its replacement definition) in each, any restrictions regarding which UVM people can live in the housing (undergraduates, graduate students, faculty, staff), and the start and end dates of any contracts with affiliated housing sites. This latter concern is notable in light of UVM’s increased contracting with private real estate owners to house students and faculty.¹²

¹¹ <https://www.uvm.edu/oir/enrollment>

¹² <https://www.uvm.edu/reslife/affiliate-housing>

5. The second paragraph in term #7, the “Term of MOU,” is confusing in a way that reduces accountability. The specific passage reads:

“The University is committed to the goal of incoming first-year classes of approximately 3000 students per year, and the Parties anticipate that UVM’s commitments in Paragraph 2 can be met based on this goal. However, should undergraduate enrollment as compared to the Baseline grow in such a way that UVM’s commitments in Paragraph 2 cannot be met, the Parties will reconvene to consider the possibility of amending this MOU. Further, the Parties agree that, if the terms of this MOU are not met within the timeframes stated herein, they will meet to discuss further options for achieving the goal of helping to provide relief for the Burlington housing market.”

It is not clear whether this envisions enrollment levels below 3000 first-years, or larger enrollment. As written, it seems to allow UVM to grow faster, with the only MOU requirement in such a case being that UVM would have to meet with the City for discussions. If the City makes the zoning changes described in the draft MOU, UVM would be in a position to create new on-campus housing. However, if it grows enrollment beyond their current target of 3000 first year students *without* them adding on-campus or UVM-affiliated undergraduate housing capacity, there is no sanction built into the agreement. **We have no reason to doubt the intentions of the parties to the agreement, but as written the City could do its part, but UVM could fail to add sufficient new housing capacity as the MOU envisions without any consequence for UVM.**

6. The MOU does not address UVM’s current policy of requiring only 1st and 2nd year students to live on campus or in UVM-affiliated housing. Regardless of the number of beds UVM provides on campus or in UVM-affiliated housing, off-campus housing pressure is almost certain to increase despite the MOU if a larger upperclass cohort is not compelled or enticed to live in UVM housing.
7. UVM has contracted with several property real estate firms to provide UVM-affiliated housing to students and/or faculty, both on campus and off. The MOU should require details about those agreements, including, at a minimum, the number of UVM people contracted to live in each facility and the length of the lease terms. In addition, the parties may wish to clarify any circumstances in which off-campus, UVM-affiliated housing would not be acceptable. For instance, the City may want to clarify that the terms of the MOU cannot be met, in whole or in part, by purchasing an existing multi-unit rental building in Burlington and replacing nonstudent renters with students.

Conclusion

It is not the role of the State Auditor’s Office to opine on how the City should manage its relationship with UVM and UVM student housing. Instead, we offer these observations to generally inform local and state policymakers who have an interest in aligning important housing policy goals with the State funds available to pay for the direct and indirect impacts of on- and off-campus housing. The suggestions we make concerning any subsequent draft of a new MOU are in the spirit of reducing risks to all parties, including the State.

MOUs between the City and UVM have not had the effect of reducing the number of off-campus students in the past. A well-designed MOU, however, coupled with the good faith actions of both parties, could. We wish the City and UVM well as they continue to explore a new MOU.