

# Housing

*in the*

## *Addison Region*

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**a guide for  
town planning**

*Prepared by: Addison County Regional  
Planning Commission, February 2001*



# Q. Why plan for housing?

## A.

### **All Vermonters deserve access to quality permanent housing.**

Safe and affordable housing supports family sustainability fostering long-term community involvement. Children are able to attend a single school system, involving their parents in school and community events. As they grow, those children should have the opportunity to continue to live in that community.

Planning for housing gives municipalities the ability to meet current and future housing needs and protect the qualities that make their communities special places to live.

### **Economic stability depends on safe and affordable housing.**

The current economic expansion cannot continue without safe and affordable housing. Working Vermonters need places to live. As the housing market tightens, employers have a harder time attracting new workers to meet the needs of expanding businesses.

As the availability of housing becomes more critical, state agencies that grant funds to municipalities will be linking housing policies and priorities to the investment of public dollars.

## Addison Region Snapshot

2000 Median Family Income  
= **\$42,100<sup>1</sup>**

2000 Median Sale Price R-1  
= **\$114,000<sup>2</sup>**

2000 Median Sale Price R-2  
= **\$181,000<sup>3</sup>**

2000 Fair Market Rent 2BR  
= **\$598/month<sup>4</sup>**

2000 Housing Units  
= **13,000<sup>5</sup>**

2000 Estimated Households  
= **12,000 - 14,000<sup>6</sup>**

<sup>1</sup> US Dep't of Housing & Urban Development estimate of median family income.

<sup>2</sup> R-1s are primary residences on less than 6 acres. Sale value taken from the property transfer tax returns.

<sup>3</sup> R-2s are residences on 6 acres or more.

<sup>4</sup> Fair market rent as determined by US Dep't of Housing & Urban Development.

<sup>5</sup> Approximate figure estimated by projecting 1990-98 growth rate forward.

<sup>6</sup> Estimate based on projected population and household size.

# Q. What is affordable housing?

The VT Dep't of Housing and Community Affairs has determined that **housing is affordable when it requires no more than 30% of the income for a household earning 80% of median income.**

For homeowners, **total housing cost** is a combination of **mortgage payment, property taxes and homeowner's insurance.** For renters, the total cost includes both **rent and utilities.** Generally, the

total cost is used in determinations of housing affordability.

Housing studies may use different variations

= **30%** of **80%**  
of median income

on the affordability formula. Mortgage lenders generally say that a household should **not have more than 33% of its income tied up in short-term or fixed debt** (car payments, credit cards, mortgage). Affordability indexes may use figures ranging from 25 to 30% of income and down payments ranging from 5 to 20%.

According to the US Dep't of Housing and Urban Development "**affordable housing is appropriate housing that can be purchased by people for a reasonable percentage of their income.**" A household with an average income should be able to buy an average priced home.

# Affordability in the Addison Region

*... doing the math*

## A household that earns ... ... can afford to spend

120% of median income ~ \$1,263  
100% of median income ~ \$1,053  
**80% of median income ~ \$842**  
50% of median income ~ \$526  
30% of median income ~ \$316

### a month on housing.

*Uses HUD's 2000 median income of \$42,100 and  
assumes household is spending 30% on housing.*

## The monthly housing payments on ... ... a home on less than 6 acres.

**with a 20% down payment = \$844**  
with a 10% down payment = \$920  
with a 5% down payment = \$958

### ... a home on 6 acres or more.

with a 20% down payment = \$1,340  
with a 10% down payment = \$1,461  
with a 5% down payment = \$1,521

*Uses 2000 median sale prices of \$114,000 for an R-1  
and \$181,000 for an R-2; assumes a 30-yr fixed rate  
mortgage at 7%; assumes 2% property taxes; and  
estimates \$5 per \$1,000 in homeowners insurance.*

## Fair Market Rent

1 BDRM = \$514/month  
2 BDRM = \$598/month  
3 BDRM = \$834/month

## Housing Wage

Working 40 hours a week, a  
renter would need to earn ....

\$9.88/hour to afford a 1 BDRM  
\$11.50/hour to afford a 2 BDRM  
\$16.04/hour to afford a 3 BDRM

Working at minimum wage,  
\$5.75/hour, a renter would  
need to work ...

69 hrs/week to afford a 1 BDRM  
80 hrs/week to afford a 2 BDRM  
112 hrs/week to afford a 3 BDRM

Figures from *Out of Reach*, a report  
prepared by the National Low Income  
Housing Coalition in September of  
2000. Based on numbers kept by the US  
Dep't of Housing & Urban Develop-  
ment.

renting

# Q. What should town planning do?

## *Town Plans*

Town plans should provide the policy framework and vision statement to support housing.

Short-term economic incentives often work against municipalities acknowledging the need for housing – including concerns over school funding and a desire to maintain the status quo. However to prevent economic stagnation and to meet the needs of all community residents, municipalities need a plan that addresses housing.

State statutes require that towns should plan to ensure the availability of safe and affordable housing for all Vermonters. There is a statutory requirement to include a housing element in municipal plans with a recommended program for addressing the housing needs of low and moderate income people.

The town plan must provide a housing policy and promote specific goals and action to support that policy.

## *Town Bylaws*

The vision and policy of the town plan is implemented through zoning and subdivision regulations. Regulations governing lot sizes, parking requirements, setbacks, street layout and accessory apartments all impact the type, appearance and cost of housing that will be available in the community. Bylaws should be consistent with the town's vision.

A town that wishes to extend its village settlement pattern should not have bylaws in that zone that allow wide setbacks from the street, cul-de-sac drives or lots larger than the historic pattern. A municipality concerned with providing housing for elderly residents may want to examine its regulations regarding accessory apartments. A town that wants to encourage more rental housing should make sure that the parking requirements for such housing are not restricting its provision.

Model ordinances and ACRPC staff assistance are available to help towns develop bylaws to implement their vision and provide housing for their residents.

# Tools & Actions

## Town Boards

The town plan and bylaws are created, interpreted and enforced by volunteer boards. The decisions and actions of boardmembers can either support or undermine the vision and goals of the town plan and the intention of the regulations. Boards should impartially interpret and enforce the policies and regulations they oversee.

In order to carry out their duties, boardmembers must understand the hierarchy created by the town plan and bylaws. They also need to understand the processes that govern the meetings or hearings they oversee.

ACRPC has some excellent manuals regarding meeting procedure, rules and administration to help your board work more professionally.

- ▮ Identify community infrastructure and service capacity and need
- ▮ Seek community financing to develop appropriate housing and services
- ▮ Implement a program of housing for elderly or other special populations
- ▮ Review zoning ordinances and subdivision regulations for cost considerations related to housing
- ▮ Eliminate exclusionary practices such as large lot size restrictions in housing infill zones
- ▮ Enable conversion of larger homes to multifamily dwellings
- ▮ Require replacement of certain lost affordable housing units
- ▮ Establish and maintain an appropriately balanced mix of housing across the full range of cost levels
- ▮ Review permit approval processes to reduce time delays
- ▮ Enable and encourage densities of development compatible with affordable housing and with traditional village and downtown development
- ▮ Encourage Planned Unit Developments
- ▮ Make use of Development Review Boards to expedite the permit review process

# Resources Available from the *Addison County* Regional Planning Commission

- ❑ 1970, 1980 & 1990 Census data relating to housing and population
- ❑ 2000 Census data as it becomes available over the next year
- ❑ Annual housing and population estimates from the VT Dep't of Health – most recent figures from 1999
- ❑ Population projection through 2020 by town.
- ❑ Estimates of family income by town for the years 1985-1998 from the VT Dep't of Taxes
- ❑ Current estimates of family income for the county from the US Dep't of Housing and Urban Development
- ❑ VT Real Property Transfer Records by town from 1987 to present containing information on property sale values, number of properties sold and changes in use
- ❑ Residential building permit data from the Census Dep't for 1990 - 1999 by town.
- ❑ *Housing in Northwestern Vermont: A Review of Demand and Supply of Housing in the Six County Region.* Prepared for the Vermont Housing Council by Economic & Policy Resources, Inc. and Thomas E. Kavet Consulting. August 2000.
- ❑ *State of Vermont Directory of Housing Organizations.* January 2001.
- ❑ *Directory of Affordable Housing in Vermont.* Agency of Commerce and Community Development. October 2000.
- ❑ *State of Vermont HUD Consolidated Plan for Housing and Community Development Programs.* July 2000.
- ❑ *Planning for Affordable Housing.* Department of Housing and Community Affairs. February 1990.
- ❑ *Present and Future Housing Needs in Addison County.* March 1989.