

# **Regional Housing Summits**

**2001**

**Hosted by Vermont's**

**Regional Planning Commissions**

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# Why host statewide meetings on Housing?

The rising cost of housing is outstripping the ability for many households to afford a place to live that is decent and close to employment and daycare facilities. This is adversely affecting the mobility of the elderly and disabled, the cost of traveling for the working poor, and the expansion and retention of local business and industry. The economic impact of this crisis is great. Regional Planning Commissions (RPCs) throughout the state are addressing this issue from a variety of angles. We are committed to working with local governments, housing organizations, and others to find ways to solve the problem. In particular, many of the RPCs have contributed by gathering information on housing statistics, meeting with local officials, publishing housing educational materials, and by organizing regional housing forums. This document outlines the results of the regional housing summits held around Vermont during the Spring of 2001.

## **Housing Vermonters**

The Vermont Community Development Association's annual meeting this year focused on "Housing Vermont's Working Families." Kevin Geiger, Senior Planner at the Two Rivers-Ottawaquechee Regional Planning Commission and at-large Board Member for the Vermont Community Development Association, spoke on possible means of reforming permit processes and zoning bylaws, as well as steps to improve land use planning that would increase the availability of lots for housing. Kevin stressed that environmental standards need not be lessened, while urging planners and others to squarely address the housing needs of all Vermonters.

Kevin spoke about the Vermonters that make our communities function: police officers, plow drivers, schoolteachers, town clerks, firefighters, and yes, planners. These are people we need in our communities, he said, and if these people cannot live in the communities that they serve, it means that not only have the communities failed to address housing issues, but that they have failed as communities.

This report summarizes the views of local citizens, municipal officials, business leaders, developers, organizational leaders, and governmental leaders. The findings contained within this report represent a first step in comprehending the issues related to the availability of safe and affordable housing for all Vermont residents.

# Executive Summary

During the first half of 2001 Vermont's 12 Regional Planning Commissions held housing summits or conducted task force meetings to identify the views of local citizens, government officials, business leaders, developers, and housing specialists regarding the provision of safe and affordable housing for all Vermont residents. The summits differed in the processes used to gather input, the precise issues addressed, and the way findings and recommendations were documented. This report is a compendium of the individual reports of the summits. Summit participants identified many issues affecting the provision of housing, proposed many solutions, and offered many valuable insights (*see Appendix 4*).

Among the issues and solutions that were mentioned at the greatest number of summits was a general concern for the lack of housing opportunities. Specific concerns included neighborhood opposition to new development and to affordable housing, the need for middle income housing, the shortage of building trades people to construct housing, public misconceptions about affordable housing and the homeless, and the special housing needs of the elderly and aging baby boomers. Solutions proposed for the lack of housing opportunities included encouraging the use of manufactured housing, promoting rehabilitation of existing housing stock, providing housing information and information clearinghouses, promoting employer-sponsored housing, providing incentives to rehab downtown buildings (particularly underused upper stories), providing more inventory, permitting increased densities, and providing subsidies to builders.

The summits also often identified issues of affordability, such as high credit card debt diminishing the ability to finance home ownership, high tax rates, and the fact that wage gains were not keeping up with housing cost increases. The solutions to affordability issues that were proposed at the greatest number of summits included instituting home ownership/financial training for potential buyers and educating communities about new State and federal programs funding programs to assist in purchase and development.

**Issues involving regulatory burdens, such as local reviews and permits, zoning, Act 250 reform, and building codes, also were frequently identified. Proposed solutions included working with towns for a better vision on residential zoning and encouraging small lot and cluster development. Promoting Development Review Boards to expedite permit reviews was also noted as a potentially beneficial local solution.**

Issues and solutions involving housing quality, the appropriate siting of housing, problem tenants, and fair housing also were discussed.

The findings and recommendations provided in this report are a first step in appreciating the issues and actions for making safe and affordable housing available to all Vermont residents.

# Addison County Regional Planning Commission Housing Summit

*Thursday, February 22, 2001*

The Addison County Regional Planning Commission convened a regional Housing Summit on February 22, 2001. The Summit occurred at the Geomnomics House at Middlebury College.

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## **GUEST PANELISTS:**

Thomas Walsh, Coldwell Banker Real Estate  
Montross, Addison County Community Action Group  
Joe Sinagra, Vermont Association of Home Builders  
Polly Nichol, Vermont Housing and Conservation Board  
Jamie Stewart, Addison County Economic Development Corporation  
Eugene Charlabois, E C Construction  
Fred Dunnington, Middlebury Town Planner

## **STAFF:**

Adam Lougee Jeanne  
Kevin Behm  
Brandy Saxton

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## **PUBLIC MEETING**

Adam Lougee, Executive Director of Addison County Regional Planning Commission welcomed every one to the meeting and thanked them for coming. He introduced, Kevin Behm, ACRPC's GIS Manager and Brandy Saxton, the staff planner with ACRPC who had done most of the work compiling the statistics for this meeting and organizing it. He also welcomed and introduced the Commission's guest panelists, outlined the agenda and turned the program over to Brandy.

Brandy began by giving a brief statistical overview of the current housing market in the county and some statistics on the affordability of housing. She made reference to several statistical charts of sales she had prepared for the meeting. She concluded that housing starts were down, that the supply was tight and that prices were rising and turned the meeting over to our guest panelists and asked each of them to give their opinion on market conditions, problems and potential solutions.

### **Thomas Walsh, Coldwell Banker Real Estate**

Thomas Walsh, a real estate agent and owner of the Coldwell Banker Agency in the region also began his presentation with some statistical information he had gathered from the Multiple Listing Service. He noted that in January of 2000 188 units were for sale in Addison County;

and that as of February 2001 that inventory had shrunk to 140 units for sale. He also noted that this volume is very low by historical standards.

However, he stated that numbers indicate that markets are relatively balanced concerning affordability. A person earning the median income in the region can purchase the median priced home. Sales in that range generally are going to people having to maximize their leverage and have trouble raising down payment. VHFA money is generally not used in Addison County because of the down payment requirements.

Housing is generally more affordable in southern Addison county. Tom recited sales figures for last year supporting this conclusion.

Market appears to be slowing down. Pending sales are down 20% from previous year. Affordable housing even more difficult. Affordable as per formula can afford an \$89,000 house. 83 sales in that range this year, so some, but not a lot.

**Solutions: Provide for more inventory. Use more manufactured homes. Eliminate ten acre exemption if we allow for clusters and economies on community systems. Low interest loans or tax credits for builders would work to encourage building by private sector. Allow substandard housing to be fixed up. Those are very hard to finance in todays banking climate.**

**Q: Is banker here? Can you speak to financing in secondary market?**

No septic ordinance helps save money.

Can buy lot in Orwell for 25,000. Town water helps. Northern county lots are closer to \$40,000. Septic system will elevate that by \$15,000.

**Jeanne Montrose – ACCAG**

We deal with lower income folks. Ownership is generally beyond their reach. Do not want to push market to far.

Regulations for renters make fixer uppers very high cost. Also, funding sources have different priorities, reporting requirements, building requirements makes it very hard to put new housing together. ACCAG has 103 units, has waiting list of 45 families for their 3 br inventory. Shelter occupancy is up 25% this year over last and that was up 45% over last year.

**Solutions: Interested in working with towns on zoning and**

**Housing databank and referral resource for affordable housing. Emergency Housing, need larger shelter and more than one. Single room housing as transition is a priority. Accessory appts and infill around town are a priority. Parking and infrastructure are a problem.**

## **Joe Sinagra**

7,400 units short in six counties. 18,000 additional units by 2010 under average growth scenario. IBM having problems with employees. Has a lot of folks traveling a large distance to get to work.

**The solution is more units. Higher densities are needed in Town Plans and zoning.**

Problems to many regulations. Builders can afford to build in Addison County, but cannot afford to live their.

## **Polly Nichol**

Statewide perspective. Chittenden County pressuring surrounding counties. Population in counties grew by 16,000. Addison county grew almost twice as much as the rest of the state. 44,000 new jobs over ten years. Must do better than average or will have a significant housing gap. Household size decreasing also putting pressure on market causing low vacancy rates. Addison County typically has low vacancy , now even more acute.

State housing authority sees demand for 2&3 BR units, more than one and two units. Addison County has older units. Rutland county has an active revolving fund for Home ownership. Addison Doesn't.

**Q: How did Rutland establish its revolving loan fund?**

**Solutions: VHCB providing funds for low-end housing. New construction is needed, but everyone needs to support infill development. Allow for more density in Town Plans and Zoning. Inclusionary zoning generally 15% must be low income. Replacement housing ordinance requiring replacement of inventory lost. Building codes are strict, increase costs but elevate safety.**

**Get Montpelier's reform docs.**

## **Jamie Stewart – Addison County Economic Development**

Econ Dev. Sees problem in midrange housing. New lots are being developed for big houses. Middle income is going to low stock and fixing it up. Builders can't afford to build in \$120,000 range.

**Solutions: Meaningful permit reform. Predictability 3 – month process.**

**Harry Arnold President of BF Goodrich can't hire engineers because of housing. On-site reform necessary.**

### **Eugene Charlebios- EC Construction.**

Build manufactured homes. Steel frame manufactured housing will depreciate. Wood framed housing will appreciate even if it is modular housing. WW disposal is the biggest problem we are facing. In favor of cluster housing. Attempted 9 lots on 10 acres last year. Up hill fight right away. \$200,000 borrowed for a project at 10% will sink a lot of good projects if your neighbors don't like it.

Archeological resources in the county are a big problem. Will hold up a project like nothing else. Expensive and time consuming. He will get out of manufactured housing if he can't turn a profit this year. Lots are expensive can't make margins at the current price.

**Solutions: If govt. going to get involved they should make low interest loans to qualified builders in the private sector. Manufactured homes have good R-values.**

### **Fred Dunnington:**

Only 14 new permits this year. Relatively low. Middlebury has allowed accessory units. Have tried inclusionary zone. Have not had many takers.

Many lots are permitted, but warehoused. A Johnson has 43 lots permitted but has not moved forward. 17 units on Chipman Hill currently permitted but not built. 28 units in stonegate. 14 built, 14 combined, not selling well. Middle Road growth area zoning for 145 units. Has started in the permit process, currently not moving forward.

Great demand for elderly assisted living projects in the area. Project developers interested, but nothing moving forward.

**Solutions: Keep infrastructure demands low, curbing for example.** Zoning supply in Middlebury nearly 1,000 acres available at 8 units per acre. However, market has not embraced these concepts.

Eugene praised Middlebury's policies.

Neighborhood opposition is a huge problem. Scary for developers. Zoning is not the solution to this problem.

Issue: Elementary school capacity is not a limiting factor on development any longer. Phasing no longer a priority.

Woodbridge Park, Pine Meadow gift of land, good financing, etc. wanted to meet low income need. Now about half of that housing is housing refugees from Bosnia.

Q; Peter: Solution : Create incentives from state and towns to builders to build good affordable housing.

Jamie Hutchins – Builder Granville 5 lot and 7 lots in Salisbury. CVPS have paid over \$6,000 for power and 34% tax on transmission lines. Would help to alleviate infrastructure costs. Not in my backyard makes people not build to maximum capacity of zoning. Also, people scared of suburban density.

Ed Payne: On-site most important. No incentive for engineers to promote creative systems when they are liable for failures. Alternatives will be expensive.

Tax Rates are causing costs to rise.

Megan Sutton: Used onsite program to design – engineer systems for \$150. That program has since gone away maybe they should reinstate it. Middlebury College has put a lot of pressure on the market by buying properties through their expansion. Is the College doing anything to help with the housing situation in Middlebury?

Fred Dunnington responded that the College has pledged to house all but 100 students on campus to alleviate pressure. College bought a large portion of the bonds for the interfaith housing project.

Megan Sutton: Vermont Association of Conservation Districts on-site program was beneficial. Maybe we should think about reviving it.

Harvey Smith spoke about the legislatures efforts to support alternative septic systems. He is optimistic that the legislature will be able to move forward this year. Consulting Engineers support creating alternative systems within a clear body of rules.

Jamie Stewart stated that new technologies are only “new” to Vermont. They have been used successfully elsewhere for up to 20 years.

Harvey mentioned that we had sponsored alternative systems 5 years ago. All other new England states are members of a consortium which permits alternative systems.

Fran White. Spoke about the alternative system being used in the Mountain View mobile home park in Hinesburg. The system is expensive, but work well.

Jeanne Montrose: VHCB may want to split funds for housing and conservation. Its important that we don’t split them, they are both important to Vermont.

Harvey Smith responded that he does not believe they will be split.

Ed Payne sold two 10 acre lots. Would much rather have sold 4 acres, but could not. Concerned about financing fixer uppers. No programs available.

Bill Sayre: Lots of things driving up costs decreasing affordability. Title insurance and fees have gone up for closing. Permitting costs must be reduced. Act 250 needs to be reformed. Changes before legislature needs to be implemented.

Stormwater discharge permits are also a problem. Only 2 people in Dept. It is becoming a bottleneck. ANR needs more money to hire more people in this department.

Harvey ANR supervisors are more a problem.

Rob Rieber: Where do Community loan programs come from?

Jamie Stewart: Block grant from CDBG. Rural Development may also have some funds. Are actively funding folks in Addison County. Nat Bank of Middlebury has a lot of investment in low income housing. Preserving a lot of units.

# **Bennington County Regional Commission Housing Summit**

*March 15, 2001*

## **Summary of Issues, Observations, Suggestions**

### PANEL PRESENTATION:

#### **Diane Binnick**

- RAHC has purchased and rehabilitated 30 properties, with 167 units of low to moderate income housing in Bennington County.
- Of the \$10 million in construction and development, \$2.26 million was State grants.
- Money is raised through bank loans, grants, and investor equity.
- Affordable housing is economic development work for small towns.
- Goal is to provide housing opportunities for people, and revitalize downtowns.
- Trying to reuse existing buildings – reoccupy existing units.
- Placed 6 properties on National Register of Historic Places.
- Challenges: “dual bottom line” – fiduciary responsibility, social responsibility.
- Profits go back into communities/charitable purposes.
- RAHC work in Bennington – doubled grand list.
- Took less than 9 months to go through permitting process in Manchester.

#### **Ivan Beattie**

- Manchester needs affordable housing.
- Most people who grow up in Manchester don't stay.
- There is a problem when people who work in Manchester can't live there.
- Need municipalities to get involved – need diversity in town.
- Need a comprehensive plan for how to achieve diverse and satisfying housing.
- Market dictates much of what happens with affordable housing.
- Manchester was first town to implement affordable housing plan.
- Manchester Town Plan refers to its housing plan and the goals for Manchester.
- If community says affordable housing should be part of town, can cut back on the costs that make “affordable housing” so expensive.
- Community can increase density, or make other considerations.

#### **Rich Jorgensen**

- BROCC works with families and individuals with low incomes.
- Many struggle with housing due to availability and affordability.

- Need to increase availability of affordable housing – by building new houses.
- Challenges: utility assistance, direct housing assistance, homeless prevention.
- Serve 900 households, 2700 individuals – with 2/3 having income below Federal poverty level.
- People aspire to be part of work force, own houses, receive better skills/training.
- Company wants to know there is enough housing for their employees.
- New project implemented – “Assets for Opportunity” to help people save.
- State funded program for higher education to help people obtain better employment.
- Units that are weatherized – use latest technologies to keep air tight, etc. Free program to property owners. Energy efficiency in units equals lower rental costs.
- #1 reason for homelessness – high rental costs.
- Affordable housing = 30% of income.
- Affordable housing is crucial to becoming self-sufficient.

### **Jim Goodine**

- On Career Development Center Board – how to get better trained employees.
- Division of people – average income skewed by people who only live in community one season per year.
- Customized homes are energy efficient, up to strict standards.
- Middle income housing development for Bennington – housing needed, but lack of land.
- Time is right for innovations.
- Need to take advantage of smaller, more energy efficient housing.
- Public transit, and homes within walking distance from downtown/work .
- No drastic increase in population.
- Make sure housing units are the best we can make them.

### **John Romano**

- Hard to get people who work in Manchester to live there – discussed job access buses
- Barrier to getting mortgages – people coming up with 5% down payment.
- People can get mortgages no matter what credit history.
- Purchase price is the problem – median purchase price \$112,500 in Bennington County in 1999, while the median income was \$41,000.
- People pay \$800-1200 rental unit payments in Manchester.

### **Greg Brown**

- Statewide perspective – shortage of housing units.
- Family households changing (getting smaller) – no smaller houses to move into.
- Vermont’s topography – hard to find good, flat land to build houses on.
- Price of land is high – and it is hard to find soils suitable for septic systems.
- Can’t achieve economies of scale in VT – skilled building trades are expensive – no adequate supply of skilled labor to keep labor costs down.
- Legislature taking testimony on supply and demand of housing.
- Act 250 is a cost issue, but not the worst permitting process.

- Local permitting is a problem. Lay person volunteers meet once a month – slow, work takes time – more subject to gap in technical expertise between lay persons & developers.
- Public local resistance to affordable housing development – NIMBY.
- Need to get private, for-profit sector involved in solving problem.
- Study other parts of country to determine how to help people come up with down payments.

#### OPEN DISCUSSION:

##### **John Romano**

- Return on investment at sale of affordable housing is less – don't increase in value as much as single-family homes.

##### **Bruce Henderson**

- If there were no zoning laws, there would be no housing problem...but, not possible.
- Bought 3 rental units and 2 duplexes...all with VHFA loans.

##### **Ivan Beattie**

- Used to have barbershops in basement, retail on first floor, and housing above that. Housing moved out – sprawl. Lost diversity.
- Need to move housing into downtowns – not away from them.

##### **Greg Brown**

- Underused upper stories of downtown buildings not up to modern code, elevators not in use. Incentives and financial support for owners to rehabilitate upper stories into housing.
- Need housing in downtowns to revitalize them.

##### **Tyler Resch**

- Census data – declining populations; ski towns and bedroom towns are growing

##### **Ivan Beattie**

- Bennington County population declining, and yet growth of businesses.
- Businesses move out because they can't grow...jobs that create higher wages are moving out. Low wage jobs still available.
- Increase in “high tech” jobs allowing people to work from home.

##### **Jim Goodine**

- Sandgate grand list increased by a million dollars because of two large expensive houses as second homes, but people aren't counted in census population data.

##### **Diane Binnick**

- Communities don't embrace affordable housing very well. RAHC seeking to build constituency, continue to expect that people are held accountable for project from start to finish.
- All of community needs to trust that what is expected to be done will be done.
- Need to ensure housing is completed correctly – project managers on site at all times.

- Courts need to be supportive if community members are nonsupportive.
- Almost 0% vacancy rate in Bennington County housing.
- Government money used to expand affordable housing program – subsidies built into projects.
- 31-unit housing project in Arlington – create new units and rehabilitate old units.
- Housing study to find out what needs are in community.

### **Ben Benedict**

- RAHC careful to set up developments to carry themselves financially.

### **Rich Jorgensen**

- BROOC looks at affordable housing as a social responsibility – housing must be kept affordable.
- Giving rent breaks to individuals, even though taxes and insurance are rising.

### **Greg Brown**

- Houses and rental units are not built often, since return on investment isn't great.
- Limited supply – great demand. Market will not balance itself out.
- Population growth in VT is from internal births, fewer deaths – not from people moving here.

### **Robert Kobelia**

- Can create more land by extending water and sewer lines.
- Constant rural vs. downtown conflict.
- Marketplace can inherently balance itself out if extend water and sewer lines.
- Propose changing Act 250 – 6-acre lots vs. current 10-acre lots.

### **Greg Brown**

- Burden of cost extending water & sewer lines falls on municipality.
- 10-acre lot loophole is in State on-site sewage disposal.
- Act 250 change - in future, won't matter how big lot is.

### **Ivan Beattie**

- Sewage plants – idea is to build and bond plant, and have users pay fees to maintain plant.
- Manchester's plant reached maximum capacity in 1980's, and had to stop residential development temporarily.
- Costs identified, and fee program is ready to go, if have to go to tertiary treatment.

### **John Romano**

- People with no down payment are riskier investment – less likely to walk away and not pay loan if have at least 5% into mortgage.
- Need programs to help consumers save.

# Central Vermont Regional Planning Commission

## Housing Summit

*April 4, 2001*

### Outline of Problems and Next Steps

#### **Planning: regulatory, zoning, growth center**

Loss of rental stock

Legal climate and state regulations disincentives for landlords

Housing of back roads is discouraged, but village development is more expensive

Act 250 800 foot rule in subdivisions = disincentive

Unfriendly housing zoning and large lots

Towns cannot encourage clustering and small lots without proper infrastructure in place

Village large landowners not willing to subdivide

Designated downtown areas are filled

Empty buildings are standing, when they could be converted to apartments and housing

Burlington's populations is overflowing to Central Vermont

Resort town dynamics: seasonal influx of employees will located in slope-side condominiums

Spec. homes may not fit character of town (historic architecture)

#### • *Next Steps*

Look at regulatory zoning to see if it is unfriendly to affordable housing (e.g. add apartments to house, multi-family dwellings)

Identify potential lots, units, and available for more development, and establish degree of need for units

Begin with empty buildings (swap uses, transfer development rights)

Form town committees made up of business groups, residents, town officials (ex: Montpelier Housing Task Force)

Create central clearinghouse for information on housing for market to work, and regulations for developers (ex: DHCA affordable housing website)

Change Act 250 so application does not have to through regulations twice (in Barre, Montpelier)

Change Title 24 (15 days, government = problem)

Increase flexibility for permit standards

#### **Monetary\ Resource\ Tax\ Labor**

Affordable homes not being built

Rental units, homes, land of varying or poor quality are expensive

Minimum/medium wage earners pay >30% of income for decent rental housing/mortgage

Some buyers rent/buy homes below their level of affordability, leaving high end housing for those who cannot afford it

Businesses hesitate to locate in Central Vermont due to lack of housing

Conversion/lack of rental stock

Tax disincentives for construction

For-profit vs. affordable is incompatible

Lack of access to money for 'affordable housing'  
No upward mobility in housing (i.e. moving to bigger, better homes)  
Decline of building tradesmen, demand up, costs up  
Refinancing discourages trading up  
Increased spending on additional goods  
Economy is dynamic, could change face of housing issue  
Vermont behind in building, 7500 units behind  
Financing for spec. homes is not available  
Energy costs affect running home and building materials  
Developer must pay 100% of costs and impact fee (price passed on to buyer)  
\$2500 + 500 added for under-grid services, sidewalks, lights, etc.

- **Next Steps**

Look at ways to fix the market (ex: builder incentives)  
Town tax stabilization policies  
Refinancing for single wide trailers  
Possible emphasis on medium-priced housing (\$125-175K)  
Look into rehabilitation incentives  
Young people (future homebuyers) have too much debt to afford home ownership, establish need for high school level financial management classes)  
Alternative building materials in housing systems to reduce costs

### **Character\ Paradigm (model) of housing market\ Social & Political**

Lack of housing affects quality of life  
Single family home-buyers may not want to locate in inner town, need mixed development  
Landowners not willing to subdivide  
Not In My Backyard (NIMBY)  
Single family home-buyers want a 'little piece of Vermont', not cluster development  
Growth center development vs. sprawl development  
Increased need for transitional housing, homeless shelters  
'Over-housing' of citizens, large homes, decrease in household size

- **Next Steps**

Bring willing landowners into process  
Alternative building techniques  
Public education on incentives to living in clustered developments, village centers

### **Summary**

The next steps that accompany the problem categories were 'brainstormed' ideas brought up by Housing Summit participants. Many next steps can be achieved by town and local committees dedicated to assessing their local housing needs (i.e. inventories, partnerships). Although some next steps need to be addressed at a state level, regional and local partners can drive the model for housing friendly residents and municipalities. The follow-up Housing Summit tentatively planned for late June will concentrate on the formation of regional partners and regionally attainable next steps.

# Chittenden County Regional Planning Commission

## Housing Task Force

*Final Report of Three Meetings – August 15, 2000*

This report summarizes the work of the Chittenden County Regional Planning Commission's Housing Task Force. The Task Force was established to solicit advice from those knowledgeable about housing in Chittenden County. The group met three times in June and July, 2000. Between meetings, minutes were sent to the Task Force for review, as well as proposed goals, objectives, and strategies. This document outlines the discussions held by the Task Force, and will be presented to the Plan Update Committee and the full Regional Planning Commission.

The Task Force membership consisted mostly of those with experience in building, development, or both. For-profit and not-for-profit housing developers were about equally represented. Also at the table were members of the finance industry, experienced realtors, and two attorneys, one of whom is also a landlord.

The discussion focused generally around issues and obstacles to housing development, including cost and density restrictions. Some members expressed concerns over the possible negative impacts of the Regional Plan, and complaints about Draft 1.0. Early questions included confusion over numerical specifications, and whether they apply project-by-project, or in general. This was particularly troubling given the strict construction language. However all members were very positive about the potential to use the Plan to address the housing issues that exist in Chittenden County.

How this report is organized: Task Force discussions are given below according to the issues that were identified by the Task Force at its first and second meetings. Note that all points of discussion were not necessarily agreed to by all participants. Where consensus or a majority opinion were explicitly established, this report so states.

**Cost Issues.** The Task Force resolved very quickly, and without dissent, that costs are a major consideration to housing development.

### Specific Issues:

#### 1. Permitting process and certainty around cost of permits

The cost of obtaining permits is a significant issue. The Task Force called for timely and fair permitting decisions. The prevailing view was that project approval decisions are often made less on the basis of existing zoning regulations than “NIMBY whims.” Recent DEC decisions including McAuley Square were raised as examples where projects permissible under zoning were not approved.

The ‘double approval’ system (local and state) was a source of frustration. Negotiation w/ neighbors was suggested as a strategy, but the Task Force was clear that CCRPC should **not** become a negotiator in disputes between neighbors and developers. The prevailing view was that projects legal under zoning should be allowed to be built, and that the state needs to address lack of efficiency in the permitting process. Members noted that the Vermont

planning statute (24 V.S.A. Chapter 117) may be ‘opened up’ during the next legislative session, and suggested CCRPC encourage statutory changes to improve permitting efficiency.

2. Infrastructure costs:

Costs of infrastructure are a critical consideration. One member said that in every case, towns ask for infrastructure that isn’t needed. Also, development phasing increases interest-carrying costs on infrastructure. The Task Force noted that this is rational behavior for municipalities, which intend to minimize maintenance costs of roads, etc. But there are hidden costs to towns—wider roads, for example, lead to higher stormwater pollution, higher lighting requirements, and are less safe. Allowing common septic systems would also be helpful in reducing costs. The Task Force agreed that public works specifications often call for excess infrastructure, and this should be addressed, and that revision of state septic regulations would be helpful.

3. Act 60 and property tax issues

Some stated that new education funding laws discourage housing. Other members disagreed, or felt that it was not an appropriate issue for the Regional Plan. Another member stressed that property tax issues must be addressed, saying housing cannot be discussed without talking about property taxes. One member suggested that available studies could help give a clear discussion of the effects of Act 60 on municipal finance and ramifications to property taxes. There was no consensus on the need to address Act 60.

4. The banking and financing community

Though the discussion did not go into detail, the Task Force agreed that the should Plan discuss financing of affordable housing, especially regarding tax credits. Affordable housing projects are very difficult to accomplish under traditional financing. One member commented that the State could be more supportive of the benefits from tax credits, but this surprised other members, including the representative from the State.

While reviewing Draft 1.0, the Task Force recommended deleting the sentence on page 41, lines 13 through 15: “Residents with household income below [county median] shall be qualified to apply for assistance to rent or purchase affordable housing under any of the local programs.” CCRPC has no authority to state thresholds for qualification for housing assistance.

5. ADA Requirements

Requirements under the Americans with Disabilities Act (ADA) make development very expensive. Housing units on upper floors in particular are discouraged by these requirements (though the Task Force noted that there is a limited market for this type of housing).

**Implementation Suggestions for COST ISSUES:**

- CCRPC should encourage regulations to be enforced as worded, and could use its party status to advocate good projects and defend them from nuisance suits.
- CCRPC should support efficient permitting at local & state levels, and educate legislators about the effects & benefits of more efficient permitting.
- Encourage the Development Review Board concept to speed permitting

- More planning, less reaction, e.g. S. Burlington's Southeast Quadrant is well planned
  - Allow/encourage faster permitting in areas where growth is desired
  - Permit septic technologies that are new (or not-so-new but new to VT)
  - Review bylaws and public works specifications, rewriting as necessary to encourage/allow density and eliminate unnecessary infrastructure.
  - Allow developers to pay into a road maintenance fund rather than spending money on unnecessarily wide roads.
  - Examine user fees, phasing, etc, for efficiency
  - There are things the development community can do to help municipalities solve problems of school costs, traffic congestion, etc. (no specific suggestions were discussed on this point)
  - Educate communities and citizens on the effects of Act 60 on property tax rates
- 

**Density Issues.** The Task Force quickly established the need to enable/support greater density of development. Large-lot zoning, height limits, and other requirements restrict density. Some felt that there is no consensus within communities as to where dense development is desired; towns need to figure out where they want housing and support its development in those places. Increasing density would help preserve natural resources. The Task Force was unanimous on this point, but a few members stated the opinion that people should have the choice to live on large lots and argued against Urban Growth Boundaries.

Specific Issues:

1. Mixed Use

Mixed use was discussed as related to density. The Task Force generally agreed that it is difficult to mix uses in individual projects is difficult because developers tend to have specialties in one area; the same applies to mixing different housing price levels. So-called “New Urbanist” projects require a large scale in order to be financially feasible, and most projects that big would have difficulty being permitted in Vermont. It would be better for communities to plan mixed uses at the scale they want and for developers to ‘fill in.’ One member also noted that ‘New Urbanism’ is easier for the younger generation of developers to comprehend than for others.

Mixed-use buildings (housing over office or retail) were specifically criticized by most members. One member asked why mixed use buildings won't work. Reasons included: housing and commercial markets tend to go in opposite cycles, so financing construction is difficult; people don't want to live above stores and parking lots; apartments above stores are not appropriate for families with children. The Task Force did agree that for existing downtowns, mixed-use buildings work. Elsewhere, mixed use districts, not buildings, should be encouraged.

Consistent with this, the Task Force criticized language in Draft 1.0, page 40, lines 3 – 5 (“All new retail development shall include residential space as part of the development, preferably on upper stories...”), and the paragraph beginning on page 41, line 40. (“One factor contributing to the shortage of affordable housing in the Region has been the zoning-out of mixed use buildings which include residential space...”). Housing above commercial will not work as written, because there is a limited market for upper-story housing. Generally mixed use zoning is not a major factor affecting the availability of affordable housing.

2. Septic regulations

State septic regulations are an impediment to density. New technologies—which actually are not so new, but are not yet permitted in Vermont—should be allowed.

3. Archaeological Requirements

State archaeological requirements often pose either a real impediment or a risk that prevents full utilization of a site, leading to more dispersed development = sprawl.

**Implementation suggestions for DENSITY ISSUES:**

- Assess local plans, and their progress on stated goals around housing and density. Better review of local Plan’s compliance with the Regional Plan is needed.
- Designation of maximum lot sizes should be enabled by the state and performed by communities.
- Allow/encourage faster permitting in areas where growth is desired
- Encourage density bonuses and clustering in local ordinances, build density directly into zoning where it is desired.
- Educate communities about the new State program supporting density bonuses for provision of affordable housing, and encourage participation.

**Work with the state to determine the current distribution of archaeological sites.**

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**Affordable Housing.** The Task Force indicated that the current housing shortage exists ‘across the board.’ People flow from one price bracket to the next, so while affordable housing is an important discussion on its own, it must be recognized that affordable housing is impacted by, and impacts, all other housing in the Region. One member noted that housing prices have an impact on economic development.

Members agreed that building housing in the affordable range is cost-prohibitive today, regardless of density bonuses. It requires subsidization, thus existing federal programs are very important and must be supported.

One member wondered why the definition of affordable housing includes utilities for rentals, but not for owner-occupied units. It was pointed out that this is a federal definition, and the reasons behind it were explained. Members indicated that it would be confusing to have differing definitions at the different levels of government. Language in Draft 1.0 on perpetual affordability was questioned (p. 40, line 13: “guarantee that affordable housing units remain affordable for as long as possible, while not unduly preventing owners of affordable units from benefiting from natural or self-generated equity appreciation”). Overall, the group felt that the existing language is OK, but could use some additional explanation. One member said that the Plan must address income distributions at the finest grain possible, otherwise, new affordable housing might be built to suit only those in the upper portions of the qualifying income distribution.

## Specific Issues

### 1. Fair Share

The Task Force agreed that some communities in the Region don't allow the opportunity for construction of affordable housing. The concept of an affordable housing compact was mentioned, and its ability to be implemented was discussed. It was agreed by all that the issue will be politically and technically complicated, but is one that must be dealt with. Each community must meet its own needs in terms of housing. The discussion branched into market-rate housing. Two issues exist, 1) the proportion of affordable housing being built in each community, and 2) the proportion of the region's total housing by community.

There was **consensus** that the Plan should include goals regarding the amount of housing that each community should plan for, along with required infrastructure. Growth Centers should be the primary areas for infrastructure. There was also **consensus** that specifics should not be worked out by the Task Force, but by CCRPC as it moves forward. Suggested language for the Plan: "CCRPC shall require communities to plan and provide for housing needs as projected." (The referenced projections would be spelled out in the Plan.) Brian Pine of Burlington presented a copy of the 1990 fair share housing compact, which was proposed by CCRPC but never adopted. Those familiar with it regarded the 1990 compact as a good template agreement.

Several stipulations for the compact were suggested:

- Communities with excess affordable housing should be credited for it, as was proposed in the 1990 compact.
- Compact must consider land values/costs in different towns.
- Incentives should be encouraged over consequences. Incentives should be used first, and if that doesn't work after 5 years, consequences could be invoked.
- The compact should address just affordable housing, and market-rate, and not categorize the market any further.

One member stated that problems including share of affordable housing stem from the fact that issues are regional, but funding is local. Without a regional funding source for facilities, challenges will always exist in addressing regional issues. The majority of the Task Force agreed with this, and it was noted that communities are really acting very logically, because the tax impact is a disincentive to affordable housing. No attempt was made to determine whether the group supported more regional funding of services and facilities.

One member questioned whether CCRPC can require municipalities to develop housing. It was clarified that the proposal is to require towns to **plan** for housing, which CCRPC can do under Act 200. Another member noted that plans' roles have changed, and they are being given increasing weight in the Act 250 arena. Thus throughout the Plan, wording must be very carefully crafted.

The level of requirement that should be made of communities was raised: should CCRPC set goals, or establish requirements? There was no consensus on this issue.

### 2. Mobile home parks

One member noted that many mobile home parks (MHPs) in the Region have recently been in danger of closing. When parks close, this puts strain on already stressed stocks of affordable housing. Recently, the Town of Milton was denied an Act 250 permit for its sewer extension, which placed the Birchwood Acres Park in serious danger of being closed. One

member suggested that the Regional Plan should serve as a tool to prevent Act 250 decisions with this type of effect. Another member raised property rights issues, saying that MHP owners should be allowed to sell if they wish. Other members clarified that the issue is mobile home parks that want to stay open, but are closing due to failed sewer systems or other environmental concerns. The Task Force agreed that the Plan should support preservation of MHPs where possible.

**Implementation suggestions for AFFORDABLE HOUSING:**

- Ensure that every community allows the opportunity for construction of affordable housing.
  - Develop a fair share housing compact which specifies both the affordable and market-rate housing that communities shall plan for.
  - Assess progress toward implementation of the compact with a yearly report card for the communities.
  - Recognize that affordable housing development is most feasible when there is support from within the host community.
  - Support the continued operation of mobile home parks which face environmental issues, and offer assistance in resolving those issues.
- 

**Existing Housing.** Maintenance and enhancement of the existing housing stock was raised as an important consideration.

*Specific Issues:*

1. Rental Housing

The Task Force agreed that existing rentals must be kept decent and available. One member encouraged common standards and inspection practices for existing housing, as well as new construction. This idea was questioned by one member who criticized the current BOCA codes as unreasonable. There was general agreement from the Task Force that consistency in building codes would be desirable, but that BOCA codes are overly burdensome in terms of cost. Building codes & housing regulations should be cost friendly and change should be weighed against costs. It was commented that the state is moving toward greater enforcement of rental housing codes.

2. Student Housing

The Task Force agreed that the student population associated with all campuses in the Region has a substantial impact on the regional housing market, and affects local quality of life. One member suggested that the percentage of students living on campus in other college towns should serve as a basis for developing self-housing targets for the local institutions. Achieving at least 60% on-campus in 10 years would be an appropriate goal. There was general support for this, though a minority questioned whether it is appropriate to gauge the Region's housing status against other college communities. Some asked which students are included in count, and which are not? Suggested: "non-commuting, full-time students." Another suggestion was to address only campuses found to have impact on housing market.

### 3. Camps.

Many seasonal camps in Chittenden County are being converted to year-round residences. This is offsetting the shortage in housing somewhat, though it also affects the dynamics of the seasonal recreation/tourism industry. No discussion was given to this issue, beyond identifying the trend.

### **Implementation suggestions for MAINTENANCE of EXISTING HOUSING:**

- Encourage building codes which meet public needs but don't pose cost barriers to desirable development, and ensure that said codes are commonly adopted by Chittenden County communities.
  - Ensure that all institutions of higher education in the Region provide housing for at least 60% of their respective full-time student populations.
- 

### **Other Issues**

#### Recreation, Landscaping:

Recreation and playgrounds, as well as trees and landscaping, were raised as possible issues to consider. Task Force members agreed that recreation is an issue that can have regional implications. For example, downtown Winooski may not provide many recreational opportunities for younger children living there, or adults with certain interests. On the other hand, Winooski will be taking a great deal of the Region's housing, relieving other communities from having to provide it, so there is a tradeoff.

Design review and streetscaping were seen as local issues.

#### Transportation:

Some Task Force members stressed that the Circumferential Highway must be built. Other members opposed this sentiment. Proponents commented that the cold winter climate is an impediment to public transportation. Public and private transportation options were discussed. Some said that the transportation system has to be improved to accommodate people moving through areas. Others suggested that housing and commercial space need to be built closer together, so transportation demand is able to fall—that is, options must be provided. The proposed project for downtown Winooski was proposed as a great example of a type of housing that is not available to meet demand.

#### General Issues

The following issues were raised by the Task Force during the first or second meetings, but were never given an in-depth discussion.

1. Barriers to market entry (big vs. little builders). Cost as well as the ability to enter the market are both important.
2. Occupancy per unit, overhousing
3. People want to escape development / Everyone wants well-planned development
4. Spillover—if housing is not available in Chittenden County, it will be built in surrounding counties and communities, which will increase our road costs, etc.

Also noted:

In reviewing the language on housing in Draft 1.0, the Task Force:

- called for more recent data than the 1991 CCRPC Housing Report to be referenced (page 41, lines 16 – 21: “CCRPC’s Housing Report, performed in 1991, found that...”).

suggested that the percentage of developed land would be a better basis of the measurement of substantial regional impact than the number of existing housing units (page 71, table).

**Task Force membership and attendance**

<b>Name</b>	<b>Representing</b>	<b>6/15</b>	<b>6/28</b>	<b>7/26</b>
Dave Adams	VHFA	X		X
→ Sarah Carpenter*	VHFA		X	
Michael Bertrand	Bolton Valley Resort		X	
Kathy Beyer	VT Dept. of Housing & Community Affairs	X		X
Tom Dillon	Housing VT	X	X	
Paula Duke	Town of Essex	X	X	X
Jeremy Farkas	Burak, Anderson & Melloni	X		X
Bill Fitzgerald	HBRANV	X	X	X
Bart Frisbee	Town of Colchester	X	X	X
Charles Hafter	City of South Burlington			X
Carol Hinson	NVBR		X	
Bill Marks	Town of Hinesburg	X	X	X
Patrick O’Brien	CCREA	X		X
Brian Pine	Burlington/CEDO	X	X	
Ken Sassorossi,	Burlington/Lake Champlain Housing Corp.	X	X	X
Pamela Steece	Merchants Bank	X		X
Bob Ware	Town of Milton	X	X	X
Mark Lords	Facilitator, CCRPC	X	X	X
Jan Mueller	Facilitator, CCRPC	X		X
Eric Fellingner	Staff, CCRPC	X	X	X

- Sarah Carpenter sat in for Dave Adams on June 28<sup>th</sup>

# Lamoille County Planning Commission

## Housing Summit

May 15, 2001

### Executive Summary

Results of the Lamoille County Housing Summit 2001 revealed that there are several challenges regarding regional housing issues in Lamoille County. The issues fall within the categories of fiscal, development, and public awareness.

Members of a panel of housing experts repeatedly echoed the same message regarding the fiscal constraints to housing community members: a high level of personal revolving debt and the inability of wages to support the cost of housing within individual budgets. An emphasis on fiscal lifestyle training for adults and youth was cited as a potential opportunity. Currently, Lamoille Housing Partnership offers a workshop on this topic.

Development issues include a lack of consistency in the local permitting process that hinders the interest of developers to participate in housing development and increases project costs. Excessive lot sizes to accommodate housing development in compact settlement areas appears to be increasing overall costs of projects and leaving many areas under utilized. Under-use of in-fill opportunities in village cores (2<sup>nd</sup> story) and the cost of addressing code requirements for this type of development also is cited as an issue that reduces the availability of housing development opportunities.

Public awareness of housing issues among community members proves to be an area of opportunity for improvement. Public misconceptions about affordable housing, the residents of affordable homesteads, and the management of affordable housing complexes continue to persist. There is a general lack of awareness regarding the issue of homelessness in Lamoille County, regarding both its widespread existence and the lack of appropriate solutions. Finally, volunteer municipal officials continue to lack the appropriate information and training regarding municipal responsibilities related to Fair Housing and how to foster the development of housing projects within their communities through land use planning.

### Panel of speakers

*GREG BROWN – Commissioner, Department of Housing and Community Affairs*

- The issues are similar throughout the state regarding housing
- State Housing Policy is not widely understood by municipal officials
- The state is working to understand regional differences related to the housing market and housing policies, however, it appears that there are fewer regional differences than DHCA had thought
- Some issues are system related and difficult to remedy
  - Increases in housing cost vs. increases in wages
  - Developable land costs are increasing
  - Shortage of trades people

Young families with revolving debt accumulated

- The state is working to understand the impact of state/local permitting on cost of development.
- Act 250 appears to be an issue and cost factor however local permitting issues are more significant, including issues such as town to town permitting consistency vs. the regularity and consistency of the Act 250 process
- Remedies may include consistent application of bylaws and review processes and extensive, regular training for volunteers

*CYNTHIA BORCK – Senior Vice-President, Union Bank*

- Revolving debt is a serious issue when it comes to qualifying customers for mortgages
- VT Housing Finance Agency doesn't allow for the pay down of revolving debt in the mortgage loan process
- Union Bank currently offers a B.U.I.L.D. loan program to assist in home construction and renovation projects. This program has funded \$18,000,000 in construction loans. It creates interest income for the bank and stimulates local contracting and materials sales in the region. There is a lot of money on the market now for home mortgages due to the low interest rates. However, consumers often have difficulty understanding options, prepayment penalties, an educational process is needed.
- Types of mortgage loan programs were outlined, as well as, issues related to home mortgage financing.

*LUCY LERICHE – Director, Lamoille Housing Partnership*

- Revolving debt is the top issue in the housing crisis
- LHP sponsors the Homeownership Center of Central Vermont which is an educational arm of LHP which assists potential homeowners of all income levels.
- Non-profit affordable housing agencies are currently needed to address the housing needs of low/moderate income consumers, the for-profit market is not developing enough housing that this group of consumers can take advantage of
- Multi family housing developments are cost effective and fit well into compact areas
- Downtown rehabilitation and the use of traditional settlement patterns are ideal means of developing affordable housing, however, it is difficult to find buildings to rehabilitate at a reasonable cost.
- There are many difficulties encountered with new construction in compact settlements. Lucy highlighted the Jeffersonville project and the Stowe (potential project).
- Currently LHP is developing a 32 lot mobile home park in Hardwick, 20 bed, single room, facility for individuals with chronic mental illness.
- During the past few years LHP has seen an increase in homeless people coming to their organization looking for housing options
- Impediments to the development of “affordable housing”: Fear of “those” people, NIMBY attitudes
- LHP estimates that more than 50% of Lamoille residents are struggling to obtain or keep homes. These people face high housing costs, high land costs, and low wages.
- LHP has experienced the same challenges with the local permitting process that for-profit developers often complain about: lack of consistency and lack of clear zoning.

*DOUG HEMMINGS*

*Family Community Support Specialist, Central Vermont Community Action Council*

- Facing many people in need of emergency services, losing housing, can't find housing, don't have deposits
- Primarily Rental Market Lacks Available Units
  - 46 families in 3 months have been displaced
  - In 1 month 6 units downtown units in Morrisville were taken out of the market
  - 4 mobile home units were taken out of the market
  - 5 units were removed permanently on Bridge Street in Morrisville
  - 2 duplex units were taken off the market
  - In that one month period approximately 15 families displaced
- Lamoille Homeless Prevention Task Force was formed in 2000 to address the crisis
  - No place to send the homeless other than COTS in Burlington which is often full.
  - The Barre shelter is far away and lacks space
  - PATH can temporarily provide funds for hotel accommodations, however this is expensive, generally lacks cooking facilities.
  - Increasing units will not keep pace with homeless population.
  - Building a shelter in Lamoille County may be an option, however, perceptions re: attraction of unreasonable people, maintenance of the building/staffing is difficult
  - The perception is that there are not homeless people in Lamoille County, mainly because people are not in the street – yet
  - Homeless people are not just public fund recipients, they are people with jobs, it is difficult to keep a job without a home

*KEN HARVEY - Owner, Harvey's Manufactured Homes*

- Services the \$30,000 - \$225,000 market
- Generally, countywide, lots are larger than they need to be (2acre-5acre). ½ acre can be adequate for most homeowners and are less expensive to develop. Many lots are 10-acre lots due to the current regulatory perceptions related to development.
- Ken has developed a 112 unit senior housing complex which is the largest tax payer in Hyde Park. The roads paved, a community center was built with assistance of DHCA, a nearby mobile home park in Johnson is being rehabilitated and relocated out of the flood plain.
- Hard to go to towns and talk about parks with the current planning/zoning in many communities
- Education needed is needed for municipal officials and the public
- Management of these complexes is essential.
- Issues related to the attraction of families with children and the cost related to education needs to be addressed so the people and community understand Act 60 and how it relates to development.
- During the period between 1988-1990 Ken was developing a home every 4-5 days on average, in 2000 a home was developed every 7-8 days.
- Many homes are on rented lots which leads to instability
- The homes average 30% below state market average for rent done by choice (Harvey's)

- 1<sup>st</sup> option of purchase is given to the VT state housing authority to keep units affordable in perpetuity

*ROY MARBLE – Developer, Marble Realty*

- Finds most clients have limited financing options due to credit card debt
- Would prefer to deal with act 250 and ANR related to permits due to the professional, non-biased approach and consistent review compared to the local permitting process which is sometimes driven by politics
- In general the permitting process often disenfranchise property owners
- Fewer developers are developing housing projects
- Estimates in Lamoille County that 450-600 lots created in the last few years with permit costs ranging from \$400 - \$6000/lot including engineering. Cost of building lot and cost of a new pickup truck generally speaking are equal over time.
- Earning power of jobs is not keeping up with costs of development.
- Proper utilization of land is hampered by large minimum lot size zoning (2acre-5acre), road frontage and set backs requirements.
- Cluster development should be encouraged where municipal services are available vs. development in outer lying areas, where onsite systems are needed, that are difficult to maintain, install, and expensive to develop.
- The proposed onsite septic regulations would be a step in the right direction
- There needs to be more support for development of mid-level housing, currently too much public money is invested in projects such as those developed by LHP

*STEPHEN JENNINGS – Chair, Morristown Planning Commission*

- There is a need to maintain and foster a healthy community with includes a mix of uses, including a Business District that does not displace housing
- Creation of more options for residents to work and live in the same community in order to foster community involvement
- Morristown community supports much of the region’s low income housing
- Planning Commission needs input
  - Potential projects
  - Current regulations
  - Suggested densities
  - Get on the ground and see the terrain
- Low wage earners, wages don’t meet the basic needs

**AUDIENCE - Questions**

*How are multi family housing loans addressed and what is the activity in this sector?*

More activity within the last 2 years, development of new properties/renovations, 4 units or less are considered residential projects, greater than 4 units are processed as commercial projects. A lot of requests from the Jeffersonville/Johnson area, this is new for Union Bank.

*Are the new regulations re: multi family houses that were implemented 4 years ago having an effect on this market?*

They could be driving the trends noted above.

*What is the statistic on the total rental vs. owned housing both in Morristown and in the County?*

There are not clear figures at this point, however it appears that multi family investment housing is on the rise. Morristown has been trying to address housing across the sectors recognizing that there is not only a need for housing for lower income levels, but also a need for luxury housing. Morristown has also been reviewing its lot sizes and looking at possibilities for cluster development.

*How have recent VHFA program changes affected loan opportunities?*

They will no longer allow revolving debt to be reduced as part of a finance package. Long-term changes in the public's attitudes and use of revolving credit need to be addressed.

*Please outline the trends noted in the Northwest Housing Study.*

The size of households is changing, more elders are aging at home, there are demographic shifts in the population, there are more service sector jobs being created.

*Are the LHP housing educational/orientation session having impact?*

These forums are held monthly and they appear to be very successful. Assisting the public in understanding the home ownership options available is a long-term process. Assistance from schools in the basic issues around debt accumulation and its impact on home ownership would help.

*Communities don't have resources to fund municipal services, what can state do?*

The CDGC program can help with grants of up to \$750,000 for qualifying communities. VANR has a loan program that can be combined with the CDGB program. USDA Rural Development also has a loan program.

### ***Summary of Issues Identified by the Housing Summit***

There are many dedicated people in the county working on this issue, however, the core group needs to be expanded

Lamoille County is an attractive place to live, there are many people interested in getting and maintaining a home

#### **Resource Issues**

- Paying for Housing

- Understanding Financial Planning

- Credit Availability (too much revolving credit available, understanding finance options)

- Development of a population of potential investors willing to take risks

- There is currently a mismatch between the need for housing at various levels and the availability of housing

## Housing: Wages

Service Sector (price of gas for commuters in service sector Wolcott/Stowe, lack of reliable/schedule feasible alternative transportation, housing available near work, scheduling flexibility)

Service Incomes vs. Manufacturing Incomes

How to accelerate base incomes while stabilizing housing costs

Educating the mass public and employers about the societal costs of service sector wages

Addressing student housing needs and displacement of community housing

Tax base and housing type equity

## Constraints on Economic Development

Business Development Issues (How to attract employers if housing tight)

Availability of housing for workers

Potential use of employer sponsored housing, developing partnerships to facilitate this

The viability of supporting low wage service sector jobs

## Educational Options

Life skills development at the K-12 level

PATH classes

## Life Style Issues

Extended purchasing of limited lifespan consumer goods

## Difficulties in developing rental housing

Apartment buildings are available

Management is an issue (Community education/Tenant education)

Being a landlord is not attractive

Misconceptions regarding tenants and affordable housing issues

Understanding the Federal Fair Housing Regulations - Public/Municipal officials

LHP Strategies for Management: Diligence/Attentiveness

Affordable housing development is a long term investment strategy

Identification of infill opportunities

How can certain parcels of land be better utilized?

How can 2<sup>nd</sup> / 3<sup>rd</sup> story area be utilized?

How to develop housing construction programs to be implemented by for profit and not for profit developers

Assuring that for profit developers of affordable housing that receive incentives keep the housing perpetually affordable

Developing a rent basis structure to assure reasonable rent levels

Developing compassion within communities related to this issue

Addressing NIMBY issues

## Cost of Rehabilitation/Infill

### Public funding needed

The issue of elevators, sprinkler, and other codes

Asbestos/lead removal

## What does Affordable Housing mean?

Who, What Income, How does Section 8 work

Discrimination issues

## Attendees of the Lamoille Housing Summit

<i>Name</i>	<i>Organization</i>
Bob & Betsy Philbrick	New & Citizen
Rob Apple	Stowe Mountain Resort
Bruce Doujian	Stowe Landowner
Lucy Leriche	Lamoille Housing Partnership
Ken Sweetser	Town of Morristown, Zoning
Sandra Loujay	Morristown Resident
Greg Brown	Department of Housing & Community Affairs
Scott Corse	Morrisville Water & Light Department
Kevin Lane	Morristown Planning Commission
Kevin Manning	Morrisville Resident
Craig Deluca	Stowe Planning Commission
Scott Noble	Stowe Planning Commission
Helen Beckerhoff	Stowe Selectboard
Marcia Marble	Marble Realty
Roy Marble	Marble Realty
Bill Rossmassler	Lamoille County Planning Commission
Renee Shippe	Central Vermont Community Action Council
Stephen Jennings	Morristown Planning Commission
Cynthia Borck	Union Bank
Ken Harvey	Harvey's Manufactured Homes
Doug Hemmings	Central Vermont Community Action Council
Michele Boomhower	Lamoille County Planning Commission
Rob Nesbitt	Lamoille County Planning Commission

# Northeastern Vermont Development Association Housing Summit

*Wednesday, March 21, 2001*

## **Panelists**

Moderator: Steve Pitkin, *Vice-President of Housing Vermont, NVDA Board Member*

Steve Coble, *Department of Housing and Community Affairs*

Kathleen Hall, *NEK Community Action*

Paul Hill, *Vermont Community Loan Fund*

Ed Stretch, *Gilman Housing Trust*

## **Present**

Winston Dowland (Morgan), Mike Welch (St. Johnsbury), Peg Elmer (DHCA), Larry Donna (NVDA), Sigurd Andersen (NEK Collaborative), Roger Joslin (Joslin Realty), Davis Adams (VHFA), Leo Peter Coutu (Riverside ADS), Craig Kleman (Lyndonville), John Ward Jr. (Newport City), Paul Denton (NCIC), Jerry Rowe (Citizen's Bank), James Impey (Impey Real Estate), Joel Schwartz (St. Johnsbury), Paula Riviezzo (NEK Human Services), Kathy Hoffer (VSHA), Joanne Bowley (Green Mtn. Dev. Group)

## **NVDA Staff**

Charlie Carter, Merike Petrich, Corey Bennett, Jeff Owen

## **Panelist Presentations**

### **Ed Stretch, *Gilman Housing Trust***

Ed described several of the programs of Gilman Housing, which is the primary affordable housing provider in the Northeast Kingdom. In addition to developing, holding, renting, and managing subsidized housing, Gilman runs a popular homebuyer assistance program, rehabs housing for resale to private owners, and provides rent-to-own options for low income persons. The homebuyer assistance helps low income people to become mortgage ready and assists with steps in the mortgage and home-buying process. Typically, communities come to Gilman with projects rather than Gilman looking for projects.

### **Paul Hill, Loan Officer, *Vermont Community Loan Fund***

The VCLF is a statewide, non-profit lender that works with affordable housing, low to moderate income families, and business loans for less conventional borrowers. Less conventional borrowers include business start ups, agricultural tourism, minorities, women, etc.. Often VCLF works with local lenders as a junior lien holder in less conventional loans and contributes equity to make loans more attractive to local lenders.

### **Kathleen Hill, Outreach Dept., *NEK Community Action***

NEKCA provides a variety of services for area residents with special needs including assistance to low income persons in the form of food, shelter, and training. Kathleen estimates that there are about 250 homeless people in the region. There is often a problem between incomes and rent for employed residents, and there is a year long waiting list for Section 8 subsidies. She believes

that there is a shortage of affordable housing in the region and would like to see a homeless shelter in St. Johnsbury.

**Steve Coble, *Dept. of Housing and Community Affairs***

Steve works with the Dept.'s Consolidated Plan and Five Year Housing Needs Assessment. The needs assessment is broken down by county and the current period is 1998 to 2003. While these documents do not make projections, they provide demographic information for decision making and can be useful with grant applications.

**Group Discussion**

Steve Pitkin opened the meeting for discussion with the whole group. Larry Donna feels many low income people believe that homeownership is more difficult than it really is. He says that Gilman Housing's homebuyer assistance can be very effective in helping low income people through the various steps of home buying and with difficulties that may arise. He also feels that the difficulties and perceptions of difficulties involved in buying a house leads in part to the popularity of mobile homes. He believes that mobile homes are not usually the best investment, but are popular because they are easy to buy and serve as more of a quick fix.

Ed Stretch said that market research indicated a need for some deep subsidies in the region. There is also a shortage of 2 and 3 bedroom units, especially in the St. Johnsbury and Newport area. Rather than building new units, Gilman Housing tries to help low income renters to buy duplexes and three family homes, occupy one unit and rent the others. This helps to rehab the existing housing stock, creates owner occupied buildings, as well as helps low income people to create wealth. Gilman Housing also focuses on rehabbing the worst of the housing stock. Ed would like help with the NEK Enterprise Collaborative as it identifies housing needs, where they are, and what can be done other than simply building new units.

Steve Pitkin asked if there was a push in affordable housing towards the urban centers. Ed did not think so, but they are buying older houses, which are often in the centers. Generally, low income buyers have the same concerns and look for the same thing as others in the housing market, low taxes, good schools, a connection to work or family, and currently, larger lots in rural areas. However, many are not mortgage ready, and need assistance with such things as credit problems and down payments.

Kathleen Hall spoke about the homeless in the region, who often do not match the common perception of the single adult sleeping in alleys or parks. Many are families that have recently lost their homes or apartments and are temporarily living with friends or family. Finding quarters for homeless families is particularly difficult in the region. The few shelters that exist mostly do not have enough rooms for a family, and breaking them up is undesirable.

Winston Dowland said that the Veteran's Administration provides transportation for homeless vets and their families to services in White River Junction, but many towns do not know about this service. It would be effective to combine this service with others provided by mental health and human service programs in the region. The VA Hospital in White River Junction is the contact for this service.

The group discussed the relatively low cost of homeownership, which has helped the Northeast Kingdom to have one of the highest levels of homeownership in the state. This has also lessened the demand for middle and higher priced rental units. A mortgage is often less expensive than paying these mid to high end rental rates. It is difficult for a landlord to justify improvements on properties when rents cannot be raised to cover the renovation expenses. This can lead to severe deterioration of aging units, and can contribute to very real safety and fire issues. It is difficult for private landlords to raise capital or access public money to do safety improvements. When Federal money is used, a lot of requirements must be met, unless money is being used to target a very specific problem, such as electrical wiring or lead paint.

Another issue that is often raised in urban areas are the potential problems associated with large concentrations of subsidized housing projects. An effective remedy for this can be developing mixed-income housing. While this is a common requirement in new, larger residential projects, funding for renovations of existing buildings for mixed-income housing is scarce. Gilman Housing Trust's approach has been to renovate smaller, two, three, and four unit buildings dispersed throughout the community. This avoids isolated concentrations of low-income housing and the stigma that is often attached to large scale subsidized housing. The down side is that dispersed affordable housing can make provision of needed human services such as transportation, training, and day care more costly.

Some smaller landlords do not know about monies available for improvements or subsidies, but landlord education could help with this. Also, large landlords often buy the good deals as soon as they are on the market, and smaller landlords cannot get into the market. This can lead to situations where a large part of the rental market may be owned by a small number of people. Sometimes these larger landlords do not maintain their properties well.

The group felt that if more multi-family houses were owner occupied, a number of problems could be addressed, including safety issues, aesthetics, sense of community, and incomes for numerous small landlords. Gilman Housing is working to promote this, and NVDA and the regional plan could also be useful.

It was brought up that subsidized housing can compete with the private market and take the best tenants. It was suggested that new subsidized housing should have higher rates because of recent renovations. When federal money is used to rehab buildings, sometimes this raises the tax assessments of surrounding properties too rapidly.

Available senior housing stock seems to be close to meeting demand for subsidized units, but seniors who do not qualify for subsidies are having difficulty finding quality living situations within their means. In some cases, empty nesters and single seniors would like to move from their large homes to smaller apartments that require less maintenance, but the market for their homes is not strong. Steve Coble suggested that the group look at what Newbury did with Section 515 (Oxbow Senior Citizens?). Steve Pitkin said that Richford also had a similar situation.

## **Recommendations for Improving Housing**

The safety of occupants in aging housing stock was a primary issue, as was the general quality of this housing. Improving the quality of existing housing stock was seen as a better alternative to building new housing and abandoning the old. Several people mentioned that steering growth towards existing urban centers would be beneficial to this issue (where much of the housing already exists). Accessing public monies for renovations of low rent, private rental housing was a main issue for improving regional housing.

A regional revolving loan fund was suggested to lend money at low rates for safety improvements. Because using federal money usually requires that everything be brought up to code, if federal money was to be used, the fund would have to be very specific in its uses to avoid this. It was mentioned that municipalities can help private landlords by providing loans for renovations at the municipal interest rates.

The Restoration Investment Tax Credit for businesses allows 20% of the money spent on rehab to be deducted from taxes. Maybe something like this or a Tax Increment Financing program could work for residential renovations. Or, property taxes could be frozen for 5 years to allow for improvements to newly purchased homes. In Chittenden County, public money is available to homeowners who will renovate a building providing that they occupy it for a certain number of years. If additional units are in the building, those may be renovated too.

The regional plan should encourage towns to address their housing stock and to see the link between housing and economic development. Both the plan and towns should encourage homeowner associations and landlords associations. An inventory of buildings to demolish could be made, and public money is available for demolition. Code enforcement by towns can address blight, and, when necessary, state agencies can work with towns to enforce codes and address safety and health issues.

The issue of problem tenants was raised. Tenant education can help with this issue, but if this fails, landlords must be able to evict problem tenants. Often, problems at home are signs of larger problems that human service groups can help to address. Connecting affordable housing with service provision is a necessity. Gilman Housing and community land trusts can be effective at linking housing with needed services.

Mixed income housing can address many of the issues associated with problem tenants, but there needs to be more opportunity for funding for mixed income buildings. Gilman Housing addresses this by dispersing subsidized housing throughout the area rather than concentrating it. Towns should also encourage a mix of incomes throughout the area.

# Northwest Regional Planning Commission

## Franklin-Grand Isle Housing Summit

*March 27, 2001*

As the Northwest region has experienced a period of economic prosperity, the need for housing of all types has increased. In addition, in-migration and falling household sizes are combining to increase the number of households in the region. A tightening housing market could impact the prospects for future economic growth.

A recent study predicts that our region, along with our neighboring counties, will need to absorb over 20,000 new housing units in the next 20 years. The Housing Summit brought together a diverse group of over 50 people with an interest in housing to participate in a session to identify problems and brainstorm solutions.

The Summit opened with a brief review by the panelists, as they presented their perspective on the current and future state of housing in Franklin and Grand Isle Counties. Emerson Lynn, Editor of the St. Albans Messenger, moderated the Summit.

### **David Weinstein, Director of Federal Housing Programs, VT Housing and Conservation Board**

Mr. Weinstein described the Vermont Housing and Conservation Board as a quasi-state-run operation chartered in 1987, to provide housing to Vermonters of moderate means, as well as to form conservation programs. They participated in the Northwest Housing Study, which projected that economic growth is likely in the region. This means that there will be an increase in the number of households, as well as housing demands for different income levels. The study also showed that Franklin County is absorbing more of the housing market that originally anticipated.

### **Meg Pond, Lake Champlain Housing Development Corporation (LCHDC)**

Ms. Pond spoke of different programs offered by LCHDC, including the Rehab Loan Program. She spoke of the Franklin-Grand Isle Advisory Committee, which works with LCHDC to ensure local programs meet the needs of the region. Recent census data shows that Franklin County has had a 14% increase in population, and Grand Isle County has had an 18% increase. It is estimated that 3500 new units will be needed over the next 10 years. About 2500 of these new units would be homeowner, and the remaining 1000 would be rental units; many new renters and owners will need subsidies.

### **Brenda Torpy, Burlington Community Land Trust**

BCLT is an 18-year-old program, serving all of Chittenden County. BCLT has been invited to bring some of the community services to the region, especially the homeownership center; a program devoted to serving people of all incomes. The homeownership center will be developed in conjunction with LCHDC and will include workshops on homeownership, such as how to access the market, how to be good consumer, how to decide what you can afford, and managing credit and credit ratings. It will be a one-stop shop that will include follow-up with homeowners after the purchase of their house, to help keep them settled in their home.

### **Sandi Murphy, Murphy Real Estate**

Ms. Murphy is a real estate agent and appraiser. She also helps customers create a plan to work towards homeownership. People are not educated about getting and keeping good credit, as well as setting priorities for life purchases. According to the Housing Sales Inventory, Franklin County's year-end average of in 1999 was \$107,640. In 2000, \$115,000. Even on a dual income budget, with debt lower than 10-15%, there is still a problem buying. She estimated that a 2 income family, earning \$48,000, at 7% for 30 years on a \$118,000 home, will be paying \$951 with interest, taxes, and insurance, and can only afford \$843 a month at their income. Therefore, this 2-income family cannot buy an average home. She added that sewer connection availability is lacking in the region, and that we need to rely on soils. Therefore, approving alternative septic systems is crucial. She also added that zoning is an issue; 2-acre minimum zoning can add to land costs. Local Planning Commissions and zoning boards need to scrutinize land capability and maximize development.

### **Kerri Whalen, Assistant Vice-President, People's Trust Company**

Ms. Whalen stated that unemployment was at its lowest, and bankruptcy at its highest. She says that spending has driven the economy. These economic issues affect homebuyers; there is simply too much debt, and the high rents impact home ownership as people have a lack of savings for closing costs and down payments. There is also a lack of affordable units, and prices are rising at a shocking rate. There are high costs per lot just for infrastructure. Uneducated consumers have lending needs taken care of by lenders who can take advantage of the consumers. It is important to go into schools to teach kids about savings. Towns and regions must plan for housing at all income levels.

### **Phil Gerbode, Developer/Real Estate**

Mr. Gerbode noted that the number of developers is dwindling, due in part to the fact that the process is time-consuming. He gave examples of housing development projects that have been dropped, denied, or downsized in the permitting process. However, even with all the difficulty, there are still looking at other projects. He identified several issues with planning, including land preservation and scenic corridors. These issues have been worked on by many state agencies, and are not very coordinated. He stated that there have been no subdivisions over 20 units approved in the last 7-8 years. Industries need homes for the people who work here.

### **Following the panel presentations, there was an open discussion of problems and opportunities related to providing safe, attractive and affordable housing, and a brainstorming session to develop solutions to the housing issues facing the region.**

- There is always a housing crisis at the low end of the income, and it's now hitting people in the middle as well. There is a lack of development approvals and not enough sewer and water. More condominiums should be built where there is sewer/water.
- There is an increase in labor and material costs. Each municipality needs to take a proactive stance to make sure there is a place for all people to live at all incomes.
- The problems are in Montpelier, not just the local level. People who provide food, and have a difficult time making a living, get subsidies, and are exempt. Perhaps those who provide shelter should get the same treatment.

- We can't solve problems by building a single home on 10 acres. No one can afford it, and people do not want to chew up land. Higher density is the friend of the working Vermonter. Towns need to be proactive and support higher densities where appropriate.
- South Hero had a different issue. South Hero is concerned about sprawl – how do you balance conservation, growth, and open space. In growth areas and cities, smart growth could have multi-families mixed in open space.
- Rehabilitation of existing buildings is a great way to achieve goals and balance growth, density, and sprawl. An example is the old Swanton School, being done over to accommodate housing. Industrial buildings and brownfields being converted are other options.
- Developers need to change their mindset from looking at greenfields to considering redevelopment. The public is paying more attention to this, giving us the opportunity to begin to recognize that there are permitting problems at all levels- local and state. NIMBY (not in my backyard) is a huge problem.
- Franklin-Grand Isle Advisory Committee decided to narrow in on a few things, and ask all regions to work together to get rid of a loophole and allow for alternative systems. People need to look not only at large subdivisions, but also at one at a time development.
- Alburg would like affordable housing, but no one is offering to do these projects – they have water/sewer. Alburg will feel the development pressure in the next few years, as a result of population growth and expansion.
- The St. Albans Town bylaw changes look to increase density in growth centers by adding multi-family residential components. This type of development is encouraged.
- Farmers are beginning to see a conflict between agricultural lands and residential growth. Neighbors are complaining about natural farm byproducts; noise and smell are two complaints. Until alternate septic systems are approved, we cannot get rid of the 10-acre loophole.
- The Agency of Natural Resources is a big impediment to all development. There is a proposal to extend buffer zones around streams/wetlands.
- All agencies are working to “do the right thing,” but they all combine together to be an impediment. Everyone wants to have clean water, open space, and clean air. People need to be thoughtful to achieve a balance.
- Right now, there is a gridlock in all areas of the market. The numbers of 18-25 year-olds in the region will only exacerbate the problem of the housing need.
- Demographics of housing demand are changing as the baby boom generation ages. Given the recent census results, Franklin County may be an exception. We need sewer lines in order to achieve density, yet these have trouble in the permitting process.
- School capacity is an issue that needs to be dealt with at a local level. Conserved agricultural lands are becoming an issue; as more lands are protected, it pushes land costs up – especially in Swanton, where much land is agricultural land. VHCB is the only group nationwide that deals with both. They only buy from willing sellers.

The Northwest Regional Planning Commission will continue to address housing issues in the coming year through the Franklin-Grand Isle Housing Advisory Committee, and a group of interested citizens.

# Rutland Regional Planning Commission FY 2001 Meeting with Rutland Regional Housing Leaders

*June 27, 2001*

The Rutland region is fortunate to have a number of skilled and experienced organizations working to help relieve the housing crisis in the area. Recognizing this, the Rutland Regional Planning Commission (RRPC) felt it more appropriate to conduct a focused meeting with regional housing leaders on how the RRPC might best compliment their efforts rather than holding a broad region-wide summit. Therefore the directors of seven key housing-related organizations were invited to participate in a two-hour facilitated discussion on Wednesday, June 27th from 2:00 – 4:00 pm. This paper summarizes the results of that discussion and outlines the RRPC's next steps in its continued effort to collaborate with its regional partners and member communities to help alleviate the housing problem in the Rutland region.

**Date:** Wednesday, June 27, 2001

**Location:** RRPC Conference Room at the Opera House

**Attendance:**

Caprice Hover	Rutland County Housing Coalition
Elizabeth Kulas	Vermont Community Land Trust
Kevin Loso	Rutland Housing Authority
Michael Dolce	U.S. Rural Development Agency
Matthew Sternberg	Rutland City Redevelopment Authority
Kit Cottrell	Rutland Regional Planning Commission

**Unable to attend:**

David O'brien	Rutland Economic Development Corp.
Craig Maraschky	Rutland West Neighborhood Housing Services

**The meeting discussion was focused around three questions:**

1. What are the key housing issues that the Region must address in the short, mid, and long-range future?
2. How can each of our organizations collaborate more effectively to take better advantage of the resources we offer?
3. How can the Rutland Regional Planning Commission most effectively channel its resources to help your organization with the effort to solve the continued and increasing demand for affordable housing in the Region?

## **1. Issue Identification**

Short range (current situation)

- Lack of a perceived housing need in the rural communities
- It has become more difficult to qualify people for mortgages because of deep and pervasive credit card debt.

- The public is currently less concerned about housing issues in the region because of its preoccupation with the rapidly growing drug problem.
- A growing polarization between the haves and have-nots. The Rutland Region never really came out of the recession of the early 90's and a number of industries have left. This has eroded the traditional working class because it has become much more difficult to find quality jobs.

#### Mid range

- There is a need for more detailed information on the full spectrum of the housing market in the Rutland region
- Job and financial management training are important elements of the equation that need to be strengthened.
- The people in the region that are still without affordable housing remain that way, in part, because they are the most difficult cases. Those that remain are the hardest people to serve and may not always receive the full attention that they need so that other cases can move forward. While unfortunate, this is the reality of a system that is overworked, understaffed and therefore required to make difficult choices in order to help the majority.

#### Long range

- If the Rutland region is in fact moving toward a primarily service based economy (which in Matt Sternberg's opinion is neither inevitable nor desirable) then we must be careful that the market doesn't price out the people providing the services. Mid to long range planning must project service sector labor needs and consider where new housing should be located to accommodate them.

## 2. Collaboration

The group as a whole felt that they already collaborated with each other effectively. Matt Sternberg acknowledged that Rutland City ceded leadership in housing issues to the region's non-profits because they do an effective job and Rutland City lacks the resources to administer its own housing agency. Kit Cottrell provided each member of the group with copies of the VAPDA publication *Supporting Housing in Vermont Communities* which all found useful. Additionally, several participants expressed their pleasure in "rediscovering" the information within the 1993 Housing Technical Report upon which the Housing Element of the Regional Plan is based.

## 3. How can the RRPC help your organization be more effective?

- Provide more information on the housing market across the board, not just low income or "affordable" housing but the entire spectrum of the housing market in Rutland.
- Help coordinate events and activities of the housing organizations as appropriate.
- Help improve the profile and awareness of the resources that are available at the federal, state, and regional levels.

- Put together a housing resources guide / directory of housing organizations and programs that are available.
- Work with the region's towns in order to:
  - Improve their awareness of the resources available to community residents with housing needs
  - Help them identify opportunities through which they may provide affordable housing in their communities
  - Ensure that their town plans, zoning and subdivision regulations accommodate, and do not inadvertently exclude, affordable housing
- Do not hold a regional housing forum as there have been so many on this and other issues that they are perceived by organizational leaders and the public as an ineffective waste of time.

### **Summary and Next Steps**

The Rutland Regional Planning Commission has always been committed to helping improve the housing situation in the region. Much of this effort has been through detailed data collection, the provision of guidelines on housing in the Regional Plan, organizing and facilitating regional housing forums, and providing technical assistance to towns to help them accommodate affordable housing in their town plans and zoning and subdivision regulations.

Historically, the RRPC has also collaborated with other regional organizations working to address housing needs. However it is evident that there is a need for our organizations to place a renewed emphasis on communication and keeping abreast of the resources each has to offer.

The group's lack of interest in participating in a broad housing forum suggests a need to embrace new and innovative ways to increase awareness of housing issues and educate towns and individuals on what they can do to help their residents and help themselves. The release of the detailed data sets from the 2000 Census will enable the RRPC to update the 1993 Technical Report referred to above. Rutland's regional housing leaders will clearly appreciate this updated, comprehensive document as well as a directory of federal, state, and regional housing organizations that the RRPC will put together shortly. The Rutland Economic Development Corporation is nearing completion on a Regional Economic Development Strategy which will have implications on issues such as job opportunities, skills training, and land use planning for development that are acknowledged as vital components of the regional housing picture. In the meantime the state's heightened emphasis on a coordinated program aimed at engaging every community in Vermont in the effort to provide quality housing for all Vermonters is welcomed and the RRPC will be an able and willing ally in this effort.

# **Two Rivers-Ottauquechee Regional Commission**

## **Southern Windsor County Regional Planning Commission**

## **Upper Valley Lake Sunapee Regional Planning Commission**

## **Upper Valley Housing Summit**

*April 6, 2001*

### **Strengths, Weaknesses, Opportunity and Threats**

#### Executive Summary

#### **Introduction**

On April 6, 2001, about 40 professionals from public, private and non-profits sectors in Vermont and New Hampshire gathered at the “Upper Valley Housing Summit” to discuss and analyze issues pertaining to the supply of housing in the Upper Valley area. Attendees included housing developers, employers, planners, real estate brokers, housing funders, architects and economic development specialists. While not inclusive of all area people knowledgeable in the issues of housing, the group displayed a broad base of experience and diverse perspectives. This is a report of their discussions.

Regional Planning Commissions (RPC’s) in Vermont have been given the task of quantifying the housing needs of their regions. The three RPC’s in the Upper Valley (Two Rivers-Ottauquechee, Upper Valley Lake Sunapee, and Southern Windsor County) have long acknowledged the regional housing shortage. They recognized that this “Upper Valley” region encompassed four counties in two states- Vermont and New Hampshire. The intertwined economies of these states in this region called for a perspective wider than one RPC, or even one state, could provide.

The Housing Summit was the first step in what promises to be an intensive look at housing supply, demand and conditions for development in the Upper Valley. This first meeting was designed to be that first step: a meeting place, a structured, substantive discussion about supply;

and touching on demand and conditions. An intensive statistical analysis will take place this summer, examining and forecasting housing needs in the Upper Valley.

The results of that analysis will be presented and distributed widely in October of 2001. Those who attended this Summit, and those most interested in creating solutions, including Town representatives, builders, landowners, private and not-for-profit developers, prospective housing owners, cooperators and renters, state legislators, environmental advocates, planners, regulators, funders, and financiers will be invited then to develop an action plan to meet the known need. The action plan will show concrete and measurable goals, action steps to reach those goals, and commitments and agreements to accomplish those actions.

### **The SWOT Process**

The analysis presented here is known as a “SWOT” analysis: Strengths, Weaknesses, Opportunities and Threats. The participants were instructed to focus their analysis on the issues of housing supply. Strengths and Weaknesses would reflect an analysis of “internal” conditions—our region, our people, our institutions, our laws, etc. Opportunities and Threats would examine “external” conditions such as market forces, economic trends, supply of natural resources, politics, etc. In reality, all categories intersect; and taken together, the analysis provides a very valuable perceptual overview of the conditions for housing development in the Upper Valley.

The participant group was broken into four randomly designated subgroups. Each subgroup was facilitated by representatives of the regional planning commissions. The facilitators took notes as they led the discussions. Each group examined the issue of housing supply from the internal perspectives of strengths and weaknesses and the external perspectives of opportunities and threats. The compilation of those notes is the SWOT analysis.

### **SWOT Findings Summary**

This summary of the groups’ work is intended to introduce the major findings of their analysis. However, it is not all-inclusive. The full findings are attached.

**Economic Conditions:** There is strength in the current regional economy, with private funds available and stable employers. However, that regional strength has not necessarily trickled down into the creation of “affordable” housing. For both builders and investors, other options are more lucrative. Opportunity exists in the stock of existing buildings that are unused, especially in downtowns. The threat is that businesses and the economy will be undermined by the focus of resources on high-end or second homes, instead of building housing for the labor necessary for business success.

**Regional Institutional Capacity and Funding Programs:** **The region enjoys a systems infrastructure capable of dealing with the issues of affordable housing. There are organizations with knowledge, funding programs, and committed leaders. The programs available may not be designed effectively to meet the area’s needs. With a refocusing of existing programs- and the creative use of both public and private funds- new solutions are possible. The greatest danger may be that the bureaucracy is too entrenched to move towards these solutions, and that private capital will remain unavailable for lower cost housing production.**

**Regulatory Issues:** There are existing laws that can create linkages between affordable housing and higher end housing, and the technical assistance capacity to help towns ensure that development is regulated for the benefit of the towns. The existing regulations do drive up costs, and are perceived to be unfairly enforced or perhaps just poorly understood. Because these issues are recognized, there is hope for regulatory reform. The threat is that even “reformed” regulations will be too difficult to comply with.

Awareness and Interest in the Issue: **There appears to be a greater understanding of the problem across sectors, and in fact, the perception that housing availability is a crisis. This is an important motivating factor. “Affordable” housing is still plagued by negative perceptions: about the design, and financial and social impact. There exists both an increasing “no growth” sentiment, and a strong NIMBY (Not in My Back Yard) voice. There will be a conflict in the social desire to provide adequate affordable housing and to remain rural, particularly in the smaller outlying communities.**

**Land and Resource Issues:** Land is available, near employment centers. Labor is not readily available, and sometimes infrastructure to accommodate housing does not exist. Businesses represent the greatest opportunity to develop housing, as they seek to ensure their needs are met. The greatest threat will be a lack of transportation infrastructure.

**Tax and Governance Structures at Local and Regional Levels:** Planners can help towns develop programs that make sense, and share the responsibility for new development. Current tax policy places heavy dependence on local governments to finance education, mainly by property taxes. Current tax structures in both states limits the desire by communities to expand housing supply or to otherwise address housing shortages. However, towns cannot ignore the problem, and regional dialogue is an important opportunity. The threat is that existing political structures will not change.

**If we could solve the problem, what would we do?** The group was given 10 minutes to “think out of the box,” and brainstorm constructive solutions to the problem. Their thoughts are presented as a beginning point for the creative and cooperative work that can be the result of this process. See the end of the SWOT analysis for their ideas.

#### *Your feedback*

**Your feedback is welcome- and your ongoing interest and participation is sought. One clear conclusion of the SWOT analysis is that the Upper Valley is now acknowledging a serious shortage of housing. The potential solutions are many. The participation and cooperation of public, private and non-profit sectors will be required to put any solution into practice.**

# Windham Regional Commission

## Housing Summit

*“Cross-Town Talks”—April 30, 2001*

### *Housing Supply and Affordability*

#### **Background:**

Each year, the Windham Regional Commission (WRC) sponsors a series of meetings and workshops on topics of interest to local officials, citizens and organizations in the Windham Region. Known as "Cross-Town Talks", these sessions are hosted by the WRC's Plan Review and Co-ordination Committee and usually draw an audience of 30-45 people. Past topics have included transportation, energy, emergency management, sprawl, land use development strategies, etc. The April 30, 2001 session was part of a statewide series of public meetings focused on housing issues.

In 2001, Vermont's twelve regional planning commissions agreed to host forums on housing across the state, and they collaborated on two publications. These are the booklet, "Supporting Housing in Vermont Communities" (February, 2001) and a newsletter, "Regional Housing News" (Winter 2000-2001).

The WRC hopes to use the ideas and information from this forum in several areas. It is currently re-writing the regional plan and looking forward to an improved housing element. The WRC also will share this information with towns so they may include it in their housing elements and consider some of the strategies suggested by the panel and audience. In collaboration with the other regional planning commissions and the Vermont Department of Housing and Community Affairs, the WRC hopes this information will contribute toward the improvement of statewide strategies to address housing issues. Finally, this information will serve as input for the Chapter 117 review committee that is expected to become active in the summer of 2001.

#### **What we learned from the panelists:**

The eight panelists represented a wide range of information germane to the provision of safe and affordable housing in the region. Joining us were the executive Director of the Brattleboro Area Community Land Trust, a realtor and chairman of the Southeast Vermont Board of Realtors (who also is a landlord), the chair of the Brattleboro Selectboard, a local builder/residential developer who is also a school board member and regional commissioner, the executive director of the Brattleboro Area Chamber of Commerce, a mortgage loan officer from the Brattleboro Savings and Loan Association, a statewide affordable housing expert from Housing Vermont, and our own housing planner from the WRC who also has extensive experience as a builder. Each was asked to identify what they saw as constraints to the provision of adequate and appropriate housing and then to suggest some solutions.

The panel clearly established that there is a problem when, in an era of near full employment, many cannot find suitable housing that is both safe and affordable. It costs more to produce

housing than many people can afford within reasonable definitions of “affordability.” There is a fundamental disconnect between supply and demand; right now there are only 500 units for an estimated 2100 families who need them. According to one source, the greatest need for rental housing in the Brattleboro area is for very low-income families. However, there also is a shortage of available and affordable housing at all levels. “Boomers” are starting to experience family changes and many are considering moving into towns and villages, but nobody is building townhouses for them. Builders know that long-term affordability includes energy efficiency and maintainability and other measures of sustainability, but those add to construction costs and impact initial affordability. It is clear that more housing is needed, but we lack consensus on where or what kind to build. No new multi-family units have been built in the last four years, outside of resort areas. Additionally, many seekers of housing have poor credit, carry too much debt or do not have enough income to support it. The current market does not work to bridge the affordability gap. Because market conditions are not conducive to speculative or multi-unit construction, the gap actually may be expanding to include families at or above median income.

The audience then participated with the panel in trying to identify perceived constraints and potential solutions. Below is a summary of those comments.

### **PERCEIVED CONSTRAINTS**

Land is a problem – it is scarce in Brattleboro, and sale of development rights is precluding development of much rural land. Raw land costs are high, and infrastructure makes it too expensive

Increased densities, more units per acre, are essential to reducing per unit costs for new development.

Zoning and permit requirements often limit housing development

Villages need infrastructure improvements before they can carry heavier densities

It is difficult to make a modest sized housing development financially feasible in the small towns and villages

Building materials are expensive – in the global market no allowances are made for affordability

Capital wants an easy return on investment at a low risk, both of which are counter-intuitive to serving the lower and middle-income brackets  
Severe labor shortages in the building trades affect all sectors

Lack of partnership between builders, banks, realtors & government

Hard to sell the details that make houses energy efficient and inexpensive to maintain when they cannot be seen (such as insulation)

Not enough land is zoned for multi –family use. Section 8 not fully funded

The old extended-family farmhouse often has many empty bedrooms and its owner often cannot afford to keep it up

It is very hard to be a landlord. Eviction is almost impossible. Anticipated problems with “bad tenants” are causing potential rentals to remain vacant

There is a shortage of moderately priced housing (\$113,000-130,000). Only two houses listed between \$100,000 – 200,000 in the *Reformer* this week. Results in middle-income people pre-empting housing that low-income people might be able to afford

It is a seller’s market right now

NIMBY (not in my back yard) sentiment is a problem – even in the villages

Towns need a vision of where housing should be built and what it will look like – town-by-town & village-by-village. They should also have an understanding of where it will be built under their present town Plans and Zoning.

Not enough State and Federal funding in VT to subsidize moderate sized projects

Consumer society lures people to spend unwisely.

High-income people live in a dispersed way, unlike some other societies where people of various financial statuses live in closer proximity and save the open spaces for all. This trend is a disincentive to increasing density in the villages

Small towns having trouble supplying housing for elderly and young families

Depreciation laws changed in 1986 – eliminating financial incentives for commercial residential development.

Making large existing houses into apartments triggers a more restrictive building code – sometimes too expensive to do, or in the case of water and sewage, often impossible.

Although some potentially residential buildings are underutilized, it is hard to get a multi-use zone change – and there may be adverse tax consequences -- changing a zone from residential to mixed has sometimes caused taxes to rise on existing homes.

Rural town attitudes often are to “take care of our own” and may preclude forming the necessary partnerships to solve the shortage problem

Some towns do not want to grow

Public transportation between villages not adequate, so people without private transportation have to go to Brattleboro or Bellows Falls

Executives who want the latest conveniences are going to NH for lower taxes and more high- end house

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## **POTENTIAL SOLUTIONS**

To ease the gap between supply and demand:

- > On the demand side, increase incomes, use section 8, work with employers for housing benefits, reduce fixed costs, & encourage better jobs
- > On the supply side: reduce costs, provide infrastructure, use Land Trusts, subsidize capital investment with state & federal monies, loans, grants and tax credits

Resort developments should invest in a fund to help with building affordable housing

Cut the paper work for builders, and form partnerships for them with banks, realtors & government

Modular housing – it goes up quickly, is affordable and usually does not incur as much infrastructure and permit cost

Loan programs for landlords

Use tax stabilization programs for housing development similar to that used to encourage economic development.

Generate wealth in the private sector and therefore provide housing at all levels up to and including executive homes

Provide all workers with a livable wage.

Reduce property taxes

Create and share a vision with the towns and villages for where and how they would like growth to happen, as well as where and how they don't want it to happen.

Increase the densities in built-up areas. Eliminate 2 acre zoning

Expanding finance programs in terms of income limits, purchase price and underwriting requirements

Offer more construction loans

Shift our priorities for the "American Dream" away from the single-family house on its own patch of land

Build housing in town for "Boomers" and medium-priced housing for moderate-income people to relieve the pressure on lower priced housing already in stock

Change the depreciation laws back to pre-1986 levels

Fill those empty bedrooms in the big old houses

Provide more assistance to landlords, including an insurance pool to which they can turn to recoup their losses during an eviction procedure

Heavy incentives are needed from the Federal Government – National Housing Trust Fund

Invest public funds in town & village infrastructures

Reduce the bureaucracy in the rehab and revolving loan programs

Provide free or inexpensive buses between villages

Encourage accessory apartments in existing single-family houses

Encourage congregate housing with a range of ages and diversity

**Adapt the extended family farmhouse for communal living with one kitchen, a few bathrooms and multiple bedrooms for current times. Safety for the owner and consideration of all is a necessary priority**

## Summary of Comments

Between February 22, 2001 and July 26, 2001, Vermont's 12 Regional Planning Commissions held housing summits or conducted task force meetings to identify the views of local citizens, government officials, business leaders, developers, and housing specialists regarding the provision of safe and affordable housing for all Vermont residents. At these events, participants identified the following issues and proposed the following solutions \*:

### Issues\*

**Lack of housing opportunities** – Neighborhood opposition / NIMBYism to new development & to affordable housing (7); Need for middle income housing (4); Shortage of building trades people (4); Public misconceptions about affordable housing and homeless (3); Special needs of elderly & aging baby boomers (3); Decline in number of developers (2); Declining household size (2); Lack of rental housing (2); Lack of finance capital (1); Lack of perceived need in rural communities (1); Large older housing sometimes underused (1); Limited homeless shelters & transitional housing (1); Seasonal influx in resort towns (1); Topography & soils limit suitable sites (1)

**Affordability** – Credit card debt diminishes ability to finance home ownership (7); High tax rates / Act 60 (3); Wage gains not keeping up with housing cost increases (3); Chittenden County pressuring surrounding counties (2); Conserved agricultural lands increase costs (2); Expansions of local institutions & businesses into residential areas increase costs (2); Subsidized developers of affordable housing must keep housing affordable (2); Difficult to achieve economies of scale in housing production (1); High building materials costs (1); High infrastructure costs (1); 1986 Federal Tax “Reform” removed incentives for commercial real estate development (1); Overworked agencies cannot address all needs (1)

### Solutions\*

Encourage use of more manufactured housing (4); Promote more rehabilitation (4); Provide more info / info clearinghouse / directories / resource guides (4); Promote employer-sponsored housing (3); Provide incentives to rehab downtown buildings, particularly underused upper stories (3); Provide more inventory/ Build more housing (3); Provide subsidies to builders (3); Increase development opportunities by extending infrastructure (2); Loan programs for landlords & builders (2); Convert vacant buildings (1); Coordinate housing organization activities (1); Educate rental property managers (1); Encourage accessory apartments & congregate housing (1); Involve landowners willing to subdivide (1); Involve private for-profit sector in problem solving (1); Landlord assistance (1); Promote maintenance (1); Promote use of alternative building techniques (1); Provide more emergency shelter (1); Reduce bureaucracy (1); Require replacement housing (1); Tax stabilization programs (1)

Permit increased densities (4); Educate communities about new State & federal programs (3); Educate communities & public on Act 60 effects on property tax rates (2); Employ existing laws that can create linkages between higher end & resort housing with affordable housing (2); Encourage better jobs to increase incomes (2); More down payment assistance (2); More Federal & State subsidies / National Housing Trust Fund (2); Personal finance training (2); Revolving loan fund (2); Authorize maximum lot size regulations (1); Affordable housing databank / referral (1); Encourage colleges to meet self-housing guidelines for students (1); Encourage density bonuses / clustering (1); Expand housing finance program eligibility (1); Form partnerships between builders, banks, realtors & government (1); Inclusionary zoning (1); More non-profit affordable housing development agencies (1); Reduce closing costs (1); Reduce fixed costs (1); Reduce permitting costs (1); Reduce property taxes (1); Regional fair share compacts for market-rate & affordable housing (1); Section 8 (1); Tax credits for affordable housing projects (1); Utility assistance (1)

(Continued)

Issues*	Solutions*
<u>Regulatory burdens –</u> Local reviews / permits (6)	Encourage use of local Development Review Boards (1); Expedited process where growth encouraged (1); Increase flexibility for permit standards (1); Legislative reform / Educate legislators (1); Make process more predictable & 3-month maximum (1)
Unfriendly zoning (5)	Work with towns for better vision on residential zoning (4); Encourage small lot & cluster development (2); Evaluate local ordinances (1)
Act 250 reform (4)	
Building codes (4)	Evaluate cost of compliance (1)
Archeological review (2)	
Septic regulations / 10-acre rule (2)	Permit use of new technologies (2)
ADA requirements (1)	Use RPC's party status to protect against nuisance litigation (1)
Excessive infrastructure requirements (1)	Allow developers to pay into a road maintenance fund rather than overbuild roads (1); Encourage review / revision of standards (1)
Rental property regulations (1)	
Stormwater discharge permits (1)	Increase ANR staffing (1)
Wetlands regulations (1)	
<u><b>Housing Quality – Key improvements undervalued because they cannot be seen (1); Rents may not cover needed life safety improvements (1)</b></u>	Educate landlords on subsidy programs (1); Energy efficiency programs (1); Need a comprehensive plan for diverse and satisfying housing (1); Weatherization programs (1)
<b>Siting Issues</b> – Housing / agricultural conflicts (1); Locate housing near commercial uses (1); Need to provide recreational opportunities for residents (1); New construction difficult in compact areas (1); School capacity (1)	Provide more housing near downtowns & with access to transit (2); Multifamily developments fit into compact areas (1); Provide free/inexpensive transit (1)
<b>Problem tenants</b> (2); Eviction nearly impossible (1)	Landlord insurance pool for eviction losses (1); Link affordable housing with other social services (1); Mixed-income housing (1); Tenant education (1)
<b>Fair Housing</b> – Municipal officials lack info on fair housing responsibilities (1);	

\*Identified items are not necessarily a consensus of all participants at a summit. The number in parentheses represents the number of summits at which the item was identified.

### **Additional Key Insights \***

Summit participants also offered the following key insights\*:

- Businesses hesitate to locate where there are housing shortages (4)
- Affordable housing cannot pay for itself / requires subsidies (3)
- Change “American Dream of single-family home with a “little piece of Vermont” (2)
- Over-housing of some in large homes & second homes diverts housing industry (2)
- Affordable housing is economic development work for small towns (1)
- Affordable housing is a social responsibility (1)
- Conversion of vacation homes into year-round homes (1)
- Entrenched bureaucracy may overlook creative solutions (1)
- Growing polarization of the haves and have-nots (1)

Housing need is regional, but housing subsidies/policies are locally determined (1)  
Increased telecommuting (1)  
Is role of RPCs to set goals or establish requirements? (1)  
Mixed-use developments hard to do because of differences in housing & commercial real estate markets (1);  
Public's preoccupation with the drug problem overshadows housing crisis (1)  
Regional economic prosperity has not trickled down into the creation of affordable housing (1)  
Rural town attitude to "take care of our own" may preclude forming necessary partnerships (1)  
State is trying to understand regional differences related to the housing market & housing policies, but it appears there are fewer regional differences than anticipated (1)

**\*Identified items are not necessarily a consensus of all participants at a summit. The number in parentheses represents the number of summits at which the item was identified.**

**Central Vermont Regional Planning Commission**  
**April 4, 2001**  
**Regional Housing Summit Participants and Interested Individuals**

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# Upper Valley Housing Summit

Strengths	Weaknesses	Opportunities	Threats
<b>Economic Conditions</b>			
<input type="checkbox"/> The strong economy nationally and in the Upper Valley can provide the financial resources to address housing supply.	<input type="checkbox"/> The notion of a diverse economy is not true for lower-wage earners.	<input type="checkbox"/> There is a plentiful supply of existing housing for rehabilitation/upgrading. This type of housing is easier to undertake due to fewer economic/political barriers.	<input type="checkbox"/> Rapid growth in Hanover/Lebanon area affects Vermont Upper Valley communities - some are becoming bedroom communities
<input type="checkbox"/> Capital is available more during good times than in bad times.	<input type="checkbox"/> Lower cost homes are being bought up by those who could afford more	<input type="checkbox"/> Existing wealth could be an opportunity for private funding	<input type="checkbox"/> Larger homes that are being built will never be affordable unless split up, and are often built in inaccessible locations
<input type="checkbox"/> Dartmouth Hitchcock Medical Center is a major employer and provider of health care.	<input type="checkbox"/> It is more expensive to build in urban areas or village centers compared to outside village	<input type="checkbox"/> The weakening of the national economy.	<input type="checkbox"/> A lot of land is being taken up for estate homes
<input type="checkbox"/> Owners can get higher rents and housing values appreciate.	<input type="checkbox"/> Concentrated employment centers mean that everyone is looking for housing in the same places	<input type="checkbox"/> Creation of housing brings back the economy.	<input type="checkbox"/> Growing metropolitan areas - people keep on moving up here!
<input type="checkbox"/> Wage levels are higher here than in many other regions	<input type="checkbox"/> Competition from second homeowners/vacation rental market	<input type="checkbox"/> There are second and third floors available in downtowns that could be used for housing.	<input type="checkbox"/> Businesses and the economy will be undermined by the lack of housing.
<input type="checkbox"/> This is a wealthy area.	<input type="checkbox"/> Land prices have gone up	<input type="checkbox"/> The rental market isn't being mined like it could be.	<input type="checkbox"/> Country living, out of village, is land consumptive.
<input type="checkbox"/> We have a diverse economy.	<input type="checkbox"/> Rental housing is taken over for seasonal rentals	<input type="checkbox"/> Nationally this isn't a priority.	<input type="checkbox"/> Scale - can't build housing developments that are profitable because of the small size of most communities - costly to build smaller-scale developments
	<input type="checkbox"/> Most rehab projects are on existing housing (i.e. new units are not being built)		<input type="checkbox"/> No resources for for-profit developers to build mid-range (\$100 - \$150,000) homes
	<input type="checkbox"/> Rehab on old mill buildings, etc. is very expensive		<input type="checkbox"/> Second homes are reducing school funding for towns (no school-aged children), making property taxes higher
	<input type="checkbox"/> Housing is expensive: Heat, taxes, electricity are all very high		<input type="checkbox"/> Housing rehabilitation work is very expensive
	<input type="checkbox"/> Lack of sufficient capital—other investments have higher yields		<input type="checkbox"/> On-site disposal costs are very high
	<input type="checkbox"/> Affordable housing is an unattractive investment		<input type="checkbox"/> High levels of disposable income among higher income groups creates a strong second home market
	<input type="checkbox"/> Students, second home buyers compete with existing residents, and outbidding them		<input type="checkbox"/> The Upper Valley is a desirable place to live

# Upper Valley Housing Summit

Strengths	Weaknesses	Opportunities	Threats
	<ul style="list-style-type: none"> <li><input type="checkbox"/> Economics of housing construction favors larger more costly construction compared to affordable housing which oftentimes has “issues” associated with permitting.</li> </ul>		<ul style="list-style-type: none"> <li><input type="checkbox"/> High-end housing construction demand consumes labor and capital for all construction</li> </ul>
	<ul style="list-style-type: none"> <li><input type="checkbox"/> The available housing stock is not there or is junk.</li> </ul>		<ul style="list-style-type: none"> <li><input type="checkbox"/> Middle income group has relatively low disposable income/high entry cost (downpayment, fees)</li> </ul>
	<ul style="list-style-type: none"> <li><input type="checkbox"/> Land that is affordable is too remote from employment centers. Land cost is too big a factor in housing construction.</li> </ul>		<ul style="list-style-type: none"> <li><input type="checkbox"/> For rental units, there is a better return on investment elsewhere</li> </ul>
	<ul style="list-style-type: none"> <li><input type="checkbox"/> There is no money in affordable housing; developers keep very busy constructing higher cost housing with a predicable bottom line with less hassle from the public.</li> </ul>		<ul style="list-style-type: none"> <li><input type="checkbox"/> Regional bank consolidation has resulted in a loss/lack of local decision-making</li> </ul>
			<ul style="list-style-type: none"> <li><input type="checkbox"/> Changes to the regional economy can result in a shift in our capacity to construct affordable housing</li> </ul>
			<ul style="list-style-type: none"> <li><input type="checkbox"/> The demand for a piece of Vermont and New Hampshire for the vacation getaway for the successful business owner in southern New England, New Jersey, or New York will continue to foster the demand for housing, driving up the price for housing beyond the means of what the “locals” can find affordable.</li> </ul>
			<ul style="list-style-type: none"> <li><input type="checkbox"/> Conversely, the continued strength of regional economy has created the demand for housing while the supply has shrunk. A recession on Wall Street will cause hardships for many, creating opportunities for others, including builders interested in constructing a \$100,000 home instead of a \$400,000 estate.</li> </ul>
			<ul style="list-style-type: none"> <li><input type="checkbox"/> The mergers and acquisitions of banks by outside investors means that community based social lending programs are less likely in the future. Smaller is better; big is bad.</li> </ul>

# Upper Valley Housing Summit

Strengths	Weaknesses	Opportunities	Threats
			<input type="checkbox"/> Business expansion/relocation in the Upper Valley will be prevented and out-migration will be the result is housing is not available to workers here.
			<input type="checkbox"/> The cost of land is too high.
<b>Regional Institutional Capacity and Funding Programs</b>			
<input type="checkbox"/> There are organizations in the region that know how to build housing (RACLT, Twin Pines)	<input type="checkbox"/> Loan limits by county are too low.	<input type="checkbox"/> Historic preservation funding for downtowns/tax credits can bring money or capital to housing to help bridge the affordability gap.	<input type="checkbox"/> No programs to help towns build housing for working families
<input type="checkbox"/> There are organizations that fund housing (Housing Vermont, VHCB, Rural Development)	<input type="checkbox"/> The Rural Development financing program hasn't kept up with the economy.	<input type="checkbox"/> Land trusts (such as VLT and UVLT) should concentrate some of their efforts on affordable housing - by either setting aside some lands for affordable housing or working cooperatively with area community land trusts	<input type="checkbox"/> Availability of tax credits is getting tighter because of diminishing funds in other HUD programs
<input type="checkbox"/> There is money in the area that could be re-focused (i.e. some of the money that goes into building multi-million dollar homes could be spent on building housing for working people)	<input type="checkbox"/> Existing public sewer and water capacity may be insufficient	<input type="checkbox"/> Legislature should put some of the surplus toward housing subsidies for land costs	<input type="checkbox"/> There are turf wars at all levels, from Federal down to local, and non-profits as well
<input type="checkbox"/> Businesses can underwrite mortgages	<input type="checkbox"/> Tax credit money is focused on rehab	<input type="checkbox"/> bring in land trusts to make housing permanently affordable	<input type="checkbox"/> Housing development will never be subsidized at the Federal level.
<input type="checkbox"/> Community land trusts can help people buy houses under homeland program (limited in rural areas) - land trust owns the land and ensures that the house is affordable in perpetuity	<input type="checkbox"/> No programs to encourage the building of homes for working families	<input type="checkbox"/> Legislative carrots and sticks	<input type="checkbox"/> Financing programs aren't focused on non-subsidized or low-end market rate development.
<input type="checkbox"/> Great human capital in the Upper Valley—a well-trained and motivated work force	<input type="checkbox"/> Homeland program is not as effective in rural areas - because of the limited equity that the homeowner has, they have a hard time moving on - and the homes present a marketing hurdle (i.e. land trusts must become realtors)	<input type="checkbox"/> Use Massachusetts model of directing grant money toward towns that are actively working to increase amount of affordable housing	<input type="checkbox"/> The private market isn't responding.
<input type="checkbox"/> Financing is available for construction	<input type="checkbox"/> Land trusts are locking up buildable land (BUT, from a planning perspective, the land they're locking up is mostly farm and forest land, and not as desirable for housing as land closer to services/village centers)	<input type="checkbox"/> There are successful models that we could take advantage of.	<input type="checkbox"/> Those between 80% and 99.9% of median family income aren't being served by financing assistance programs.

# Upper Valley Housing Summit

<b>Strengths</b>	<b>Weaknesses</b>	<b>Opportunities</b>	<b>Threats</b>
<input type="checkbox"/> The Region has healthy social and economic infrastructure to address the issue.	<input type="checkbox"/> Rehabilitation of existing buildings is expensive - most tax credit money goes toward these projects	<input type="checkbox"/> We could link housing development to land acquisition locally and regionally, like VHCB has done in Vermont.	
<input type="checkbox"/> Roads, water, sewer, and other essential public services are not at capacity.	<input type="checkbox"/> Insufficient levels of assistance for Low Income Housing, Section 8, tax credits	<input type="checkbox"/> Our public transportation system is strong. (not all agreed)	
<input type="checkbox"/> Grant and loan programs exist (however, under-funded) to fund housing initiatives			
<input type="checkbox"/> Local/regional/state planning programs for community development can be viewed as positive attributes rather than negative constraints to constructive change.			
<input type="checkbox"/> There exists the availability of housing models that are readily transferable to the Vermont/New Hampshire scene. There is no need to “re-invent the wheel”. Past crisis situations in other areas can benefit us today.			
<input type="checkbox"/> Regionally there is a supply of builders. (not all agreed)			
<input type="checkbox"/> There are partnerships in funding: State, Rural Development, Land Trusts.			
<input type="checkbox"/> We have strong, hardworking human resource agencies.			
<input type="checkbox"/> We see ourselves as a region; we are not state specific (NH vs. VT)			
<input type="checkbox"/> We have a homogeneous population; we don't have to tackle the racial issue in affordable housing.			
<input type="checkbox"/> We have a creative population.			

# Upper Valley Housing Summit

Strengths	Weaknesses	Opportunities	Threats
<b>Regulatory Issues</b>			
· Act 250 allows an avenue for creating a nexus between expensive houses and affordable housing , and between economic development (such as ski area expansion) and housing	<input type="checkbox"/> Septic systems are required to be over-designed, thereby becoming cost prohibitive to housing development.	<input type="checkbox"/> Regulations for alternative septic systems and composting toilets	<input type="checkbox"/> Over-regulation causes excessive expenditures by developers—forces them into other markets with higher or more certain returns
· There are state and regional resources available for assisting towns with looking at local ordinances in relation to housing	<input type="checkbox"/> Land is being consumed by the 10-acre loophole.	<input type="checkbox"/> Wetlands for treatment of sewage	<input type="checkbox"/> Department of Labor and Industry restrictions add considerable cost to doing business
· Towns can use ordinances to promote in-fill development	<input type="checkbox"/> Vermont landlord/tenant laws are skewed toward tenants - people don't want to be landlords	<input type="checkbox"/> Act 250 may be used to mitigate for affordable housing	<input type="checkbox"/> The mere existence of regulation is a financial disincentive to developers
· State law exists to provide the vehicles to solve the problem	<input type="checkbox"/> Lead paint laws are also a negative for landlords	<input type="checkbox"/> Ski areas - the impact on housing stock can be translated into a number of units that the ski area must develop or an amount of money per unit sold could be given to a land trust to spend on affordable housing	<input type="checkbox"/> Building density standards don't permit construction of affordable housing
	<input type="checkbox"/> Best areas for septic are in agricultural areas	<input type="checkbox"/> There is strong motivation for regulatory reform	<input type="checkbox"/> Perception/reality of the regulatory environment (e.g. Act 250) will drive investors to areas that are more “open” to new development of a grand scale.
	<input type="checkbox"/> Vermont has antiquated regulations for on-site systems	<input type="checkbox"/> We could create new paradigms in zoning and development.	<input type="checkbox"/> There's no regional program to require quid-pro-quo: development of one high-end unit requires the development of one lower-end unit.
	<input type="checkbox"/> Zoning can be used in an exclusionary fashion		<input type="checkbox"/> High-end towns may be sued for excluding lower-end housing development.
	<input type="checkbox"/> The local process can be manipulated not only to determine the outcome, but what types of proposals should be submitted		<input type="checkbox"/> Lead-paint law.
	<input type="checkbox"/> The theory of local land use regulation does not equal reality		
	<input type="checkbox"/> The permitting process presents uncertainty for developers, which drives developers toward higher end construction		

# Upper Valley Housing Summit

Strengths	Weaknesses	Opportunities	Threats
	<input type="checkbox"/> Municipalities have the primary responsibility to regulate land use through zoning and subdivision regulations. Many of these land use controls are working unfairly against the provision of affordable housing. Local planners can be reluctant to make changes, unless they can accept that there is a benefit.		
	<input type="checkbox"/> Zoning and the 10 acre exemption (Vermont only) promotes large lot zoning which is an inefficient use of land.		

## Awareness and Interest in the Issue

· Businesses recognize that there is a problem and are willing to get involved	<input type="checkbox"/> There is a negative perception of the design and look of affordable and multi-unit housing.	<input type="checkbox"/> There is beginning to be an understanding that there really is a housing crisis for lower and moderate income families in the Upper Valley by some state legislators. This could mean a greater chance to come up with solutions.	<input type="checkbox"/> NIMBY
· There is a general desire to make a difference for more housing	<input type="checkbox"/> The popular image of affordable housing is one of cheap poorly designed housing that is full of people with economic/social problems with lots of kids to be educated.	<input type="checkbox"/> The housing community has the best opportunity to inform/educate the public because it is a problem of crisis proportion.	<input type="checkbox"/> There is strong municipal resistance to solving the problem
· Employers are progressive and committed to solving the problem	<input type="checkbox"/> The suburban ideal won't meet demand. We need "new villages" which have mixed-income and dense housing.	<input type="checkbox"/> There is strong interest in the problem—desire for consensus exists	<input type="checkbox"/> The lack of volunteerism on local boards allows special interest to be over-represented
· Businesses future growth will created a demand for more housing	<input type="checkbox"/> There is divisiveness among towns and townspeople.	<input type="checkbox"/> There is bipartisan political support for solving the problem	<input type="checkbox"/> Some towns feel that they already have too many rental units

# Upper Valley Housing Summit

<b>Strengths</b>	<b>Weaknesses</b>	<b>Opportunities</b>	<b>Threats</b>
· Business success requires a sufficient labor pool	<input type="checkbox"/> There is a negative image of the people who need affordable housing.	<input type="checkbox"/> Any housing added benefits the overall stock as a response to demand	<input type="checkbox"/> People will see a direct conflict with more housing to bring people to the area to create more jobs for businesses to grow which means more housing and more jobs, etc (one need drives the other need). This conflicts with the more or less universal premise that the area is good place to live because it is rural and free of the congested and polluted areas to the south and not too far away! Town plans all say our growth strategy is to stay small and quiet with our little villages and country stores! There will be a conflict in the social desire to provide a lot of affordable housing and to remain rural, particularly in the smaller outlying communities.
· There is a new awareness of the role of employers to employees.	<input type="checkbox"/> We're thinking too small.	<input type="checkbox"/> Housing is today's hot issue, and it is getting lots of attention	<input type="checkbox"/> Once people get their house, they want to deny that right to others in order to protect their paradise.
· Some municipalities are committed to solving the problem	<input type="checkbox"/> We were complacent and didn't see this coming.	<input type="checkbox"/> We could become a laboratory for new development.	<input type="checkbox"/> There are negative attitudes toward affordable housing.
· There is an emerging public interest in housing issues.	<input type="checkbox"/> NIMBY Effect	<input type="checkbox"/> The collection of people in this room is an opportunity.	<input type="checkbox"/> "Affordable Housing" has no identifiable definition, it keeps changing, is used by many to convey different meanings.
· Society is better at addressing problems of a crisis proportion. Public and private sectors are faced with the issue and now see the need to address it rather than think that someone else will do this.	<input type="checkbox"/> No growth sentiment - people want to keep Vermont the way it is		
· There is now a capacity to address opportunities because a larger group in society is now getting on the same page to address solutions.	<input type="checkbox"/> People are moving further out because of zoning, cost, choice		
	<input type="checkbox"/> People don't want to live in multi-family housing		
	<input type="checkbox"/> NIMBY concept is still very strong and will be difficult to overcome without a lot of education, etc.		

# Upper Valley Housing Summit

Strengths	Weaknesses	Opportunities	Threats
	<input type="checkbox"/> Smaller towns are unaware of the nature of the problem and how they are contributing to it/how they can help solve it		
	<input type="checkbox"/> The traditional perception of “affordable” housing hampers solutions to the wider problem of housing shortage generally		
	<input type="checkbox"/> There is a perception that housing is not a public issue—if the demand exists, then the market will take care of it; if the market isn’t taking care of it, then there is no problem		
	<input type="checkbox"/> The perception or reality that new growth (i.e. housing) will result in undue negative impacts on taxes, community services. The benefits of growth will not outweigh the cost of growth.		
	<input type="checkbox"/> Lack of understanding on the severity of the problem of supply and acceptance of the fact that it is a universal issue not limited to the lower income segments exclusively.		
	<input type="checkbox"/> There is a lack of understanding between housing shortages and the availability of people to fill jobs. The economy needs jobs and housing is a great impediment.		

## Land and Resource Issues

<input type="checkbox"/> Considerable space (land) is available for housing development	<input type="checkbox"/> There is not a supply of tradesmen to do the work	<input type="checkbox"/> Businesses could take action/responsibility	<input type="checkbox"/> Lebanon airport is underutilized and too expensive
<input type="checkbox"/> The availability of land, some within or in close proximity to town centers/growth areas, provides the space needed to provide housing. This situation is different than in urban areas facing crowding, etc.	<input type="checkbox"/> We attracted business and employers without planning for the housing.	<input type="checkbox"/> Businesses could provide mortgage funding	<input type="checkbox"/> We are too heavily reliant on the automobile and maintaining transportation infrastructure.
	<input type="checkbox"/> There is more luxury housing being built than for middle or lower incomes (more demand for luxury housing)	<input type="checkbox"/> Businesses are willing to invest in a solution, and there is institutional support from state agencies	

# Upper Valley Housing Summit

Strengths	Weaknesses	Opportunities	Threats
	<input type="checkbox"/> Limited land prepared for development - utilities not available in most towns, topography difficult	<input type="checkbox"/> Employers need to be involved in the solution.	
	<input type="checkbox"/> There are not enough services in village centers to support additional housing		
	<input type="checkbox"/> There is a poor level of board training—existing training is inaccessible to most board members There is poor local capacity to address the problem		
	<input type="checkbox"/> No mass production/producers of housing in the Upper Valley—construction exists, but is scattered, and is done by builders who build few homes		
	<input type="checkbox"/> 0% regional unemployment—means that there is no labor available for construction		

## Tax and Governance Structures, Local and Regional

	<input type="checkbox"/> Town tax structures are a huge hurdle.	<input type="checkbox"/> Focus now by local/state governments is to direct change into downtowns or growth centers at or near where services are available.	<input type="checkbox"/> Reliance on property tax to fund schools and other local services means that more houses creates more expenses, because residential construction does not pay for the services its use demands
	<input type="checkbox"/> There is an unequal distribution of towns open to development: White River and Lebanon versus gold towns.	<input type="checkbox"/> There's an opportunity to work with towns on local ordinances - towns can't ignore the problem	<input type="checkbox"/> Housing is a community cost
	<input type="checkbox"/> There is not regional cooperation around this issue.	<input type="checkbox"/> Education of town officials - link housing need with economic development	<input type="checkbox"/> The problem of fair share—some towns bear a greater burden
	<input type="checkbox"/> Regional Planning may be an impediment.	<input type="checkbox"/> Second homes bring in more tax money	<input type="checkbox"/> "Fair share" programs can divide communities, black list those unwilling to participate.
	<input type="checkbox"/> We have zoning that doesn't encourage mixed-use.	<input type="checkbox"/> Fair share housing policies could be adopted	<input type="checkbox"/> Housing costs towns money. Housing doesn't pay for the services it requires: education, roads, police, fire, etc. Rural housing and affordable housing are especially draining on town tax bases.
	<input type="checkbox"/> Towns don't want new affordable housing - will accept rehabilitation of older housing	<input type="checkbox"/> The small size of the regional community presents great networking opportunities	<input type="checkbox"/> Real estate property taxes are too high.

# Upper Valley Housing Summit

Strengths	Weaknesses	Opportunities	Threats
	<input type="checkbox"/> Towns can use ordinances to prevent development of affordable housing	<input type="checkbox"/> The size of the region suggests that the scale of the crisis is small and manageable	
	<input type="checkbox"/> Property taxes & education funding structure make owning a home very expensive	<input type="checkbox"/> Town tax bases should be stabilized to encourage housing development.	
	<input type="checkbox"/> Current tax policy places heavy dependence on local governments to finance education, mainly by property taxes. Current tax structures in both states limits the desire by communities to want to expand or to address housing shortages.		

## IF WE COULD SOLVE THE PROBLEM, WHAT WOULD WE DO?

Development Options	Programs and Partnerships	Perception and Awareness	Regulatory
<input type="checkbox"/> Build up and rehab up. Leave single-story development concepts behind.	<input type="checkbox"/> Create business/agency cooperative efforts, public/private partnerships.	<input type="checkbox"/> Educate more effectively about the problem. Use Town Plans more effectively for example.	<input type="checkbox"/> State needs to take a lead in forcing municipalities to include provisions for affordable housing in local regulations
<input type="checkbox"/> New commercial and/or industrial development should use their air-space for housing. Centera Plaza for example could have two floors of apartments above those stores	<input type="checkbox"/> Give builders tax credits for home construction under certain amount (i.e. < \$120,000)		<input type="checkbox"/> Create inclusionary zoning to permit/invite construction of affordable housing
<input type="checkbox"/> Figure out how to make building of mid-range housing profitable	<input type="checkbox"/> State has to take a role in subsidizing infrastructure		<input type="checkbox"/> Allow the use of transferable development rights (TDR) to increase densities and reduce costs
	<input type="checkbox"/> Create programs that address the needs (i.e. housing for slightly above low income that is not currently subsidized)		<input type="checkbox"/> Tax reform: shift burden away from property tax to income, and/or find a way to legally impose a greater tax on second homes
	<input type="checkbox"/> Increase low income housing tax credit		<input type="checkbox"/> Permit reform: create a position of ombudsman at local and state levels to give assistance to builders in the permit process
	<input type="checkbox"/> Restore existing federal and state programs to their past levels of funding		<input type="checkbox"/> Restore accelerated depreciation for affordable rental construction
	<input type="checkbox"/> Make buying homes easier		<input type="checkbox"/> Provide housing density bonuses for affordable housing (making them even more affordable!)

# Upper Valley Housing Summit

<b>Strengths</b>	<b>Weaknesses</b>	<b>Opportunities</b>	<b>Threats</b>
	<input type="checkbox"/> Develop a housing infrastructure fund to act as a statewide bank, with tax benefits for private investors		<input type="checkbox"/> Find alternatives to expensive housing rehabilitation compliance requirements
	<input type="checkbox"/> Provide training for construction workers		<input type="checkbox"/> Increase the Act 250 threshold for number of housing units, relieving smaller subdivisions of the cost of the permit process

**Cross-Town Talks**  
**Housing Issues in the Windham Region**  
**April 30, 2001**

<b>Attendance</b>		
<b>LastName</b>	<b>FirstName</b>	<b>Representing</b>
Ballou	Chris	Brookline
Beckwith	Elaine	Jamaica
Bergmann	Bud	Newfane
Bialowski	James	Brattleboro
Boyd	Deborah	USDA
Broderick	Andrew (Panelist)	Housing Vermont
Brown	Greg	VDHCA
Bullock	Fred	Rockingham
Burke	Pat	SEVCA
Bussino	Melinda	Westminster
Cooper	Jason	Brattleboro
Curry-Smithson	Elaine	Brattleboro
Elwell	Betty	Brattleboro
Fagelson	Robert (Panelist)	Brattleboro Selectboard
Flagg	Andy	DHCA
Gehring	Moria	Jamaica
Gifford	Kendall (Panelist)	WRC
Goodwin	Charles	Weston
Granger	Michael (Panelist)	Granger Real Estate
Hart	Chris	Bratt. Housing Authority
Humphrey	Fred	Guilford
Humphrey	Dorothy	Guilford
Jewell	William	Guilford
Kebbell	Ann	Westminster Cares
Krisko	Deborah	DHCA
Livermore	Andrea	United Way
McElhinney	Kevin (Panelist)	Bratt.Chamber of Commerce
MacDonald	Stuart	Londonderry
McMahon	Susan	WRC
Matteau	James	WRC
Moreland	Patrick	Brattleboro
Nickerson	Pam	Dummerston
O'Keefe	Shane	Town of Brattleboro
Read	Stewart	Rockingham
Ridini	Steve	The Medical Foundation
Rihn	Shoshana	Brattleboro
Snow	Connie (Panelist)	BACLT
Stookey	Byron	Brattleboro
Stoumen	Candace	Vermont Center for Independent Living
Toney	Theresa	Newfane
van Loon	Piet	Newfane
Wachtel	Helen (Panelist)	Brattleboro Savings & Loan
Weaver	Dave	Brattleboro
Weir	George	Newfane
Wilcox	Cynthia	WRC
Wheelock	Veronica & Marshall	Brattleboro
Yakovleff	Matthew (Panelist)	Wilmington