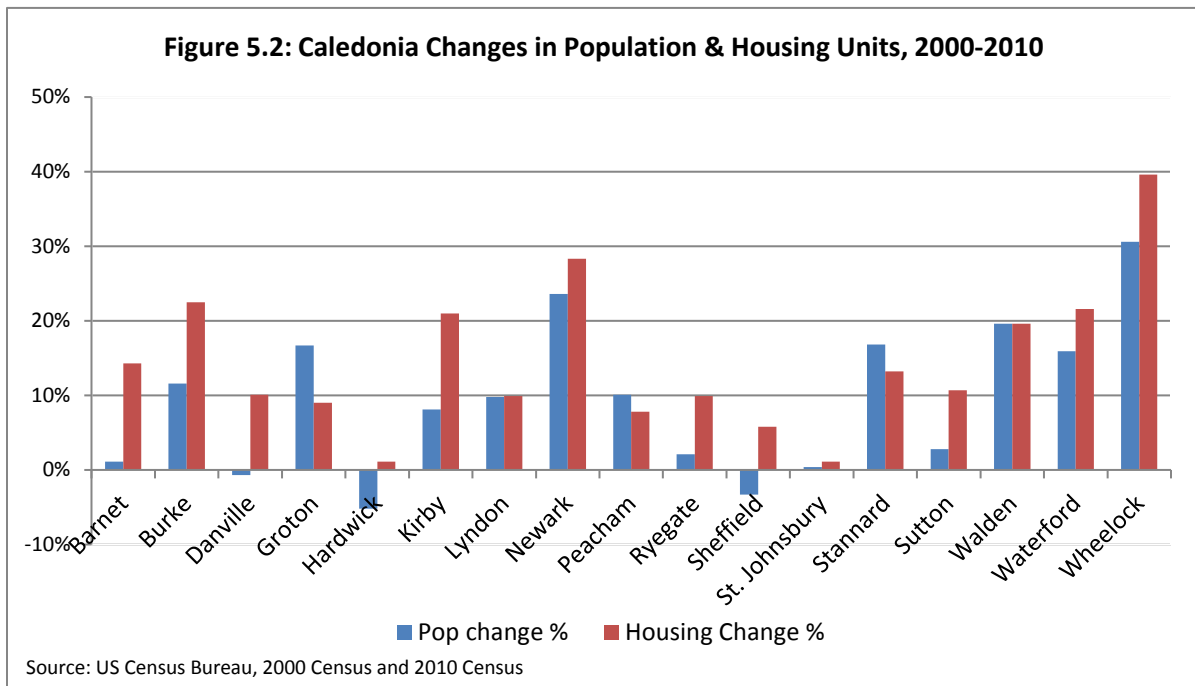
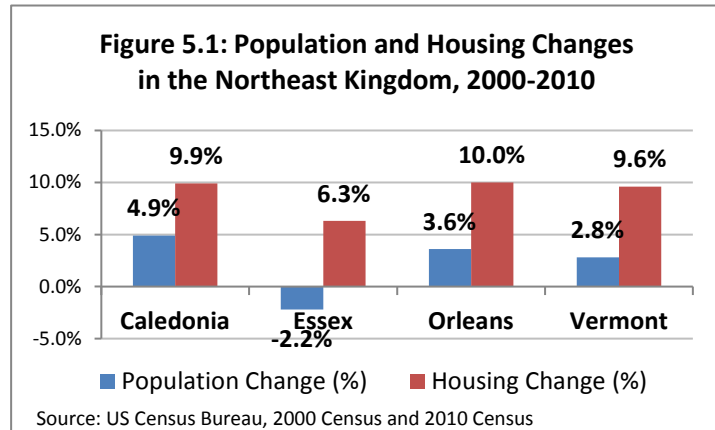


# Chapter Five: Housing

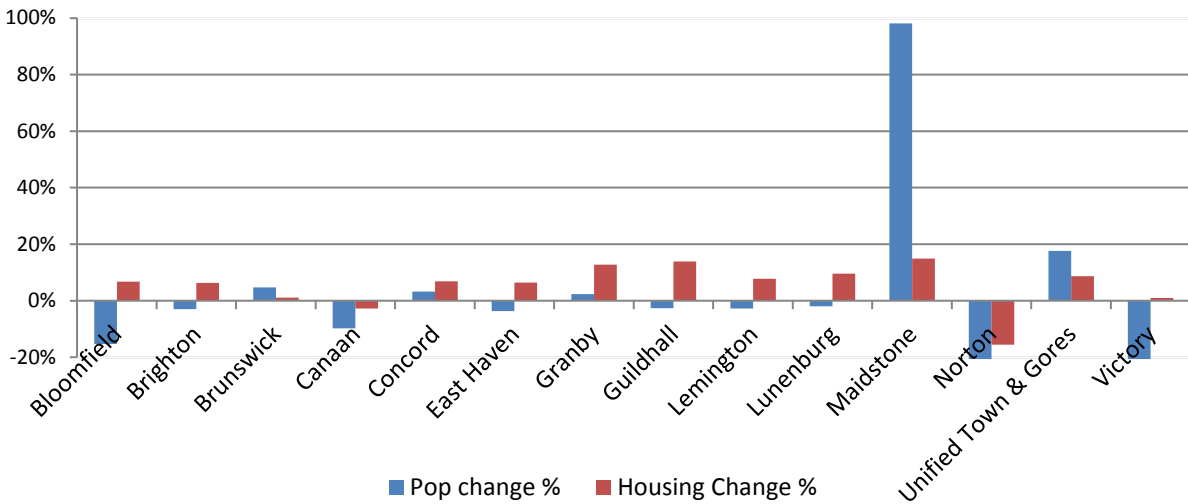
## I. HOUSING OVERVIEW

According to the 2010 Census, there are 37,123 housing units in the Northeast Kingdom, an increase of 9.4% from 33,939 units in the previous decade. The Census defines a “housing unit” as a house, apartment, mobile home, group of rooms, or a single room that is occupied (or if vacant, is intended for occupancy) as separate living quarters. According to the U.S. Census Bureau, the Northeast Kingdom’s population in 2010 was 64,692, which represents a modest increase of 3.6% from the 2000 Census, far slower rate of growth than the region has seen in prior decades. The increase in housing units significantly outpaced the rate of population change, even in Essex County, which saw a net loss in population. (Figure 5.1)

Municipalities throughout the Northeast Kingdom that lost population still saw an increase in housing units: Bloomfield, Brighton, Danville, East Haven, Hardwick, Guildhall, Lemington, Lunenburg, Sheffield, and Victory. The exceptions to the rule were Canaan, Greensboro, Norton, and Newport City.



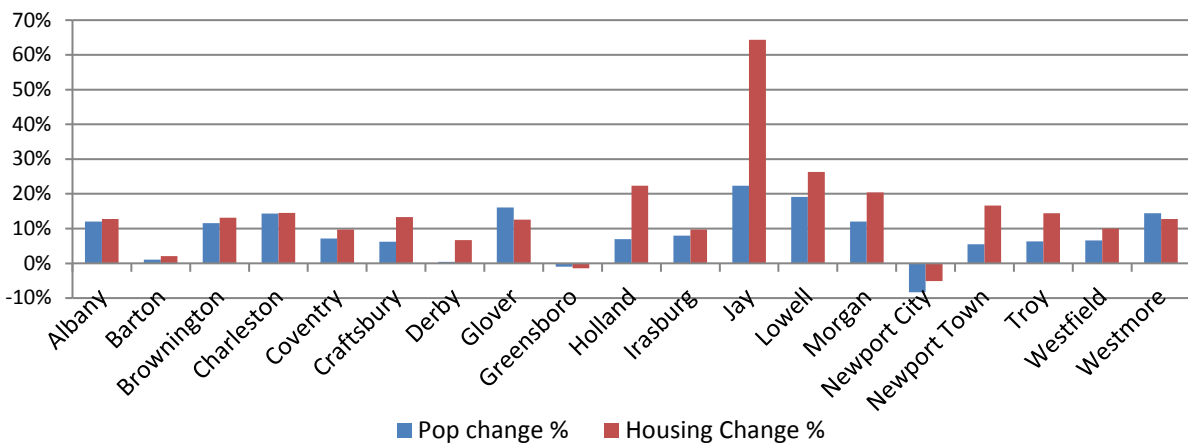
**Figure 5.3: Essex Changes in Population & Housing Units, 2000-2010**



Source: US Census Bureau, 2000 Census and 2010 Census

1

**Figure 5.4: Orleans Changes in Population & Housing Units, 2000-2010**



Source: US Census Bureau, 2000 Census and 2010 Census

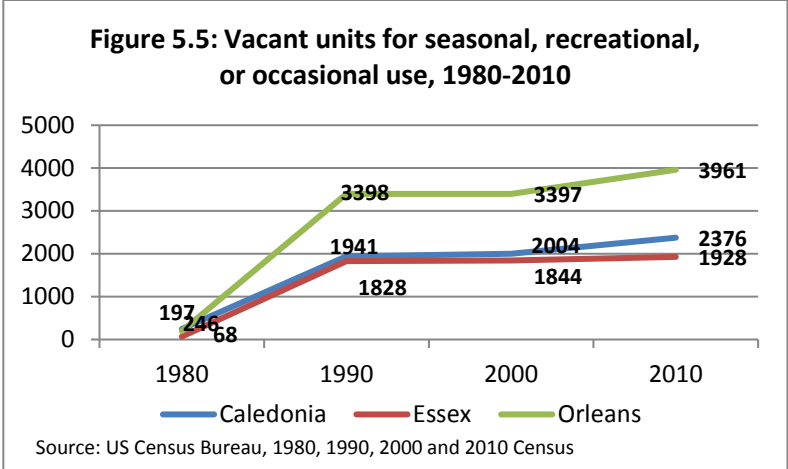
2

### 3 Seasonal Housing

4 A partial explanation for the discrepancy between population growth rates and housing units is the  
 5 disproportionate share of seasonal and vacation housing. The Northeast Kingdom has traditionally had some  
 6 the highest percentages of seasonal and vacation housing stock in the state. According to the 2010 Census,  
 7 more than one out of every five housing units in the Northeast Kingdom is a vacant housing unit intended  
 8 for “seasonal, recreational, or occasional use.” By comparison, the statewide percentage of vacant seasonal  
 9 housing stock is only 15.6%. Like the rest of Vermont, the Northeast Kingdom saw significant growth in  
 10 seasonal housing units from 1980 to 1990. Growth slowed in the following decade, but appears to have  
 11 picked up slightly from 2000 to 2010. (Figure 5.5)

12

1 In Orleans County, seasonal housing  
 2 accounts for more than half of the  
 3 housing stock in Greensboro (53.3%),  
 4 Jay (63.4%), Morgan (58.0%) and  
 5 Westmore (67.9%). In Essex, seasonal  
 6 units account for more than half the  
 7 housing stock in Brunswick (50.0%),  
 8 Maidstone (69.7%), Norton (58.2%),  
 9 and the Unified Towns and Gores  
 10 (90.6%). Granby's seasonal stock is at  
 11 44.3%. Historically, Caledonia has had  
 12 a smaller share of seasonal housing  
 13 stock (currently only 14.9% of all  
 14 housing units), but seasonal units  
 15 account for close to half of all units in  
 16 Newark (49.3%) and Peacham (40.2%).



17 The high proportion of seasonal and vacation housing creates complicating factors in the region's housing  
 18 scenario. As Vermont becomes a more attractive destination for retirees, long-time seasonal residents may be  
 19 more likely to become full-time residents. This appears to be the case in Maidstone, where the population  
 20 practically doubled from 2000 to 2010, the community's share of owner-occupied housing *increased* by more  
 21 than 13% and the share of seasonal *decreased* by more than 13%. Growth in seasonal units during this period  
 22 was largely concentrated in Barnet, Burke, and Jay (a net of 81, 97, and 200 units respectively).

23

**Table 5.1: Average and Median Real Estate Values in the Northeast Kingdom and Surrounding Counties, 2016**

	Primary Residences Sold		Vacation Residences Sold	
	Average	Median	Average	Median
<b>Caledonia</b>	\$154,846	\$147,000	\$145,206	\$116,500
<b>Essex</b>	\$111,525	\$96,500	\$135,024	\$110,000
<b>Orleans</b>	\$160,428	\$146,000	\$183,015	\$128,000
<b>Franklin</b>	\$208,933	\$202,000	\$128,685	\$118,950
<b>Lamoille</b>	\$304,960	\$224,500	\$559,394	\$313,900
<b>Washington</b>	\$213,899	\$188,000	\$214,956	\$153,750
<b>Orange</b>	\$184,490	\$174,900	\$208,292	\$139,700
<b>Vermont</b>	\$242,332	\$205,000	\$289,547	\$205,000

Source: Vermont Department of Taxes, accessed from Housingdata.org. Average and Median figures include single family residences, mobile homes with land and condominiums sold in 2016.

24

25 The relatively lower cost of vacation homes in the Northeast Kingdom in comparison with the rest of the  
 26 state is likely an ongoing attraction to potential seasonal home buyers. In all cases the median – the “middle”  
 27 selling price of all residences when prices are sorted in ascending order – is lower than the average. This  
 28 indicates that outliers -- sales of extremely high-priced homes -- are skewing averages upward.

29

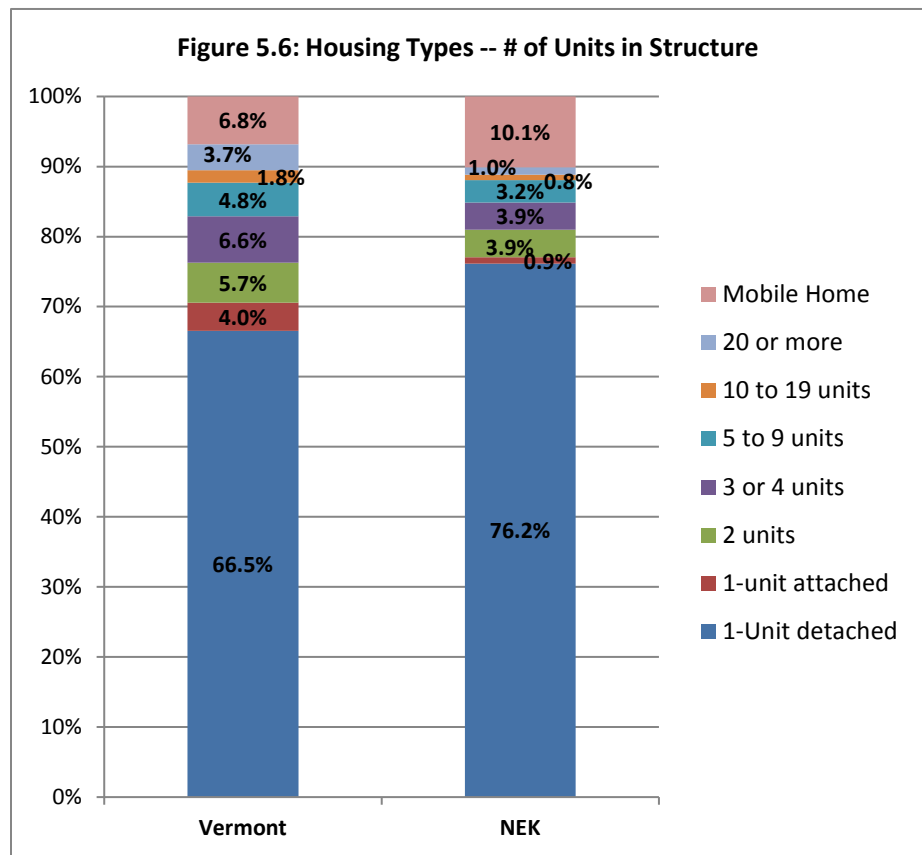
1 Even though the average and median prices of primary residences in the Northeast Kingdom may be lower  
 2 than statewide, real estate is not necessarily a bargain for those who live and work here, because median and  
 3 mean (average) household and family incomes are lower than statewide incomes (Table 5.2).

	Household Income		Family Income	
	Median	Mean	Median	Mean
<b>Caledonia</b>	\$46,931	\$60,787	\$60,141	\$72,354
<b>Essex</b>	\$39,467	\$49,494	\$48,316	\$57,532
<b>Orleans</b>	\$43,959	\$56,883	\$55,101	\$66,155
<b>Franklin</b>	\$58,884	\$73,478	\$72,249	\$86,993
<b>Lamoille</b>	\$53,316	\$69,394	\$67,566	\$81,495
<b>Washington</b>	\$58,171	\$73,660	\$74,036	\$88,431
<b>Orange</b>	\$54,263	\$67,388	\$67,105	\$78,337
<b>Vermont</b>	\$56,104	\$73,016	\$71,465	\$88,340

Source: US Census Bureau- American Community Survey 5 Year Averages, 2012-2016

### 4 Housing Supply

5 The Northeast Kingdom’s  
 6 supply of housing  
 7 primarily consists of single  
 8 family dwellings (1-unit  
 9 unattached). Compared  
 10 with statewide figures,  
 11 single family homes and  
 12 mobile homes account for  
 13 a greater share of the  
 14 overall housing stock.  
 15 Multiunit dwellings and  
 16 attached 1-unit dwellings  
 17 (such as accessory dwelling  
 18 units and apartments over  
 19 a commercial use) account  
 20 for a smaller share. (Figure  
 21 5.6) More than half of the  
 22 region’s housing units  
 23 have three or more  
 24 bedrooms. (Figure 5.7).

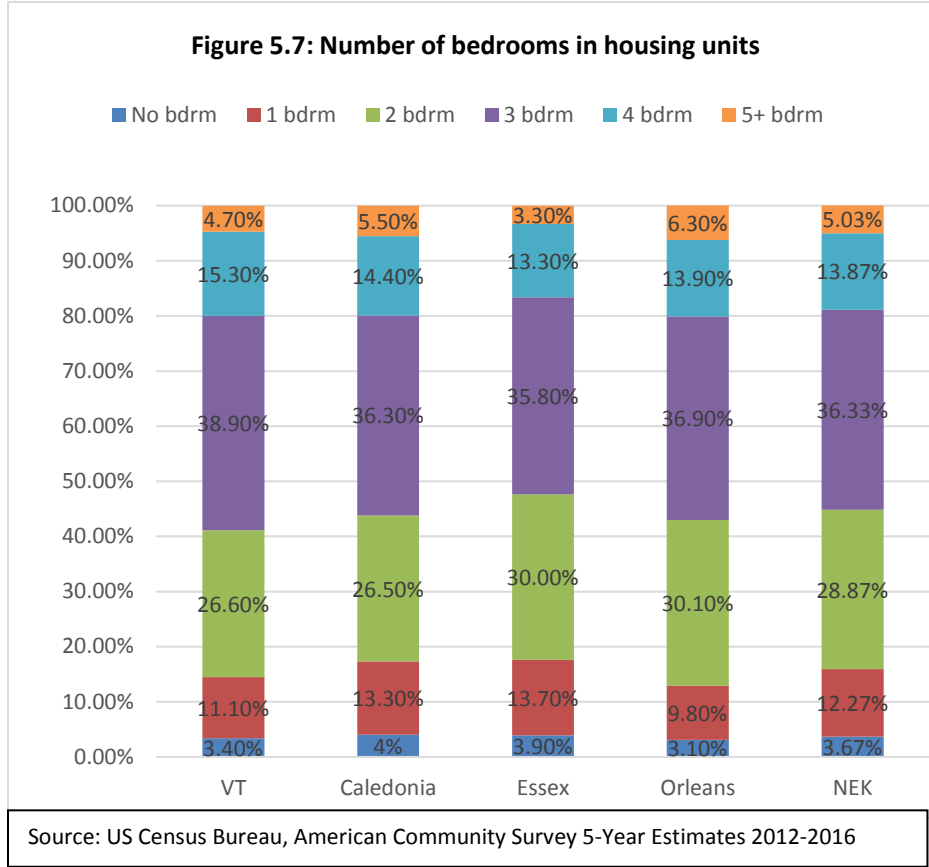


Source: US Census Bureau, American Community Survey 5-Year Estimates 2012-2016

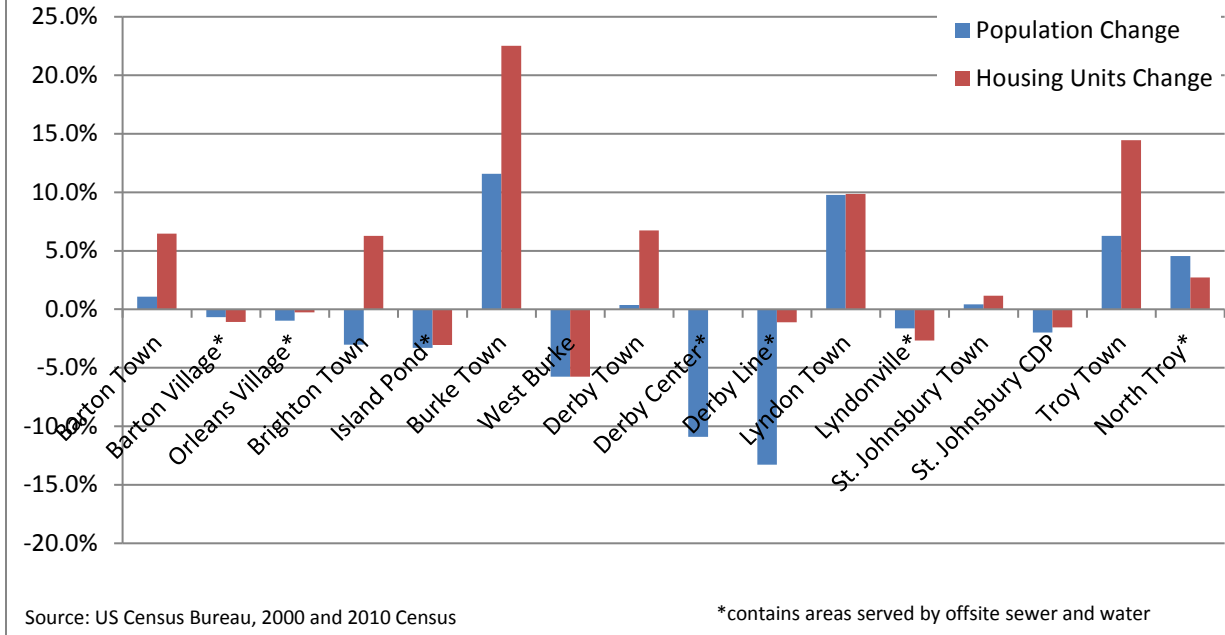
1 Residential development  
 2 trends have favored large  
 3 lot rural residential in  
 4 recent years. According to  
 5 the 2016 Grand List, there  
 6 are 22,249 residential  
 7 properties in the  
 8 Northeast Kingdom (i.e.  
 9 not seasonal or mobile  
 10 homes). More than a third  
 11 of residential properties  
 12 (37.7%) are on lots that  
 13 are six acres or larger.  
 14 (Vermont Department of  
 15 Taxes).

16 A key statewide planning  
 17 goal is to plan  
 18 development in order to  
 19 maintain historic  
 20 settlement patterns of  
 21 compact villages and  
 22 urban centers separated  
 23 by rural countryside. (24  
 24 V.S.A. 4302(1)).

25 Residential development  
 26 in the Northeast  
 27 Kingdom does not appear  
 28 to be furthering this goal. A recent NVDA GIS analysis shows that over the past decade, more than 95% of  
 29 residential development in the Northeast Kingdom has occurred outside of development centers (areas  
 30 characterized by compact settlement patterns and clusters of mixed uses). Furthermore, a review of Census  
 31 data from 2000 to 2010 shows a loss of population and housing units in “Census places,” concentrated settled  
 32 areas that are not necessarily incorporated. In Vermont, Census places often are traditional village settlement  
 33 areas with the capacity to support additional housing opportunities with off-site water and sewer and provide  
 34 convenient access to civic, cultural, and commercial amenities. Boundaries of Census places can change from  
 35 one decennial Census to the next, so only the Census “places” with unchanged boundaries are evaluated here.  
 36 Every Census place in the Northeast Kingdom with comparable historic data shows a loss of both population  
 37 and housing units, with the exceptions of Derby Center (no net change in housing units) and North Troy  
 38 (Figure 5.8)



**Figure 5.8: Population and Housing Units, 2000-2010 in Census Places**



1  
 2 The Northeast Kingdom’s housing stock is relatively old. With a few exceptions (Beecher Falls, Danville  
 3 CDP, Derby Center, Barton Village, and Greensboro Bend) the majority of units built before 1939 are  
 4 concentrated in the Census Designated Places. The deferred maintenance and energy inefficiency of these  
 5 aging structures are likely to make them less attractive to potential homebuyers. This may be one reason why  
 6 real estate markets in St. Johnsbury and Newport City – both of which contain the Northeast Kingdom’s  
 7 regional urban centers – are underperforming against the rest of their respective counties.

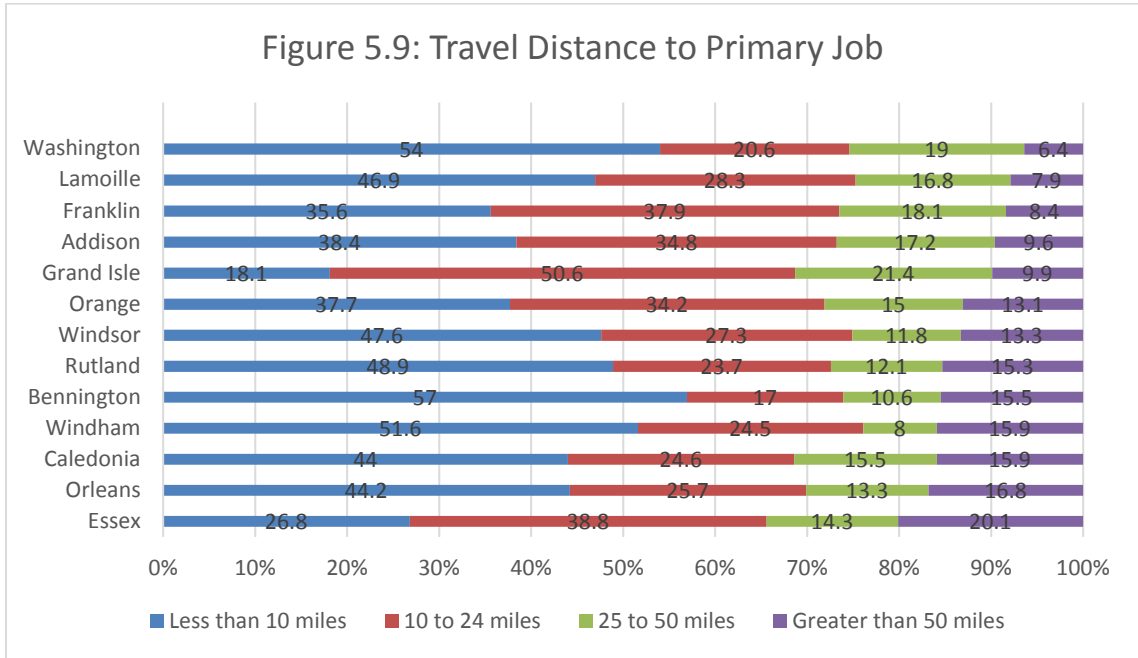
**Table 5.3 Percentage of Housing Stock Built Before 1939 in Municipalities with CDPs**

Town/CDP	% of Stock Pre 1939	Town/CDP	% of Stock Pre 1939
Albany Town	35.7%	Albany Village	56.5%
Barnet Town	38.5%	Barnet CDP	60.0%
Barton Town	42.9%	Barton Village	48.2%
		Orleans Village	72.9%
Brighton Town	36.3%	Island Pond CDP	47.7%
Burke Town	27.0%	East Burke CDP	70.4%
		West Burke Village	65.5%
Canaan Town	33.1%	Beecher Falls CDP	25.6%
		Canaan CDP	54.9%
Concord Town	21.8%	Concord CDP	59.3%
Coventry Town	21.8%	Coventry CDP	51.9%
Danville Town	30.6%	Danville CDP	31.0%
Derby Town	26.4%	Derby Center Village	28.7%
		Derby Line Village	52.0%
Glover Town	29.7%	Glover CDP	39.6%
Greensboro Town	45.3%	Greensboro CDP	62.0%
		Greensboro Bend CDP	25.0%
Groton Town	32.1%	Groton CDP	56.9%
Hardwick Town	51.5%	Hardwick CDP	63.7%
Irasburg Town	21.1%	Irasburg CDP	52.0%

Lyndon Town	33.4%	Lyndonville Village	70.6%
Newport City*	54.0%		
St. Johnsbury Town	50.1%	St. Johnsbury CDP	54.6%
Troy Town	44.2%	North Troy Village	70.6%
		Troy CDP	63.4%
Source: U.S. Census Bureau – American Community Survey 5-Year Averages, 2009-2013			
* Newport City is a Census Designated Place and a County Subdivision.			

1  
2 In 2016, the Town of St. Johnsbury commissioned a Housing Study and Needs Assessment which was  
3 completed in December 2017 by Bowen National Research. The study included a comprehensive inventory  
4 of the Town’s existing housing stock and identified strategies to improve the quality and range of housing  
5 options. One of the study’s findings was that the Town’s lack of diverse and modern housing alternatives put  
6 it at a competitive disadvantage with surrounding rural communities. Suggested strategies noted in the report  
7 included not only building new housing units, but creating incentives to support reinvestment in the Town’s  
8 historic neighborhoods. These existing neighborhoods, with an average density of 4 housing units per acre,  
9 typify the model of residential density that the State seeks to foster in order to retain the pattern of compact  
10 centers surrounded by rural working lands. However, the age and deteriorating condition of the housing  
11 stock hinders reinvestment.

12 A particular problem in communities with aging housing stock and depressed markets is that homeowners  
13 that want to use their home equity as collateral in seeking loans for renovations are hampered by low home  
14 appraisals. The loan needed to fund needed renovations and weatherization could well exceed the appraised  
15 value of the property, making traditional home equity loans inaccessible even if the homeowner has excellent  
16 credit and acceptable debt-to-income ratio. Auto Dependence  
17 Auto dependence (particularly work-related) may be reinforcing scattered rural residential development  
18 patterns. Jobs are relatively scarce in this region, and residents are used to traveling far and wide to work.  
19 Essex, Orleans and Caledonia Counties have the state’s highest percentages of residents who travel greater  
20 than 50 miles in one direction to their place of work. (Figure 5.9)



21  
22 Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning  
23 of Quarter Employment, 2nd Quarter of 2002-2015).

## 1 Home Ownership

2 According to the U.S. Census Bureau 2010 Census, of the 26,691 occupied housing units in the Northeast  
 3 Kingdom, 20,046 (75.1%) are owner-occupied. Of these owner-occupied units, 61.6% have a mortgage or  
 4 loan, and 38.4% are owned free and clear. The Northeast Kingdom continues to have high percentages of  
 5 owner-occupied housing units. However, higher owner occupancy rates are often typical of a rural area and  
 6 are not necessarily an indicator of economic well-being or affordability. Rather, it may be a reflection of the  
 7 relative lack of alternatives to home ownership, such as apartments and home shares. For example Essex  
 8 County, which has the lowest median household income in the state, also has the second highest rate of  
 9 owner occupancy in the state of just over 80%. By contrast, Chittenden County, which has the highest  
 10 median household income, has the lowest rate of owner-occupancy in the state of just over 65%.

**Table 5.4 Owner-Occupied Housing Units in the Northeast Kingdom, 2000-2010**

	Occupied Housing Unit Change (Absolute)	Rate (%) of change	Owner Occupied Change (Absolute)	Rate (%) of change	% of occupied units that are owner occupied, 2000	% of occupied units that are owner occupied, 2010
<b>Caledonia</b>	890	7.6	734	8.6	72.9	73.6
<b>Essex</b>	216	8.3	188	9.1	79.6	80.2
<b>Orleans</b>	874	8.4	816	10.5	74.1	75.6

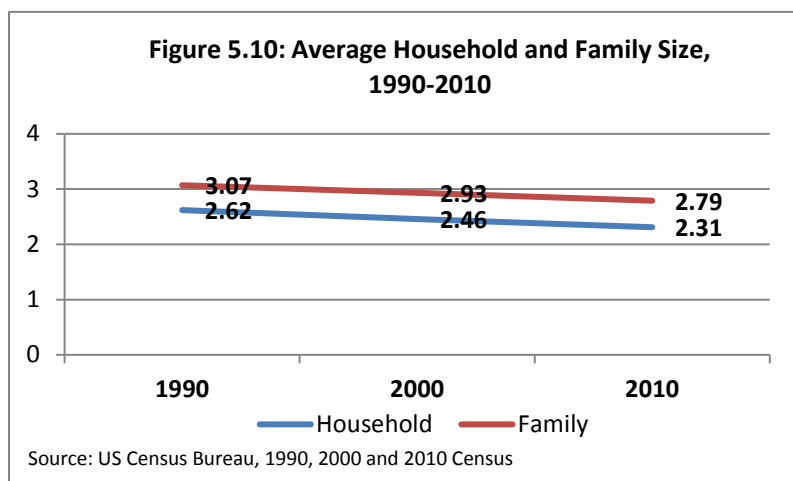
Source: US Census Bureau, 2000 and 2010 Census

11  
 12 Owner-occupancy rates are lowest in the region’s urban centers, where more rental housing is likely to be  
 13 found: in 2010 the percentage of owner-occupied households in St. Johnsbury was 56.5%, Lyndon 68%, and  
 14 Newport City 54.6%. It should be noted, however, that Newport City saw a net loss of 231 occupied units  
 15 from 2000 to 2010. Despite modest gains in regional owner-occupancy rates from the previous decade, many  
 16 communities experienced a decrease. In Caledonia County, only Burke, Danville, Hardwick, Peacham,  
 17 Sheffield, St. Johnsbury, and Sutton saw modest increase in owner-occupancy rates from the previous decade.  
 18 In Orleans County, eight communities saw a drop in owner-occupancy rates: Albany, Craftsbury, Derby,  
 19 Glover, Jay, Lowell, Newport Town, and Westfield.

## 20 Household and Family Characteristics

21 As is with the rest of Vermont, there has been significant shift in the makeup of the region’s households that  
 22 may have a profound impact on the region’s housing supply and demand. The US Census Bureau defines a  
 23 “household” as all the people who occupy a housing unit as their usual place of residence. A “family” is a  
 24 group of two or more people who reside together and who are related by birth, marriage, or adoption. Both  
 25 household sizes and family sizes are shrinking in the Northeast Kingdom (Figure 5.10)  
 26  
 27

28 There are three drivers behind this trend: 1) a smaller percentage of family households from the previous  
 29 decade, 2) a net loss of families with children under the age of 18 from the  
 30  
 31  
 32  
 33  
 34  
 35  
 36





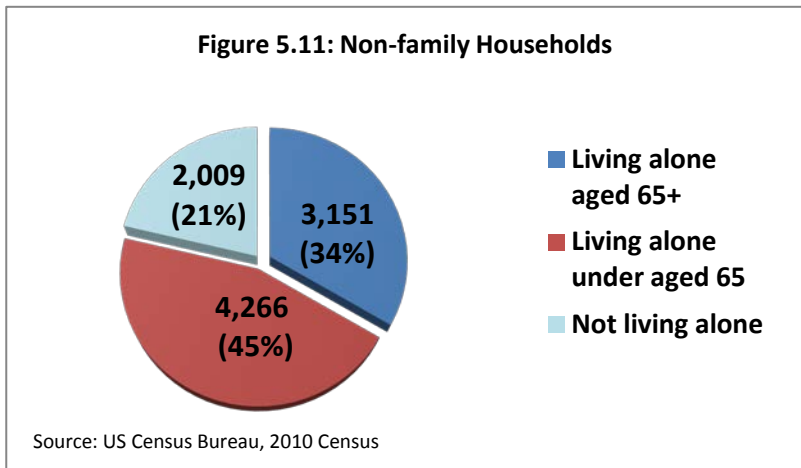
1 previous decade, and 3) an increase in the share of non-family households (Table 5.5).

<b>Table 5.5: Households and Families in the Northeast Kingdom, 2000-2010</b>						
	<b>Total Households</b>	<b>Families</b>	<b>% of Households</b>	<b>Families with Children &lt; Age 18</b>	<b>Non-Family Households</b>	<b>Householder Living Alone</b>
2000	24,711	16,861	68.2%	7,962	7,850	6,248
2010	26,691	17,265	64.7%	6,898	9,426	7,417

Source: US Census Bureau, 2000 and 2010 Census

2  
 3 Studies show that married couple households tends to have higher rates of home ownership due to a number  
 4 of factors, such as dual incomes, better access to credit, and cost-efficiencies from sharing resources.  
 5 According to the 2010 Census there were 13,389 married couple households in the Northeast Kingdom – the  
 6 same number as in the previous  
 7 decade –yet in 2010 they accounted  
 8 for less than 50% of all households.

9 In 2010, non-family households  
 10 accounted for more than 35% of all  
 11 households in the Northeast  
 12 Kingdom, up from just under 28% in  
 13 1990. The overwhelming majority of  
 14 non-family households are  
 15 individuals who live alone. More  
 16 than a third of those who live alone  
 17 are 65 years or older. (Figure 5.11).  
 18 This sector of the region’s  
 19 population grew by more than 15%  
 20 over the previous decade.

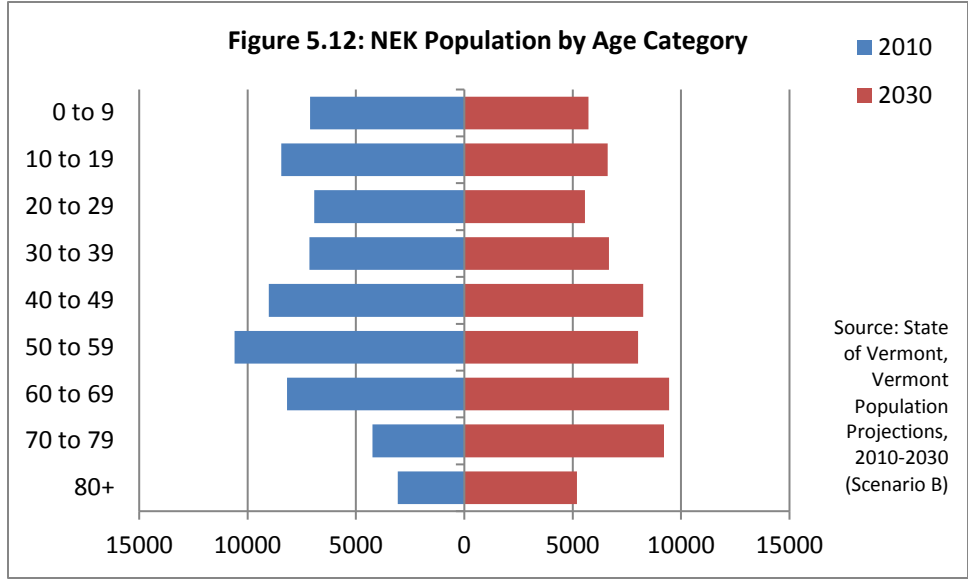


21 **Aging Population**

22 According to the 2010 Census, about just under a quarter of the Northeast Kingdom’s population was aged  
 23 65 and older. By 2030 this age group could account for nearly 40% of the population. In 2013, the State of  
 24 Vermont released two sets of population projections:

25 A) Based on more robust growth and migration rates seen in the 1990s, and

1 B) Based on slower  
 2 migration rates seen in  
 3 the 2000s.  
 4 Both sets of  
 5 projections show a  
 6 decrease in every age  
 7 group under 60 and an  
 8 increase in every age  
 9 group over 60. This  
 10 demographic shift  
 11 could have a dramatic  
 12 impact on future  
 13 housing demands,  
 14 such as smaller, lower  
 15 maintenance homes  
 16 that are located closer  
 17 to goods and services.



18 Successful aging in place requires “livable communities,” ones that are characterized by safe, appropriate,  
 19 accessible and affordable housing located in walkable neighborhoods with convenient access to goods and  
 20 services. Newport City has taken on this challenge by receiving Vermont’s first “Age-Friendly Community”  
 21 designation from AARP. In 2014, an advisory council completed an exhaustive survey of the residents in  
 22 Newport City and Orleans County age 45 and up. Among their findings:

23 Orleans county residents have lived in Orleans County and their town for a long time and are likely to remain  
 24 there as they get older. 53% have lived in Orleans County for at least 45 years and 53% have lived in their  
 25 current town for at least 25 years. More than a third said it was extremely or very important to stay in their  
 26 town as they aged, and 71% said they are not very or not at all likely to move outside of Orleans County after  
 27 retirement.<sup>1</sup>

28 Existing housing supply in the region is not likely to meet the needs of an aging population. According to the  
 29 AARP Liveability Index, less than 3% of housing units nationwide provide “basic passage,” which is  
 30 determined by doorways and hallways that are at least 36” wide, floors with no steps between rooms, and at  
 31 least one entry level bedroom and bathroom.

32 NVDA encourages municipalities to inventory existing housing stock at the town level.

33 The 2017 St. Johnsbury housing study has identified a need for senior housing, as homeowners seek to  
 34 downsize and find more accessible housing options. The study notes demographic trends regarding senior  
 35 homeowners in the secondary study area (SSA), which includes the balance of Caledonia County:

36 “Within the SSA, it is projected that the greatest growth will occur among senior homeowners with  
 37 incomes of \$50,000 and higher (292 households, or 13.5%). An increase of 107 households (4.1%) is  
 38 also projected to occur among senior owner households earning less than \$50,000.”

39 There are very limited housing options in the NEK region reserved for independent seniors. Even among  
 40 those units reserved for elderly tenants, a limited number have the proper doorway widths and other features  
 41 that earn the designation of “accessible.” A list of subsidized housing units are shown on Table 5:10,  
 42 indicating those units reserved for seniors, as well as how many units are accessible. Most of these units are  
 43 reserved for tenants with incomes no higher than 80% of Area Median Income. Housing options for

<sup>1</sup> AARP Research, “Successful Aging in Orleans County: The 2014 Survey of Community Residents Age 45+ in Orleans County, Vermont,” April 2015

1 independent seniors that have accessible design and are available at a variety of price points are needed in the  
 2 region.

3 For seniors who are unable to live independently, options in the State include Assisted Living Residences,  
 4 Residential Care Homes, and Nursing Facilities. These facilities are licensed by the Vermont Department  
 5 Disabilities, Aging and Independent Living, and are not necessarily limited to seniors but also serve persons  
 6 of any age with a variety of disabilities.

7 Assisted Living facilities combine housing, health and supportive services to support resident independence,  
 8 and offer, at a minimum, a private bedroom, private bath, living space, kitchen capacity, and a lockable door.  
 9 There are no Assisted Living facilities in the NEK region, although there are 12 such facilities in other parts  
 10 of Vermont.

11 Residential Care Homes provide room, board, personal care, general supervision, medication management  
 12 and nursing overview; while Nursing facilities provide a high level of care with 24-hour nursing services,  
 13 including room & board. In the NEK region there are 13 licensed Residential Care Homes with a total  
 14 capacity of 207; and 8 licensed Nursing Homes with a total capacity of 421 (see table below).

<b>Table 5.6: Residential Care Homes and Nursing Facilities in the NEK</b>			
<b>Caledonia County</b>			
<b>Town</b>	<b>Facility Name</b>	<b>Facility Type</b>	<b>Capacity</b>
Danville	Cedar Lane Home	Residential Care Home	4
Lyndon	Pines Rehabilitation and Health Center	Nursing Home	60
Lyndon	Pine Knoll Community Care Home	Residential Care Home	10
St. Johnsbury	Canterbury Inn	Residential Care Home	42
St. Johnsbury	St. Johnsbury Health and Rehab	Nursing Home	99
Waterford	Waterford Group Home	Residential Care Home	4
Total for County			219
<b>Essex County</b>			
<b>Town</b>	<b>Facility Name</b>	<b>Facility Type</b>	<b>Capacity</b>
Concord	Loch Lomond	Residential Care Home	16
Total for County			16
<b>Orleans County</b>			
<b>Town</b>	<b>Facility Name</b>	<b>Facility Type</b>	<b>Capacity</b>
Barton	Maple Lane Nursing Home	Nursing Home	71
Barton	Maple Lane Retirement Home	Residential Care Home	16
Craftsbury	Craftsbury Community Care	Residential Care Home	24
Derby	Derby Green Nursing Home	Nursing Home	23
Derby Line	Michaud Memorial Manor	Residential Care Home	34
Glover	Union House Nursing Home	Nursing Home	44
Greensboro	Greensboro Nursing Home	Nursing Home	30
Newport	Bel_Aire Quality Center	Nursing Home	44
Newport	Bel_Aire Center	Residential Care Home	14
Newport	Kingdom Way Group Home	Residential Care Home	6
Newport	Newport Health Care	Nursing Home	50
Newport	Newport Residential Care Center	Residential Care Home	8
Newport	South Bay Home	Residential Care Home	4
Westfield	Scenic View Rural Edge	Residential Care Home	25
Total for County			393
Source: Vermont Department Disabilities, Aging and Independent Living, January 2018			

## 1 **Safety of Housing Stock**

2 **Fire** poses the greatest safety risk to the region’s housing supply. According to the 2016 Annual Report of the  
3 State Fire Marshal, first responders were called to 373 structure fires in the Northeast Kingdom that year.  
4 According to statewide data, residential properties account for the majority of structure fires and civilian  
5 fatalities. The senior population is particularly vulnerable. The 2016 State Fire Marshal’s report notes that  
6 over the last five years, 54.2% of Vermont’s fire deaths have been seniors over the age of 60. There a number  
7 of factors that exacerbate the risk of fire in the Northeast Kingdom:

- 8 • **Age of housing stock:** The region’s housing stock is relatively old and more likely to be  
9 noncompliant with fire and safety codes. About 36% of the region’s housing stock was built before  
10 1950, compared to just under 31% statewide. (American Community Survey 5 Year Estimates)  
11 Additionally, Vermont Housing Conservation Board reports that more than a fifth of the state’s  
12 mobile homes were built before 1976, predating federal safety standards, such as prohibiting  
13 louvered windows that obstruct escape from fire.
- 14 • **Scattered rural development:** Rural low-density development is likely to lead to greater response  
15 times.
- 16 • **Long cold winters:** The State Fire Marshal reports that 43% of residential structure fires in 2014  
17 were caused by heating appliances. Rising heating costs may force lower income individuals to turn  
18 to unsafe or improperly installed heating alternatives.

19 Towns do have the authority to address unsafe housing conditions by enforcing rental housing codes.  
20 Typically enforced by a town health officer or fire chief, local codes may address fire safety hazards, in  
21 addition to lead, mold, sewer, and water. Lyndon and St. Johnsbury have local rental housing codes.

22 **Junky yards**, accumulation of household debris, and hoarding create nuisances and reduce property values,  
23 but they also pose public health hazards and threaten drinking water supplies. NVDA regularly receives  
24 requests from municipalities for assistance with enforcement, which can require a degree of tenacity and  
25 perseverance. In 2009 the regulation of salvage yards – the outdoor storage of junk, motor vehicles, metal  
26 scrap, appliances, etc. – was delegated to the Agency of Natural Resources. ANR’s criteria for jurisdiction is  
27 *any* place or outdoor storage or junk, regardless of whether the activity is connected with a business.

28 Municipalities may adopt salvage or junk ordinances that meet or exceed ANR standards. They may also  
29 request enforcement assistance from ANR’s Dept. of Environmental Conservation Salvage Yard Program.  
30 ANR will evaluate and prioritize requests based on a number of factors, including whether of the municipality  
31 has a duly adopted salvage yard ordinance in place. To date only a handful of communities have such  
32 ordinances: Concord, Ryegate, Barton, and Burke.

33 **Flooding** and flood-related losses can be financially ruinous for any homeowner, but the region’s lower  
34 income populations may be most vulnerable. Older housing, which is often located in traditional centers of  
35 development, may be more likely to be located near rivers. To date, NVDA has assisted two communities  
36 with FEMA buyouts of two repetitive loss properties. Mobile home dwellers are also more prone to flood-  
37 related losses. Statewide, about 15% of all properties affected by Tropical Storm Irene were mobile homes.  
38 Two mobile home parks in the region –in Lyndon and Concord – have lots that are either located in mapped  
39 inundation areas or in areas close to rivers and streams prone to fluvial erosion. Most of the region’s flood  
40 maps are paper, which makes it difficult to quantify the extent of risk to residential properties. NVDA is  
41 likely to develop better data as individual communities develop Local Hazard Mitigation Plans. (See Flood  
42 Resilience Chapter.)

## 43 **Potential Housing Developments**

44 Several significant commercial developments in the northern part of the region, including Jay, Newport and  
45 Burke, were proposed in the last decade. While not all projects have come to fruition, investments in the

1 region’s recreational resources have brought, and are expected to continue to bring, more visitors and  
2 permanent residents to the region, as well as additional employment.

3 Over the last decade Jay Peak Resort has undertaken a major expansion of its facilities, including a new  
4 indoor ice arena, golf course, hotel, restaurant, spa, conference center, and an indoor waterpark. In late 2017  
5 Jay Peak opened an indoor recreation center adjacent to the Stateside Hotel, featuring a climbing wall and a  
6 movie theater, and in early 2018 applied for an Act 250 permit to install two synthetic turf soccer fields.

7 In 2016, the 116-unit Burke Mountain Hotel and Conference Center was completed, and a partnership  
8 between Burke Mountain Resort, the U.S. Ski and Snowboard Association (USSA) and Burke Mountain  
9 Academy (BMA) resulted in the designation of Burke Mountain as an official U.S. Ski Team Development  
10 Site.

11 These and other additions to outdoor recreational offerings in the region, particularly trail developments, are  
12 expected to attract new residents – both permanent and part-time – to the region.

13 Residential development in the NEK has historically occurred piecemeal, and multi-unit residential  
14 developments that rise to the threshold of Act 250 have typically been rare. It is therefore significant that  
15 there are three pending residential developments in Orleans County (Newport City, Derby and Jay)  
16 comprising 28 single-family house lots, 20 multifamily units and 84 attached units. Construction of all three  
17 of these projects were delayed due to uncertainty regarding market conditions, and have received extensions  
18 of their original Act 250 permits, allowing construction to be completed as late as 2022.

## 19 20 II. AFFORDABLE HOUSING NEEDS IN THE NORTHEAST KINGDOM 21

22 A household’s total housing costs should be 30% or less of the household income in order to be considered  
23 affordable. While the 30% rule applies to housing costs for all income brackets, Vermont statute provides a  
24 definition for affordable **housing** which is tied to the incomes of those living in the housing. This definition  
25 was recently amended, in response to the Act 157 report which found that Vermonters with incomes higher  
26 than 80% of area median income were having difficulty finding suitable housing options that were affordable,  
27 and few programs existed to assist these households or provide incentives to developers to create housing for  
28 this income range.<sup>2</sup> The new definition of affordable housing sets different income limits for owner-  
29 occupied housing and for rental housing. Rental housing is still only classified as “affordable” if it serves  
30 households earning no more than 80% of median income, while owner-occupied housing is considered  
31 affordable if it is priced to serve households earning up to 120% of median income. Another significant  
32 change in the definition is that the higher of the State or area median income (AMI) is now the measure that  
33 is used. This change recognized that in areas with high poverty and low median incomes, full-time wage  
34 earners, even those in entry level jobs, are often disqualified from subsidized housing because their incomes  
35 are just over the limit established by AMI. The housing and rental housing stock that is both affordable and  
36 available to this middle income group is typically low-quality. By statutory definition, housing costs for home  
37 owners include principal, interest, taxes, insurance, and association fees. For renters, costs include rent,  
38 utilities, and association fees.

39 In the Northeast Kingdom, traditional forms of affordable housing are mobile homes, multi- units dwellings  
40 (three units or more), and accessory unit dwellings.

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<sup>2</sup> Act 157 Report to the Vermont General Assembly on ways to improve the quality and quantity of housing and tools to finance infrastructure, Agency of Commerce and Community Development, January 15, 2017

1 **Mobile Homes and Mobile Home Parks**

2 Mobile homes are the more prevalent form of affordable housing in the Northeast Kingdom. Overall they  
 3 comprise roughly 10% of the region’s housing stock (compared to 7% statewide), but even higher  
 4 concentrations can be found in the most rural communities with very small or no centers of development.

**Table 5.7: Mobile Homes as a % of Total Housing Units, (20% or more)**

Caledonia County		Orleans County	
Municipality	%	Municipality	%
Stannard	29%	Coventry	33%
Sutton	30%	Brownington	21%
Sheffield	21%		

Source: US Census Bureau, American Community Survey, 2012-2016

5

6 Although mobile homes are a significant source of affordable housing in our region, the lower price tag may  
 7 come at the expense of energy efficiency: Vermont Energy Efficiency Investment Corporation estimates that  
 8 mobile home owners spend about 66% more of their income on energy costs than owners of stick-built  
 9 properties. The Vermont Housing & Conservation Board (VHCB) recently concluded a pilot project to site  
 10 Vermod high-performance single-wide mobile homes. When equipped with a solar panel, these energy  
 11 efficient homes are nearly net-zero. To date there are two Vermod homes in the Evergreen Manor Mobile  
 12 Home Park in Hardwick.

13 Vermont statute defines a **mobile home park** as a parcel (or contiguous lots) of land that contains three or  
 14 more mobile homes. Subdivided lots with more than two mobile homes are also a mobile home park when  
 15 the lots are owned or controlled by the same person even if there are only one or two mobile homes on each  
 16 lot. There are 23 mobile home parks in the region. All lot rents run well below the statewide median of \$334  
 17 (Caledonia \$285, Essex, \$226, and Orleans \$280), and vacancy rates run above the statewide average of just  
 18 over 5% (Caledonia is 9%, Essex 7.1%, and Orleans 5.7%) When a park is slated for closure, Vermont law  
 19 requires the owner to give sufficient notice to residents so that a purchase of the park – coordinated among  
 20 the residents or with a non-profit housing provider – may be established in order to keep the park open.  
 21 There are four such parks in the region now operated by non-profits.

22

1  
2

**Table 5.8: Mobile Home Parks in the Northeast Kingdom**

County	Town	Ownership	Lots	Vacant Lots	MHs Owned by MHP Owner	MHs Owned by Leaseholder
Caledonia	Burke (Glenwood)	For-profit	33	3	0	10
Caledonia	Hardwick (BCP MHP)	For-profit	7	0	0	6
Caledonia	Hardwick (Evergreen Manor)	Non-profit (Lamoille Housing Partnership)	32	1	13	18
Caledonia	Hardwick (Strong's MHP)	For-profit	3	0	1	2
Caledonia	Lyndon (Maple Ridge MHP)	Non-profit (Rural Edge)	41	3	0	38
Caledonia	Lyndon (Northern Hill Estates)	For-profit	29	0	4	25
Caledonia	Lyndon (Riverview Estates)	For-profit	33	2	5	26
Caledonia	Lyndon (Woodland Heights)	For-profit	34	0	2	32
Caledonia	St. Johnsbury (Green Lantern MHP)	For-profit	55	18	0	36
Caledonia	St. Johnsbury (McGill Avenue MHP)	For-profit	10	1	7	2
Caledonia	St. Johnsbury (Mt. Pleasant MHP)	For-profit	93	1	27	64
Caledonia	St. Johnsbury (Oak Street MHP)	For-profit	8	5	0	3
Essex	Canaan (Canaan MHP)	For-profit	18	0	0	18
Essex	Concord (North Concord Trailer Park)	For-profit	24	3	2	19
Orleans	Barton (Fairview Estates)	For-profit	32	2	10	20
Orleans	Coventry (Nadeau MHP)	For-profit	16	6	1	9
Orleans	Coventry (Nadeau MHP)	For-profit	8	2	1	5
Orleans	Coventry (Poginy's MHP)	For-profit	4	0	2	2
Orleans	Derby (Derby Center Mobile Court)	For-profit	11	0	11	0
Orleans	Derby (Derby MHP)	Non-profit (Housing Foundation)	95	1	0	94
Orleans	Derby (Shattuck Hill MHP)	Non-profit (Rural Edge)	48	1	0	47
Orleans	Derby (Grenier MHP)	For-profit	9	0	9	0
Orleans	Irasburg (Piette's MHP)	For-profit	5	1	0	3
		<b>Total</b>	<b>648</b>	<b>50</b>	<b>95</b>	<b>479</b>

Source: Vt. Dept. of Housing and Community Development: Vermont Mobile Home Program 2017 Registry and Mobile Home Parks Report

3 **Multi-unit housing**

4 According to latest American Community Survey 5-year estimates, multi-unit housing stock is largely  
5 concentrated in the Northeast Kingdom's population centers. Jay and Burke also have a high concentration

1 of multi-unit dwellings, but these are generally associated with resort populations. Multi-unit dwellings are  
 2 relatively scarce in remaining municipalities, and many have none at all.

3

Caledonia County		Essex County		Orleans County	
Municipality	%	Municipality	%	Municipality	%
St. Johnsbury	33%	Brighton	13%	Jay*	30%
Lyndon	20%			Newport City	20%
Burke*	23%				
Hardwick	12%				

Source: US Census Bureau, American Community Survey Five Year Estimates, 2012-2016 \*Likely associated with resort populations.

4 **Accessory dwelling units**

5 Accessory dwelling units (also called “mother-in-law suites”) are dispersed throughout the region. In 2004 a  
 6 change in State statute required accessory unit dwellings to be treated as a permitted use of an owner-  
 7 occupied single family dwelling. However, not all towns in the region have zoning, and these developments  
 8 may be inconsistently tracked and reported in lister data. Most recent American Community Survey five-year  
 9 estimates indicate that the majority of “1-unit attached” dwellings are located in Caledonia and Orleans  
 10 County (182 and 193 respectively) and that there are only 13 such units in Essex County.

11 **Subsidized housing**

12 The term **subsidized housing** refers to government-sponsored economic assistance to help alleviate the cost  
 13 of housing (usually rental) for people with low to moderate incomes. Funding typically originates from the  
 14 U.S. Department of Housing and Urban Development and follows one of two models:

- 15 1. Project-based assistance: Where the subsidy is assigned to a specific housing unit built, developed,  
 16 and/or managed specifically for the purpose of accepting low-income tenants.
- 17 2. Tenant-based assistance: Where the recipient receives financial assistance, usually in the form of a  
 18 Housing Choice Voucher (HCV) to help cover the costs of any qualified housing unit. The housing  
 19 unit may be privately developed and it does not have to have been specifically developed for housing  
 20 low-income tenants. Because vouchers provide low-income recipients with a range of housing  
 21 choices, they may, in theory, support efforts to integrate disadvantaged families into mixed-income  
 22 communities. This mobility may help to break the cycle of poverty for future generations. A recent  
 23 study has indicated that young children (about 8 years old) whose families had been given housing  
 24 choice vouchers to move to a “high opportunity” neighborhood increased the child’s total lifetime  
 25 earnings by about \$302,000.<sup>3</sup> Private landlords may refuse to accept vouchers, but landlords who  
 26 have received low-income housing tax credits (see below) are required to accept them. How tax  
 27 credits are allocated may ultimately determine (or restrict) housing choices for voucher recipients.

28  
 29 Table 5.10 includes properties listed in the VHFA’s database of Affordable Housing, as well as the number of  
 30 housing choice vouchers utilized in the region. These housing developments have been created through a  
 31 variety of subsidy programs, most of which require that a percentage of the units be restricted to low and  
 32 moderate-income tenants for a set period of time. Most of the units listed in the table below are income-  
 33 restricted. It is noted that the regional centers of St. Johnsbury and Newport City have many additional

<sup>3</sup> Chetty, Hendren, and Katz: “The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment,” Harvard University, May 2015



1 multi-family units that are not subsidized but have rents as low, or even lower, than the subsidized units.  
 2 Unfortunately, the quality of these rental units are often poor, as noted in the St. Johnsbury Housing Study  
 3 and Needs Assessment completed in 2017.  
 4

<b>Table 5.10: Affordable Housing Units and HCV use by Town and County</b>						
<b>Caledonia County</b>						
<b>Town</b>	<b>Total Units</b>	<b>Senior only</b>	<b>Senior or Disabled</b>	<b>Accessible</b>	<b>Income restricted</b>	<b>HCVs*</b>
Barnet	0	NA	NA	NA	NA	2
Burke	15	9	12	2	15	0
Danville	12	0	9	0	12	3
Groton	27	9	9	7	27	1
Hardwick	60	0	30	10	58	22
Lyndon	102	27	60	5	80	29
Peacham	6	6	6	0	6	3
Ryegate	7	0	0	0	7	2
Sheffield	0	NA	NA	NA	NA	1
St. Johnsbury	316	89	89	68	285	126
Waterford	1	0	0	0	0	0
<b>Totals for County</b>	<b>546</b>	<b>89</b>	<b>89</b>	<b>68</b>	<b>285</b>	<b>189</b>
<b>Essex County</b>						
<b>Town</b>	<b>Total Units</b>	<b>Senior Only</b>	<b>Senior or Disabled</b>	<b>Accessible</b>	<b>Income Restricted</b>	<b>HCVs</b>
Brighton	55	0	32	3	48	18
Canaan	12	0	12	2	12	2
Concord	0	0	0	0	0	2
Lunenburg	10	0	10	0	10	0
<b>Totals for County</b>	<b>77</b>	<b>0</b>	<b>54</b>	<b>5</b>	<b>70</b>	<b>22</b>
<b>Orleans County</b>						
<b>Town</b>	<b>Total Units</b>	<b>Senior Only</b>	<b>Senior or Disabled</b>	<b>Accessible</b>	<b>Income Restricted</b>	<b>HCVs</b>
Barton Town	82	0	67	7	62	9
Coventry	7	7	7	7	6	0
Craftsbury	24	24	24	24	0	1
Derby	34	0	11	5	17	27
Glover	12	0	12	1	12	1
Greensboro	10	0	10	1	10	1
Irasburg	10	0	10	1	10	0
Newport City	75	15	63	6	75	61
Newport Town	56	13	13	8	55	4
Troy	14	0	6	0	14	4
<b>Total for County</b>	<b>324</b>	<b>59</b>	<b>223</b>	<b>60</b>	<b>261</b>	<b>108</b>
<b>Source: Vermont Housing Data (<a href="http://www.housingdata.org">www.housingdata.org</a>), accessed January 2018</b>						
<b>*Vermont State Housing Authority, September 2017</b>						

## 1 **Workforce Housing**

2 **Workforce housing** is a term that has been used increasingly by planners, governments, and organizations  
3 that advocate for housing policy. It is typically used to describe housing for those who are gainfully employed  
4 in occupations that are essential to a community, such as teachers, healthcare workers, first responders, as  
5 well as occupations that may pay relatively lower incomes, such as food services, retail, hospitality and  
6 tourism. Workforce housing typically does NOT include age-restricted developments. Rather, it is:

- 7 • affordable to the local workforce (with or without a subsidy);
- 8 • sited in or reasonably near the place of employment; and
- 9 • usually available to households that earn up to 120 percent of the area median income.

10 Most HUD programs are limited to low-income recipients (up to 80% of the area median income) and most  
11 subsidized rental housing in the region is restricted to households with incomes of no higher than 60% of  
12 area median income. While these subsidized units serve a segment of the workforce, including those with  
13 seasonal or part-time jobs, it does not serve working households earning over these thresholds, meaning that  
14 other funding sources, including private investment, is needed to create workforce housing for these  
15 households.

## 16 **Affordable Housing Partners**

17 The Northeast Kingdom is served by two non-profit housing development corporations. Rural Edge  
18 (formerly known as Gilman Housing) serves all three counties and currently manages about 500 flat rate and  
19 income-based housing units throughout the region. Its Homebuyer Education Program provides financial  
20 literacy counseling to about 200 individuals a year. Lamoille Housing Partnership also develops and  
21 rehabilitates properties for rent or purchase by low- to moderate-income residents. Based in Morrisville they  
22 also serve Hardwick. Both non-profits manage mobile home parks in the region.

23 Additionally, Northeast Kingdom Community Action (NEKCA) provides assistance with locating emergency  
24 housing, electrical disconnect, and crisis fuel assistance throughout the NEK in Newport, St. Johnsbury,  
25 Canaan, and Island Pond.

## 26 **Funding Sources**

27 Housing Tax Credits, also known as federal Low Income Housing Tax Credits (LIHTC), have produced  
28 most of Vermont's affordable rental housing developed since the program's inception in 1987. Credits reduce  
29 federal tax liability for a 10-year period. Qualified recipients must agree to certain operating restrictions and  
30 reporting and monitoring requirements for at least 15 years. Vermont's allocation of federal credit for 2017  
31 was capped at \$2.71 million. Vermont also has state affordable housing tax credits which can be used in  
32 tandem with the federal Housing Tax Credit to assist in the creation and preservation of affordable rental  
33 housing. Both federal and state tax credits can be sold in order to create equity. Investors purchase the  
34 "present value" of ten years' worth of credits. For this reason, the equity raised from syndicating tax credits  
35 can be substantial. Tax credits are awarded through a highly competitive process administered by the  
36 Vermont Housing Finance Agency. Funding rounds are consistently oversubscribed. Allocation is based on  
37 the annual Qualified Allocation Plan (QAP), which establishes priorities for awarding credits. In the 2018  
38 QAP, there are five "top tier" priorities, and nine "second tier" priorities. Additionally, in an effort to  
39 affirmatively further fair housing as required under Federal housing rules, the 2018 QAP states that VHFA  
40 prioritizes geographic targeting towards communities with no affordable housing.

41 Federal Bond Credits are similar to Allocated Credits, but provide a lower level of credits and therefore lower  
42 equity investment to the project. Since 2004 nearly \$ 2 million in State and Federal tax credits and tax-exempt  
43 bonds have been awarded to projects in the Northeast Kingdom to acquire, develop, or rehabilitate 234

1 housing units, in St. Johnsbury, Hardwick, Lyndonville, Newport, Glover, and Groton. Local partners and  
 2 sponsors have been Rural Edge, Lamoille Housing Partnership, NCIC and Housing Vermont.

3

<b>Table 5.11: Federal (F) and State (S) Housing Tax Credits and Tax-Exempt (TE) Bonds in the Northeast Kingdom, 2004 to Present</b>						
<b>Year</b>	<b>Project</b>	<b>Local Partner/Sponsor</b>	<b>Location</b>	<b>Type</b>	<b>Amount</b>	<b># Units</b>
2004	Moose River Housing	Gilman Housing Trust*/Housing Vermont	St. Johnsbury	Acquisition, Rehabilitation	\$163,594 (TE Bonds)	28
2006	Groton Redevelopment	Gilman Housing Trust*/Housing Vermont	Groton	Rehabilitation	\$44,000 (S) \$125,845 (TE Bonds)	18
2007	Passumpsic North & South	Housing Vermont	St. Johnsbury	Acquisition, Rehabilitation	\$95,000 (TE Bonds)	28
2007	Hardwick Family Housing	Lamoille Housing Partnership/Housing Vermont	Hardwick	Rehabilitation	\$39,065 (TE Bonds)	8
2007	Bemis Block	Lamoille Housing Partnership/Housing Vermont	Hardwick	Rehabilitation	\$98,000 (F)	14
2007	Glover Senior Housing	Gilman Housing Trust*	Glover	New Construction, Rehabilitation	\$75,755 (TE Bonds)	12
2009	Newport Senior Housing	Gilman Housing Trust*	Newport	Acquisition, Rehabilitation	\$95,665 (TE Bonds)	13
2011	Newport Family Housing	Gilman Housing Trust*/Housing Vermont	Newport	New Construction, Acquisition, Rehabilitation	\$390,000 (F)	21
2012	St. Johnsbury Historic Green Rehab	Gilman Housing Trust*/Housing Vermont	St. Johnsbury	Rehabilitation	\$350,000 (F)	29
2013 - 2014	Maple Street Senior Apartments	Housing Vermont	Hardwick	Acquisition, Rehabilitation	\$54,200 (TE Bonds) \$61,199 (TE Bonds) \$25,000 (S)	16
2016	Darling Inn	Gilman Housing Trust*	Lyndonville	Rehabilitation	\$52,600 (S)	28
2017	Hardwick Housing	NCIC	Hardwick	New Construction	\$250,000 (F)	7
2017	Parkview Apartments	Gilman Housing Trust*	Newport	Rehabilitation	83,000( S) \$107,000 (TE Bonds)	12
Source: Vermont Housing Finance Agency, Allocations and Reservations (website accessed January 2018)						
*Now called Rural Edge						

4

### 5 III. CHALLENGES TO AFFORDABILITY

6 Affordability in the region is measured through American Community Survey, and through housing wages  
 7 determined by the National Low-Income Housing Coalition. HUD also provides a methodology that factors  
 8 in the cost of commuting. By any measure, the region’s supply of affordable and workforce housing is  
 9 inadequate to meet the needs of the region. Lagging incomes, scarcity of higher-paying jobs, and aging  
 10 housing stock are contributing factors. Additional challenges are identified below.

1 According to most recent American Community Survey 5-Year Estimates, more than a third of homeowners  
 2 in the Northeast Kingdom pay 30% or more of their income on costs for properties with a mortgage, and at  
 3 least 20% pay 30% or more on a properties that are owned free and clear. Housing costs include utilities and  
 4 fuels, which can be quite high during Vermont winters especially if the house is poorly insulated. More than  
 5 half of renters in Caledonia and Orleans counties pay 30% or more of income on housing. Compared to  
 6 statewide averages, housing in Orleans County is more likely to be unaffordable, and rental housing in  
 7 Caledonia and Orleans is more likely to be unaffordable.

**Table 5.12: % of Housing Units with costs at or greater than 30% of Household Income**

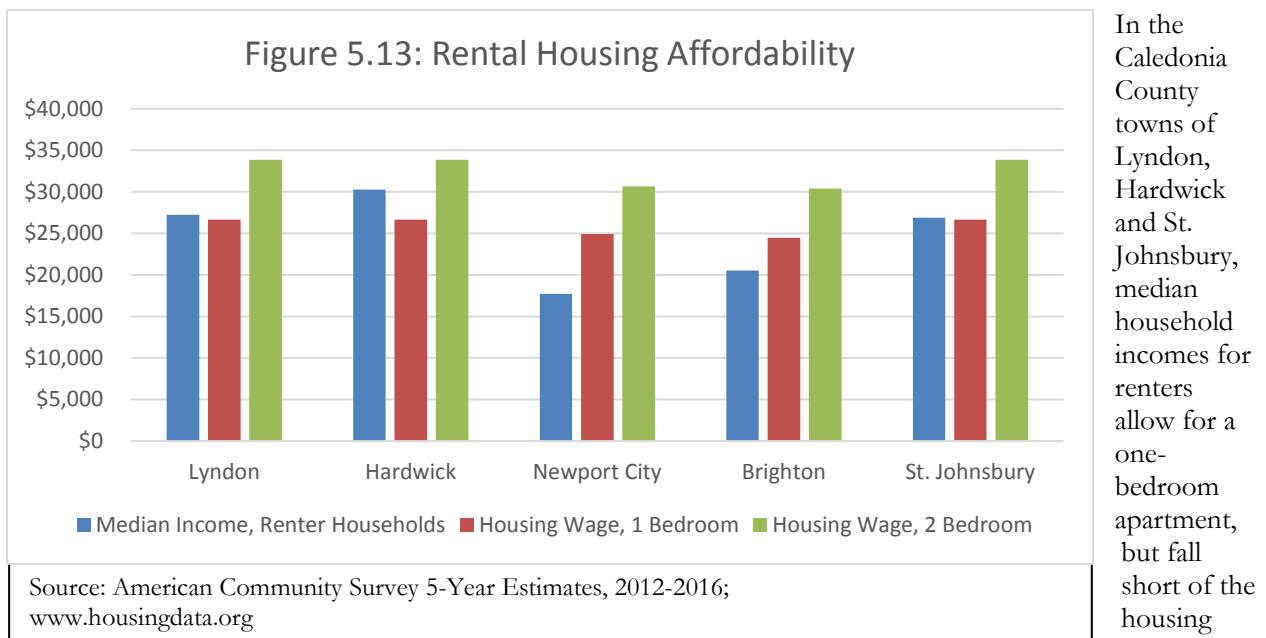
	Selected Monthly Owner Costs* as a % of Household Income		Gross Rent**
	Housing Units w/ Mortgage	Housing Units w/o Mortgage	Occupied Units Paying Rent
<b>Caledonia</b>	35.0 %	21.5 %	54.2%
<b>Essex</b>	32.2 %	22.4 %	41.1%
<b>Orleans</b>	37.2 %	24.8%	52.4%
<b>Vermont</b>	34.6 %	23.2%	51.0%

Source: US Census Bureau: American Community Survey 5-Year Estimates, 2012-2016, Table DP04

\* Selected monthly owner costs are the sum of payments for mortgages, deeds, contracts to purchase, or similar debts on the property. It also include property taxes, insurance, utilities, fuels, and where appropriate condominium and association fees or mobile home costs.

\*\* Gross rent includes the estimated average monthly cost of utilities and fuel.

8



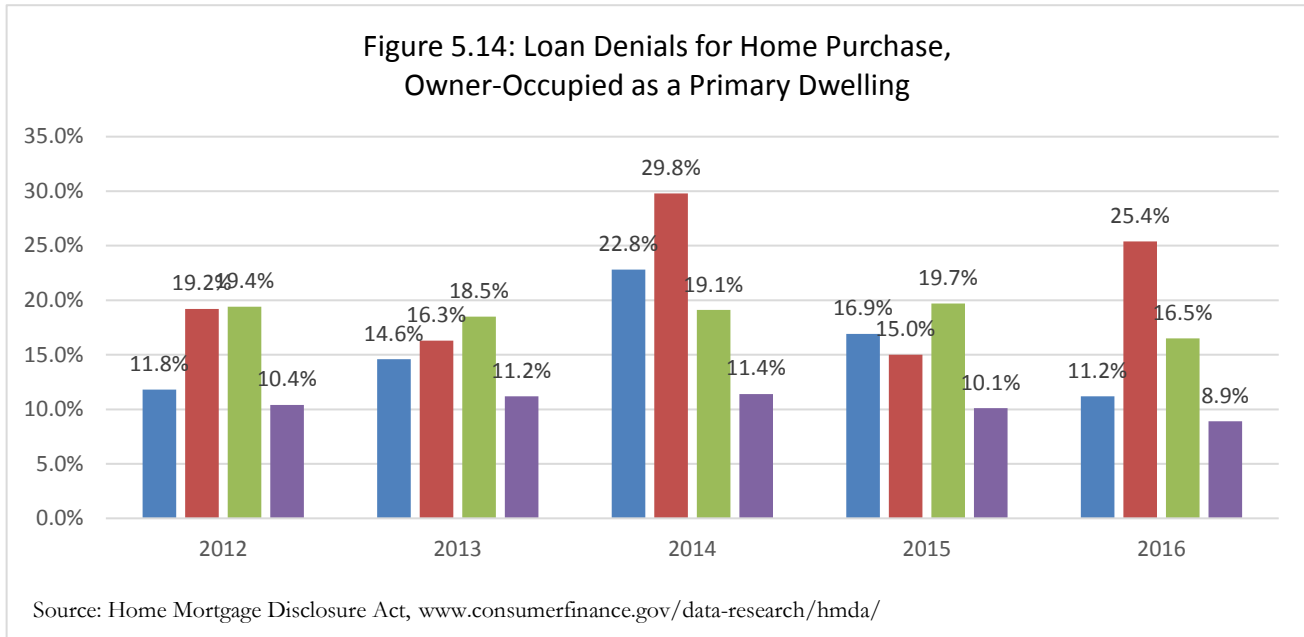
In the Caledonia County towns of Lyndon, Hardwick and St. Johnsbury, median household incomes for renters allow for a one-bedroom apartment, but fall short of the housing wage

28

29 needed for a two-bedroom apartment at HUD's Fair Market Rate (FMR), as indicated by the Vermont  
 30 Housing Finance Agency (VHFA). HUD's FMRs are published annually by bedroom size and are for a  
 31 modest apartment, costing about 10% less than the area median rents. In the towns of Newport City and  
 32 Brighton, the median household income of renters is less than the housing wage needed for both one and  
 33 two-bedroom apartments. Note: Figure 5.14 includes only communities where multi-unit structures account

1 for at least 10% of housing stock and excludes Jay and Burke, where multi-unit housing is more likely to be  
2 related to resort development.

3 **Credit Access:** Homebuyers – particularly first-time ones – may face considerable barriers. To afford a home  
4 costing the median price in Caledonia of \$147,000, the average homebuyer would need a household income  
5 of \$43,013 and \$14,950 cash on hand at closing.<sup>4</sup> Lending programs vary, but in general, a 20% down  
6 payment is required to avoid private mortgage insurance, and debt-to-income ratios are capped at 43%.  
7 Manufactured housing can be harder to finance because they depreciate faster. Loan terms for a used



8  
9 manufactured unit, for example, will be limited to 10 to 15 years. According to five years of data from the  
10 Home Mortgage Disclosure Act, prospective home buyers in the Northeast Kingdom are more likely to be  
11 denied a mortgage when compared to the rest of the State. The most cited reason was debt-to-income ratio.

12  
13 **The Hidden Cost of Rural Living:** Travel is another cost driver for housing in the Northeast Kingdom.  
14 Travel from households to destinations (like work) varies on the location of the home, and is considered  
15 affordable when it accounts for 15% of household income or less. Combined, housing and transportation  
16 costs are considered unaffordable when they account for more than 45% of household income. According  
17 the HUD Location Affordability Index, transportation accounts for about a third of household income in the  
18 region. Even in St. Johnsbury/Lyndon and Newport City – the regional urban center – transportation  
19 accounts for 28% and 32% of household income respectively.

20  
21  
22  
23  
24

<sup>4</sup> Home Mortgage Calculator, [www.housingdata.org](http://www.housingdata.org).

**Table 5.13:  
HUD Location Affordability by County (for Renters and Owners)**

County	Annual Income for Median-Income Family (4 people, 2 commuters)	Average Cost of Housing as a % of Income	Avg. Cost of Transportation as a % of Income	Location Affordability
Caledonia	\$44,435	26% -- \$11,553	32% -- \$14,219	58% -- \$25,772
Essex	\$40,842	25% -- \$10,214	37% -- \$15,116	62% -- \$25,330
Orleans	\$41,618	26% -- \$10,821	35% -- \$14,566	61% -- \$25,387

Source: HUD Location Affordability Portal, Version 2 (<http://locationaffordability.info/>)

1  
2 **Mismatched housing supply:** The region’s housing stock is mainly single-family with 3 bedrooms or more,  
3 with more than a third sited on large lots. It falls short of the needs of financially strained first-time buyers  
4 and aging baby boomers, who may be looking for smaller homes located near jobs, services, and amenities.  
5 The region’s downtowns and village centers could provide opportunities for more dense development and  
6 lower land costs, but most of the region’s village centers lack off-site water and sewer to support dense  
7 development. Non-profit housing developers have had success creating income-restricted rental housing in  
8 downtowns and village centers served by public water and sewer infrastructure, but market-rate housing has  
9 continued to consist mainly of single-family detached homes located outside of established centers. Denser  
10 forms of market-rate housing, such as townhouses, have not yet materialized in the region’s established  
11 centers.

12 **Perceptions about subsidized housing:** One of the most common objections to subsidized housing  
13 development is that it will decrease values of surrounding properties. For the most part these concerns are  
14 unfounded. The Center for Housing Policy has reviewed numerous studies on the impact of such housing on  
15 property values. Developments that are well managed and maintained and attractively designed to blend with  
16 surrounding neighborhood properties are more likely to have no effect or even a positive effect on nearby  
17 properties. Rehabilitation of distressed properties may positively impact property values as well. However,  
18 large concentrations of income-restricted housing should be avoided. Several researchers have found that  
19 concentrated income-restricted housing developments were more likely to have a negative impact on  
20 neighboring properties. *As long as it is not overly concentrated*, siting low and moderate-income housing  
21 developments in strong neighborhoods with stable home values and low poverty rates is unlikely to have  
22 adverse effects on neighboring property values.

23 These findings affirm the trend toward mixed income housing and communities.<sup>5</sup> Mixed-income housing is  
24 central to any smart growth strategy because it can support a more diverse population and achieve a more  
25 equitable distribution of households of all income levels.<sup>6</sup>

26 NVDA supports the development of affordable housing that is well managed and maintained and is context-  
27 sensitive to existing concentrations of poverty and surrounding property values. Mixed-income housing offers  
28 numerous social and economic benefits to a community by preventing residential economic segregation and  
29 promoting vitality of urban and village centers. The vast majority of residential development in the Northeast  
30 Kingdom has occurred outside of established development centers over the past decade, running counter to  
31 the long-range planning goal of maintaining the historic settlement pattern of compact village and urban  
32 centers separated by rural countryside. Reversing this trend will require a sustained effort that supports a

<sup>5</sup> The Center for Housing Policy. “Don’t Put it Here!” Does Affordable Housing Cause Nearby Property Values to Decline?” Insights from Housing Policy Research (Policy Brief Series published between 2008 and 2011.)  
<sup>6</sup> Smart Growth Online (<http://smartgrowth.org/smart-growth-principles/>)

1 range of attractive housing opportunities and choices – for all income levels and age groups -- both in and  
2 immediately adjacent to our region’s downtowns and village centers. NVDA supports housing policies and  
3 programs that incentivize mixed-income housing development, avoids concentrations of poverty, and  
4 supports vibrant and livable neighborhoods that are near existing services, amenities and employment  
5 opportunities.

#### 6 7 **IV. TAKING ACTION: TOOLS FOR MUNICIPALITIES TO PROMOTE HOUSING FOR ALL**

8 **Affirmatively furthering fair housing:** The federal Fair Housing Act prohibits discrimination based on race,  
9 color, religion, gender, family status, or disability in the sale, rental, or advertisement of housing. Vermont  
10 statute extends this prohibition to include discrimination based on age, marital status, sexual orientation, or  
11 reception of public assistance. 24 V.S.A., Chapter 117, the statute that regulates planning and zoning, contains  
12 requirements and provisions to protect and promote affordable housing. For example:

- 13 • Single- and two-family homes cannot be subjected to site plan review.
- 14 • It is illegal to prohibit mobile homes or mobile home parks from a municipality.
- 15 • Municipalities must designate appropriate districts for multi-unit and multi-family dwellings.
- 16 • Residential care and group homes serving up to eight individuals must be considered a single-family  
17 residential use of property unless it is located within 1,000 feet of another such home.
- 18 • Accessory dwelling units (one-bedroom apartments or efficiencies) subordinate to a single-family  
19 dwelling must be considered a permitted use.
- 20 • Duly adopted municipal plans must include recommendations for addressing the housing needs of  
21 low- and moderate-income individuals and should account for accessory dwelling units as a form of  
22 affordable housing.

23 **Promoting density:** Enabling dense, compact development near downtowns and village centers may reduce  
24 land costs for new housing. Although density may be limited by lack of off-site water and sewer,  
25 municipalities with zoning should not require minimum lot sizes larger than what is necessary to  
26 accommodate on-site water and septic systems in areas in village centers. Traditional opposition to dense  
27 residential development is often based on preconceived notions of crowded, monotonous development with  
28 little or no privacy. These objections can be overcome with attractive, context sensitive site designs that fit  
29 with a rural setting. Design charrettes and buildout analyses might help residents better visualize appropriate  
30 housing development.

31 **Regulatory incentives and inclusionary zoning:** Planned unit development is authorized in Vermont  
32 statute to provide for compact, pedestrian-oriented development especially in and adjacent to downtowns and  
33 village centers. It is also a popular regulatory tool for promoting affordable housing, provided a strong  
34 housing market exists. Provisions for planned unit development may include “density bonuses” to encourage  
35 affordable and mixed-income projects. Municipalities also may provide bonuses to homes with smaller  
36 footprints (e.g. 1,500 feet or less) or universal access design. A number of communities in the region provide  
37 for planned unit development or some form of residential clustering with density incentives. There is no  
38 statutory limit to density bonuses, but experience has shown that a minimum of at least 50% density bonus  
39 may be needed to incentivize developers. In more urban settings, zoning incentives may include waiver of  
40 parking requirements and permitting fees. Unlike density bonuses, **inclusionary zoning** is mandatory, and  
41 developers are required to build a percentage of affordable units in developments of a certain scale. As with  
42 impact fees, inclusionary zoning should be based on clearly stated local housing policies and well documented  
43 housing needs.

44 **Vermont Community Development Program Grants:** Municipalities with duly adopted plans may apply  
45 for Vermont Community Development Program (VCDP) grants to support low and moderate-income

1 housing, which is one of the program’s top priorities for funding. Because municipalities in the Northeast  
2 Kingdom lack the administrative and fiscal resources to develop such housing, they often subgrant to  
3 qualified housing partners to develop and rehabilitate affordable housing stock. Municipalities that receive  
4 VCDP grants must complete fair housing trainings that are offered throughout the year.

5 **Local incentives:** In addition to low-interest loans (such as a revolving loan fund capitalized by the VCDP  
6 grant), municipalities may be able to encourage housing investments through tax stabilization or abatement  
7 programs (e.g. hold the tax rate for a rehabilitated property to its pre-construction value for five years or  
8 more).

9 **Downtown and Village Center Designation:** Qualifying municipalities may pursue downtown or village  
10 center designation. Once conferred, the designation is valid for five years. The primary benefit of the program  
11 is eligibility for state tax credits for historic rehabilitations, façade improvements, and code improvements  
12 (including installation of elevators and sprinkler systems). Income-producing properties (including mixed-use  
13 and multi-family structures) can be eligible, and are not required to be income-restricted to qualify for the tax  
14 credit. Unlike federal tax credits, state tax credits are relatively accessible to private property owners because  
15 they are easy to administer and sell. To date, the Northeast Kingdom has received nearly \$3.1 million in tax  
16 credits for 16 projects that included some form of housing, including market-rate housing units. Although tax  
17 credits are awarded annually, the Northeast Kingdom has been under-represented in some funding rounds. It  
18 is possible that property owners are still not aware of the benefits of Downtown and Village Center  
19 designation. Additional benefits of designation include priority consideration for grant program (such as  
20 VCDP funds) and Low-Income Housing Tax Credits. (For a map of existing designated Downtowns and  
21 Village Centers, see Future Land Use in the Land Use Section.)

22 **Sales Tax Reallocation:** Municipalities and developers of qualified projects in designated downtowns may  
23 jointly apply for a reallocation of sales taxes on construction materials. If awarded, reallocated funds must be  
24 used by the municipality to support the project (e.g. sidewalks, stormwater management, streetscape  
25 improvements, etc).

26 **Neighborhood Development Area Designation:** This adjunct to the Downtown and Village Center  
27 designation encourages municipalities and developers to plan for new infill housing in pedestrian-oriented  
28 neighborhoods within walking distance from the designation areas (1/2 mile from downtown and ¼ mile  
29 from village center). Incentives and benefits include exemption from Act 250 for qualified “mixed-income”  
30 projects, and for projects that don’t qualify for a full exemption, a 50% discount on application fees. Waste  
31 water review from the Agency of Natural Resources can be capped at \$50.00, and projects can be exempt  
32 from land gains tax. “Mixed-income” housing is defined in State statute at 10 VSA Section 6001, and can  
33 include both owner-occupied and rental housing.

34 To qualify for a neighborhood development area designation, the municipality has to incorporate pedestrian  
35 design into local planning and zoning (i.e. “complete streets”) and allow for a density of at least four detached  
36 single family dwelling units per acre. Newport and St. Johnsbury officials have explored the feasibility of new  
37 neighborhood designation. NVDA supports further exploration of this program in order to incent the  
38 establishment of pedestrian-oriented neighborhoods that offer a full array of housing choices – affordable,  
39 workforce, and market rate.

40 **Reducing local permitting restrictions:** Revisiting zoning regulations and waiving restrictions such as  
41 parking requirements and height of structures may be an inexpensive way for a community to encourage  
42 housing in appropriate areas. Permit fees may be reduced or eliminated in some cases. In some communities,  
43 where zoning permit fees are not very expensive, eliminating permitting requirements for single- or two-  
44 family homes may be appropriate for areas where dense development is encouraged.

45 **Housing Studies:** Municipalities with duly adopted plans are required to include a “recommended program  
46 for addressing low and moderate income persons' housing needs as identified by the regional planning  
47 commission.” Local planning commissions can gain greater insight into housing needs through studies that  
48 quantify local housing needs, determine capacities for greater densities (through GIS-based buildouts) and



1 examine potential impacts of housing policies on property values. Studies may also identify appropriate areas  
2 for rehabilitation and new infill housing development, such as brownfields or abandoned, derelict, or  
3 underutilized properties.

4 **Local Housing Commissions:** Municipalities are authorized by statute to create advisory commissions  
5 composed of individuals with expertise or interest in specific areas such as historic preservation, design, and  
6 housing. Such commissions can assist and advise the planning commission and other officials on housing  
7 studies, as well as policies and programs to further affordable housing and improve housing stock.

8 **Local Rental Codes and Local Enforcement:** State rental housing codes help to promote safe and healthy  
9 living conditions. Communities may take this further by enacting local codes and create local registries, or  
10 they may enforce state codes locally.

11 **Derelict/Abandoned Buildings Ordinances:** Local enforcement can help to protect neighborhoods from  
12 blight. The Town of St. Johnsbury recently established a rental registry in an effort to identify properties that  
13 pose unsafe or blighted conditions, and to better enforce the local housing standards currently on the books.

14 **Charrettes/Master Planning:** Downtown master plans may help to inspire and attract private investors to  
15 new housing opportunities. Newport City's Regional/Urban Design Assistance Team set off an intense two-  
16 day envisioning process that ultimately led to the implementation of form-based codes and removed barriers  
17 to vertical and infill development. Although planning at this level can be expensive, grant programs are  
18 available to cover the cost. (See below.)

19 **USDA Loans and Grants:** US Department of Agriculture offers home purchase and repair assistance.  
20 Households with incomes under a certain threshold may be eligible for the USDA Direct Home Ownership  
21 program. Loan terms can be as long as 33 years, and interest rates vary from 1 percent to 3.65 percent. No  
22 down payment is required. A household that earns too much to qualify for the direct loan program may  
23 qualify for a USDA guarantee on a bank loan, which enables a prospective homeowner to purchase a home at  
24 a low interest with no money down. USDA also offers home repair loans to make homes safer and more  
25 accessible (e.g. wiring, roof, energy efficiency, ramps and other accessibility modifications). Home repair loans  
26 are only 1 percent with a 20 year term. Seniors and very low-income individuals may even qualify a direct  
27 grant of up to \$7,500 to improve livability. USDA grants and loans are made directly to qualifying individuals;  
28 however, municipalities, local planning commissions, local housing commissions, and NVDA can help to  
29 raise awareness of this underutilized resource.

30 **Other Grant Programs:** Municipal Planning Grants are available annually to communities with a confirmed  
31 planning process. Eligible activities include zoning bylaw updates, planning for downtown and village center  
32 revitalization and redevelopment. VTrans also offers grant opportunities (Strong Communities Better  
33 Connection) to help communities integrate transportation with land use to create safe, convenient and more  
34 walkable communities. Downtown Transportation Fund provides grant funds for public capital  
35 improvements in Designated Downtowns, including sidewalks and streetscape improvements.

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## 36 GOALS AND STRATEGIES FOR HOUSING

### 37 HOUSING GOALS

- 38 • An adequate supply of safe, attractive, and energy-efficient housing will be available to the region's  
39 residents in a proportionate balance of affordable, workforce, and market rate housing.
- 40 • Existing housing stock – particularly that located in downtowns, village centers, and older  
41 neighborhoods in existing centers of development – will be preserved.
- 42 • Overall quality, safety, and energy efficiency of existing housing stock in the region will improve.
- 43

- 1 • Housing will be available in a variety of types that meet the needs of all income groups and ages, and  
2 will be located near employment, services, commercial, civic, and recreational uses.
- 3 • Partnerships with regional housing and human service providers will be strengthened, allowing for  
4 more effective service provision.
- 5 • New housing development in downtowns and villages will conform to existing traditional patterns.
- 6 • Municipalities will be supported in determining local housing needs.

7 **HOUSING POLICIES**

- 8 • Support the efforts of local and regional housing providers and organizations, government agencies,  
9 private lenders, and developers in identifying and meeting housing needs of the region.
- 10 • Encourage innovative strategies that reverse the long-term trend of disinvestment in established  
11 development centers. Development resources should be strengthened and directed toward existing  
12 neighborhoods.
- 13 • Community revitalization and economic development plans should include the needs of all age and  
14 income groups.
- 15 • Ensure that existing housing programs and incentives promote a proportionate balance of affordable,  
16 workforce, and market-rate housing.
- 17 • Encourage the development of rental housing on a scale and design compatible with existing  
18 neighborhoods.
- 19 • Support and sustain livable communities that offer comprehensive mobility options (including  
20 alternatives to driving).
- 21 • Promote and support zoning that allows for greater densities for the purpose of providing a full  
22 range of housing choices (affordable, workforce, market-rate) in a manner that preserves the  
23 character of older neighborhoods in downtowns, village center, and other established centers of  
24 development.
- 25 • Locate affordable and special needs housing in areas with access to appropriate services.
- 26 • Support home ownership and property upkeep efforts of citizens and municipalities.

27 **HOUSING STRATEGIES**

- 28 • Work with regional housing and human service providers, including Rural Edge, NEK Enterprise  
29 Collaborative, Lamoille Housing Partnership and NEK Community Action to identify housing needs  
30 and support economically integrated communities.
- 31 • Review and comment on proposed plans and policies that will impact future affordable housing  
32 development (e.g. downtown designation, Qualified Allocation Plan).
- 33 • Assist towns to create housing policies that address the affordable housing needs of low-income  
34 residents.
- 35 • Identify incentives for the development and rehabilitation of work-force and market-rate housing in  
36 established centers.
- 37 • Assist communities interested in adopting local building codes.
- 38 • Assist communities interested in adopting and enforcing “junkyard ordinances.”

- 1 • Assist communities applying for designation under the Vermont Downtown Program, Village Center  
2 Designation Program, and where appropriate, the Neighborhood Development Area Designation  
3 Program.
- 4 • Provide outreach and education to property owners of old or substandard housing units in  
5 Designated Downtowns and Village Centers.
- 6 • Encourage the use of innovative incentives, including density bonuses or tax stabilization for mixed-  
7 income developments, universal access design, and small footprint housing.
- 8 • Help communities evaluate needs through housing studies and build-out analyses.
- 9 • Provide outreach and education on housing programs that improve housing stock and promote  
10 home ownership.
- 11 • Facilitate fair housing trainings for municipal officials and other interested groups.
- 12 • Ensure that NVDA member communities remain eligible for Municipal Planning Grants.
- 13
- 14
- 15