

**Norwich Affordable Housing Committee**  
**Report and Recommendations**

-  
**Submitted June 25<sup>th</sup>, 2002**

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Virginia Close  
Nancy B. Hoggson  
Ralph Hybels  
Paul Manganiello  
Creigh Moffatt  
William Sweet

This report was compiled and authored by the Affordable Housing Committee and is available at the Town Clerk's Office and the Norwich Public Library. The Committee wishes to thank Stuart Richards for his insights, writing, editing, hard work and leadership during his tenure as Chair.

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### 1. Recommendations of the Norwich Affordable Housing Committee

Note: Each number is drawn from a section in the full report. That section, in addition to the Appendix, can be referred to for more complete information and discussion.

All recommendations will adhere to the best practices of environmental and conservation standards. [Please refer to § 12.]

1. The goal is to create a perpetual pool of approximately 20% affordable housing in Norwich, defined as units which can be afforded by those who currently earn up to 120% of the Windsor County median family income--i.e. approximately \$53,000 or less as of the date of this writing. [Sections 7 (subdivision regulations), 8, 2, 4]
2. Create zoning districts where higher density and affordable housing will be encouraged. Investigate several potential areas which may lend themselves to affordable housing. The committee recommends that zoning in such areas allow density of up to 8 units per acre and a structural height of 35' (the latter is in present zoning regulations). [Sections 8, 2]
3. Mandate allocation by developers of 20% of their projects to affordable housing when 5 lots or units (or greater) are created. [Section 6]
4. Enlist professional services to evaluate sewage treatment systems, including a potential village system, partial village system and potential for systems in designated locales as recommended throughout this document; innovative sewage technology; and the existing state of septic systems within the fire district. [Section 9]
5. Encourage a wide variety of affordable housing options (both owned and rented), including the maintenance of existing AH as well as the construction of new dwellings, like:
  - < owner-occupied and rental, stand-alone buildings
  - < condominiums
  - < small-scale apartment buildings
  - < cooperative housing
  - < duplexes
  - < additions of apartments to existing buildings
 [Section 2]
6. Coordinate with other communities, entities, and non-profit(s) such as Twin Pines to achieve our objectives and to carry out joint projects as appropriate. [Sections 6, 3, 4]

7. Fund affordable housing using private donations, public and private grants, and incentives from such agencies as the Vermont Housing and Conservation Board, HUD, Vermont Historic Preservation Trust, the Internal Revenue Service, and Federal Home Loan Bank. We recommend against relying on broad -based municipal taxes.

[Sections 6, 3, 4]

8. Establish a permanent Norwich Affordable Housing Commission. [Section 4]

## **2. The Form, Number and Location of Affordable Housing Units**

We believe that consideration should be given to the encouragement of the full range of housing options in order to increase the availability of affordable housing in Norwich. These include, but may not be limited to, apartments, condominiums, stand-alone houses and duplexes, and cooperatives. Both rental and owner-occupied units are important avenues for enhancing the diversity of Norwich's housing stock. The committee encourages full investigation of the types of housing that are a more likely route to substantial gains in the amount of affordable housing available, especially on a perpetual basis, since some options are less vulnerable to "footprint" expansion or teardown and replacement. To this end, the committee recommends zoning changes to allow densities up to 8 units per acre and height up to 35' in particular areas of town where affordable housing developments are most likely and most desirable. To guard against the real or perceived ghettoization of affordable housing, however, we believe that development should include housing serving a mix of income ranges in all areas of town.

We see a significant opportunity to create newly available affordable housing based on the existing housing stock by converting large village houses into multi-apartment condominiums which could be rented or sold. Both forms should have perpetual arrangements to remain AH through covenants restricting them to be sold or rented to AH eligible folks as determined by a set of specific criteria (e.g. Standards set by HUD or Vermont Housing Authority). We recommend that the AH projects be partnered with an agency such as Twin Pines Housing Trust, to take advantage of their expertise and monitoring capability.

### *What is an Appropriate Number of Affordable Housing Units?*

Our goal is that 20% of Norwich's total housing stock will perpetually meet the standard definition of affordable housing. Currently, and based on research by our committee, it is estimated that approximately 11% of the town's housing is affordable. We believe that the best way to expeditiously approach our goal would be to foster one or more substantial development projects in the most appropriate (for Affordable Housing) areas of town.

At the same time that we are developing new AH units, we must protect our current inventory of AH units through acquisition and tax benefits. We recommend that, after 5 years, progress toward the 20% AH goal and the actual 20% AH number be reevaluated.

### *Location for New Affordable Housing*

Ideally, the location for AH should be as close to the center of town as possible. Lewiston, Union Village, and the creation of hamlets somewhat out of town should also be considered. Creation of AH by dividing existing large village houses or adding on to them also provides good potential for AH. In all actions, we should be guided by the Town Plan.

## **3. Vehicles for Promoting Affordable Housing**

There are many vehicles for enabling the construction of affordable housing. Norwich will need to draw from several available resources, discounting no possible opportunities for funding. Enabling opportunities should include using the resources of entities for advice, as well as their expertise in guiding groups toward funding sources. Such entities include, but are not limited to, Twin Pines Housing Trust, Housing Vermont, Two Rivers – Ottauquechee Regional Commission, Upper Valley - Lake Sunapee Regional Commission, Vermont Community Development Program, Vermont Association of Planning and Development Agencies, Vermont Housing Council, Vermont Housing Awareness Campaign, Vermont Housing and Conservation Board (VHCB), Vermont Department of Housing and Community Affairs, Federal Home Loan Bank (FHLB) of Boston and the Workforce Housing Initiative, which is based in the Mascoma Bank

It should be noted that there appear to be fewer resources available for enabling the construction of owner-occupied affordable housing than for rental units.

There is also money available to individuals and families for housing through Federal, State and private organizations. The Town (ideally the new Commission, recommended by this Committee, would research and make this available) should provide access to materials and information for any of its residents or potential residents who might be interested in funding for housing.

The town must be prepared to do some private fundraising. This type of fundraising includes requests to local organizations as well as a town-wide request for funding for a defined type and placement for the housing being sought. The funding may come from within the town via traditional and non-traditional avenues. Some non-traditional contributions by the town should include one of the following: waived property tax, graduated property tax over the years, or payment of a lesser-than-valued amount of property tax. In addition, the town should consider establishing a foundation (or some similar vehicle) for initiating affordable housing and for its continued funding, as well as for the work necessary to establish and maintain affordable housing. Real estate brokers can assist in locating properties. Funds for mixed-use housing may be particularly attractive at this time. The number of school-age children in town has been dropping, and the projection is that this will continue. Attracting families with children to town by providing mixed-use affordable housing can benefit the town by promoting the diversity of the community.

#### **4. Charge for the Permanent Norwich Affordable Housing Commission**

The town should establish a permanent commission for the creation of affordable housing in Norwich. The Commission should be charged with the following:

1. Raising sufficient money through donations, grants, and other means to jump-start AH.
2. Working with local, state, and regional boards, commissions, and agencies to obtain funding and a favorable climate for AH.
3. Exercising continued oversight, recommendations and lobbying related to current Town and State laws, ordinances and policies in order to promote AH.
4. Creating as many new affordable housing units in as short a time as possible toward the goal of 20% AH in Norwich.
5. Exercising independent decision-making with Selectboard approval over financial expenditures.
  - a. Enable the town to work with the appropriate entities to establish at least 5 new units of affordable housing by September 2003.
  - b. Guide the town to develop affordable housing that will be in or adjacent to an existing or

new town center (so that the housing can be served by community water, some type of sewer system, have access to public transit, and be in close proximity to services that include libraries, schools, health care, and groceries

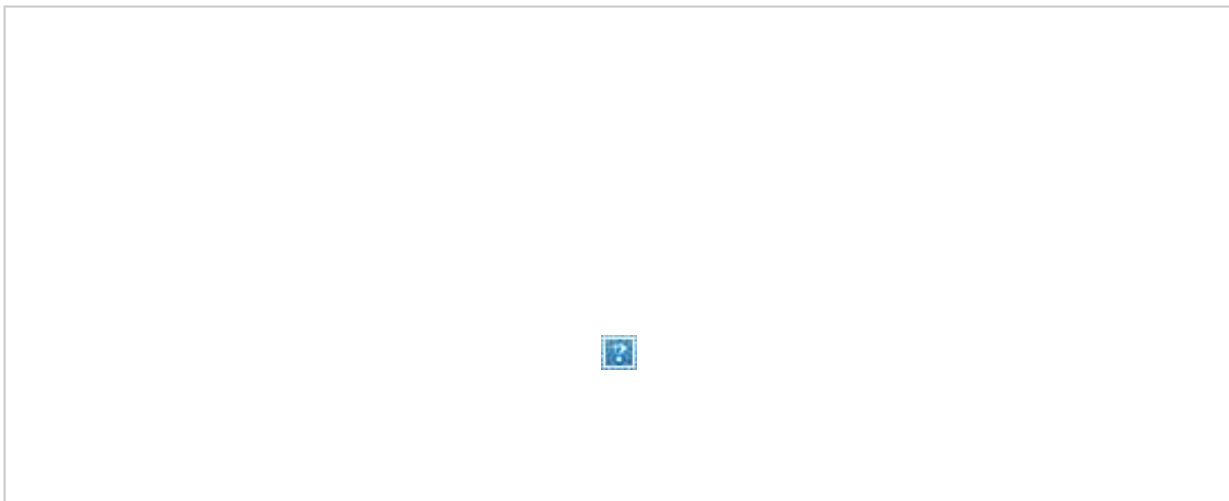
c. Guide the town to adopt a plan for continued perpetuity of affordable housing units

### 5. State of Affordable Housing in Norwich

The "designated" affordable housing currently in Norwich consists of Star Lake houses on Route 5 North and Norwich Senior Housing. Both of these have very low turnover rates. The 24 units of Senior Housing in Norwich, a rental property for which seniors and a few other "qualifying" people must first meet strict financial eligibility criteria, has had, for many years, about a two year waiting list. Star Lake has had one house sale in the last year, and only one other sale in the past few years, according to Twin Pines, which manages these properties. Twin Pines staff report that they get "a lot" of inquiries for more housing in this area, though they do not keep specific statistics regarding requests for affordable housing.

To put the issue of affordable housing in Norwich further into perspective, we analyzed the 2001 Grand List to determine the proportions of the current housing stock that may be characterized as affordable to low or moderate income people in this area. To clarify the analysis, we considered only residences that are not commercial properties or buildings housing non-profit organizations. We included condominiums but excluded apartment buildings because it not possible to discern from the Grand List how many units are in each.

Since assessed values are well below current market valuations, it was necessary to adjust the figures to approximate market conditions. To determine the proper multiplier, we employed data on recent home sales that were supplied by the Listers. We excluded those property transfers that the Listers had coded as "invalid" for the common level of adjustment (CLA) analysis conducted by the state as well as those with no dwellings. It was necessary to use data only from the years 2001 and 2002 because it is clearly evident that there has been a dramatic increase in the differences between assessed and market values since the 1990s. Even considering just the years 1999 through 2002, there is a substantial correlation ( $r=0.41$ ;  $p<.001$ ) between the year a house was sold and the difference between the sale price and the assessed value. One way to interpret this is that about 40% of the variance in the market value differential can be attributed to the year a house was sold. To illustrate this further, the average difference between assessed values and sale values was 18% in 1999, 34% in 2000, 50% in 2001 and 83% for the first 4 months of 2002.





Vertical Axis: Number of Houses

The chart above shows the distribution of properties at various values after market value adjustment. We applied a multiplier of 154% to reflect the 54% average (mean) difference between sale prices and assessed values for the 50 residences sold between January 1, 2001 and April 30, 2002 (the last period covered by the data available at the time of the analysis). It was not necessary to use different multipliers for lower and higher valued homes since no statistically significant correlation ( $r=0.02$ ;  $p=0.89$ ) was found between assessed values and the market value differential during the period in question.

Note that the average market value differential is based not only on cases where properties sold for more than the assessed values, but on those that sold for less as well. While the maximum difference was \$605,300 above assessed value, the data also include properties that sold for as much as \$18,600 below assessed value. The average difference was \$100,721 above assessed value. The differences in percentage terms ranged from 199.5% over assessed value to 21% below.

Applying standard definitions, low-income housing is what is affordable to someone earning up to 80% of the median family income in Windsor County; the median was \$44,400 in 2000, which was the latest figure available at the time of this analysis. Affordable housing is defined as what a family earning up to 120% of the median could afford.

Using information provided in part by Nancy Bean, a loan officer at the Mascoma Bank, the committee determined approximately what proportions of the existing Norwich housing stock might be affordable to families at these levels. Using the bankers' rule-of-thumb (as specified, for example, by Fannie Mae in the document "How Much Home Can You Afford," posted on [www.Realtor.com](http://www.Realtor.com)) that a borrower generally may obtain housing obligations whose payments would amount to a maximum of 33% (sometimes higher but often lower) of his or her income, the results reveal that only about 23 residences in Norwich (2% of the housing stock) are within the range up to \$96,600, which generally is the approximate limit of what could be purchased by someone in the low-income category (with family income up to \$35,500 and assuming a 5% downpayment). Many of these are mobile homes. Approximately 135 residences (11%) might qualify as affordable housing for those with incomes up to \$53,280, whose upper limit on a purchase price normally would be about \$157,500, based on this analysis.

These figures are generous, however, since they make several assumptions that are unlikely to correspond to reality. First, they assume that buyers would have little or no other debt (e.g., credit card balances, car or student loans). According to Mr. Thomas Verazza, a loan officer with First Community Bank in Woodstock, Fannie Mae generally allows up to 49% of a home buyer's income to be devoted to debt of all kinds. For someone with an excellent credit rating and little additional debt, his bank often lends up to 40% as a mortgage. However, from his experience, the typical applicant with \$53,000 in income, with an average credit rating and an average amount of other debt, would likely be allowed to borrow just 30% of their income in the form of a mortgage. Second, most buyers with low or moderate income would likely not have saved enough for the substantial down payment necessary to avoid paying private mortgage insurance. Finally, the

figures also assume that the houses in question would not require substantial renovation, which is improbable at the low end of the Norwich market.

Given these facts, it is clear that our goal of attaining 20% affordable housing in Norwich may be difficult to achieve. It would require the creation of approximately 105 new affordable units. Nonetheless, we feel that it presents a worthy target for the town.

### 6. Summary of Town Plan (1996) as it Relates to Affordable Housing

When the draft of this plan was completed, presented to residents and the Selectboard in 1995, and adopted in June 1996, it was offered as a framework to guide future growth and development, and as a vision statement. It established measurable targets to accomplish within a prescribed period of time--the next five to ten years. The annual town reports since then record the activities of the Planning Commission and other boards and committees, as they work to implement many of those targets.

Following is a resumé of the points in the 1996 Town Plan related to, or having possible effect upon, affordable housing, many of which are commented on in this report.

[In smaller type after some sections is a reference to pertinent sections of the AHC report.]

\* \* \* \* \*

Chapters I and II present an historical sketch and profile of Norwich . Taking population as one element we find strong growth between 1791-1830, peaking at 2, 300 people; then a steady decline reaching a nadir in 1920, when the population reached just over 1000. Not until 1980 did it top its prior peak. Growth has been constant since then. The remaining sections are devoted to specific topics beginning with Land Use and running through Regional Planning, followed by the Implementation Plan.

#### Chapter III. Land Use:

After reviewing residential, commercial, agricultural, forest, and open space use of the land, the Town Plan concludes that in the future: "Specific areas can be designated for lower or higher densities of development. Within specific sites, residential structures can be grouped or clustered. . . . Recreation of 'outlying villages' either in the historic locations of the original settlements or in new locations, would create a focus for more dense residential development in specific locations." Thus, both community spirit and preservation of natural resources would result.

The town is encouraged to protect open spaces by conservation easements and, by zoning, to encourage the clustering of residential housing on larger lots with the provision that "the overall density of 'clustered' projects should be no more than the density would have been in an unclustered plan . . . ."

[See Section 7, Subdivision Regulations, and Section 8, Zoning Recommendations.]

#### Chapter IV. Taxes:

The plan's recommendation is that "the town should be pro-active, and guide the location, form, and pace of development to best make use of existing services and facilities, and to provide a predictable town fiscal situation." And, also, that "Future development should occur in growth centers designated by the town."

#### Chapter V. Natural and Historic Resources:

The town plan specifically calls for the preservation and protection of Norwich's rural character, scenic areas, natural and historic resources. [5-14]

#### Chapter VI. Educational Facilities:

The town plan discouraged "new residential development that will increase the student population beyond the capacity of existing or planned educational facilities." [6-3]

#### Chapter VII. Housing Plan:

The Town Plan of 1996 notes the importance of maintaining a regional perspective--"no town is a closed system." [7-1] But the town is "strongly oriented" toward expensive, single-family houses. "Condominiums, which do offer an affordable housing option in other parts of the State are not well represented. . . ."

In the discussion of affordability of housing [7-5] the plan asks that the town determine Norwich's "fair share" of regional housing needs for households of low and moderate income. "Norwich's rental housing price range. . . does not offer much to "very low income households." For the purchaser, as well, prices, even if affordable for a moderate income household, are too high for lower incomes.

The housing market in Norwich is, and will be, dominated by regional economic forces. Norwich needs "to provide good-quality, affordable housing for all current and future Norwich residents." "New housing development . . . should account for both the needs of local residents and a proportionate share of regional growth." [7-6] We need to "Determine Norwich's 'fair share' of the regional housing need for housing for households of low and moderate income." Actions to accomplish housing goals include 1) "Identify areas suitable for high density-housing with septic capacity and access to town facilities and services." 2) "Revise the zoning and subdivision regulations to allow for the different types of housing needed by the town in appropriate areas and to discourage housing in unsuitable areas" and 3) "make provisions for and facilitate creation of affordable housing." [7-7, 7-8]

[See Section 7, Subdivision Regulations; Section 8, Zoning Recommendations; Section 9, Sewage Recommendations; Section 2, The Form and Number of Affordable Housing Units.]

#### Chapter VIII. Community Facilities and Services Plan:

The town needs to 1)"Determine if a public wastewater treatment system would create a basis for concentrating growth in designated areas." The plan recommended a feasibility study for a plant to serve the Village, commercial district, and other potential development areas. 2)"Determine if the large number of on-site septic systems in the Village area is creating a public health hazard which warrants a public wastewater treatment system." [8-13, 8-14]

[See Section 9, Sewage Recommendations.]

#### Chapter IX. Transportation Plan:

The Town Plan makes the point that "Directing future development . . . into village centers and "clusters" rather than in 'suburban sprawl' will facilitate the future expansion of public transportation by creating population centers within walking or bicycle distance to pick-up points."

[See Section 8, Zoning Recommendations.]

#### Chapter X. Energy:

Adopt " zoning regulations that support development of mixed-use growth centers

containing daily services to residences, thereby reducing transportation needs" and "Encourage and support settlement patterns and densities that reduce travel requirements to work, services, shopping, and recreation." [10-7]

#### Chapter XI. Regional Planning:

Regional Planning has issues --solid waste disposal, mutual aid fire protection, and transportation--which involve the town with regional issues where cooperation with other entities is necessary.

[See Section 10, Coordination with Neighboring Communities.]

### 7. Subdivision Regulations and Cover Letter

This section is a verbatim transcription of materials submitted as of the date stated therein. Numbers may vary from those in the final report.

Affordable Housing Committee  
Norwich, Vermont  
(cover letter)  
April 12, 2002

To: Norwich Selectboard, Norwich Conservation Commission, Norwich Planning Commission  
From: Norwich Affordable Housing Commission  
Subj: Cover Memo – Recommended Changes to Subdivision Regulations

*This memo supercedes the prior cover letter and change recommendations. This is the Final Draft.* Enclosed please find the Affordable Housing Committee's Subdivision and PUD/PRD change recommendations. These have been formulated after considerable discussion and we would like to share a few brief thoughts that were a part of our thinking. A much more in-depth and lengthier analysis covering many topics will be part of our final recommendations at the conclusion of our study.

First, we believe Affordable Housing (AH) will not happen without broad public support in the form of financial and regulatory assistance. We think the Town's commitment to avoid becoming a "gated" community should be translated into voluntary financial support, such as donations to an AH trust fund or land donations. In addition, there are many other sources of potential revenue to explore. For instance, there are revolving loan funds, State and Federal development funds (i.e. VT Community Development Program, HUD, Federal Home Loan Bank subsidized mortgages) and partnering with a community-based non-profit (i.e. Twin Pines). A related approach is to work with the Upper Valley Task Force on Workforce Housing to obtain funds from employers. The goal should be to find sufficient working capital to fund AH on a continuing, permanent basis; we feel an independent entity will be needed to oversee the project, coordinate grant applications and work with potential AH customers.

Each of us is mindful of the growing tax burden that we all face, the largest of which is likely to arise from the still to come Dresden costs. Consequently, while we did explore various kinds of taxes to insure AH has a continuing source of income, we feel that now is not the time to propose such a step. We also feel there are sufficient sources of funds from the many government and private agencies to sustain an AH project. The key factor will be to have dedicated persons

assigned to the task on a permanent basis.

Second, our goal is that 20% of Norwich's total housing stock be AH. It should be noted that this goal represents a forward looking, positive step for the town. In comparison, for example, the Massachusetts Permit Law Model is 10% for AH and the Montgomery County, MD Growth Share Model is 15%. If the Massachusetts definition of AH were the same as ours, their AH goal would be much closer to our 20%. We feel it is important that Norwich "jump-start" AH by setting ourselves a goal of 20%. Currently, approximately 11% of our housing stock is AH, so we have a lot of catching up to do.

We hope you will give our recommendations serious consideration, and that you will move the town forward in adopting regulatory and fiscal measures in support of Affordable Housing.

Sincerely,

The Norwich Affordable Housing Committee

Virginia Close

Nancy B. Hoggson

Ralph Hybels

Creigh Moffatt

Paul Manganiello

Bill Sweet

Stuart L. Richards, Chair

Affordable Housing Committee

Norwich, VT

(regulations)

April 12, 2002

Revised May 23, 2002

To: Norwich Selectboard, Planning Commission, Conservation Commission and  
Zoning Board of Adjustment

Subj: Changes to March 20, 2002 Proposed Subdivision Regulations

The Affordable Housing Committee (AHC) has studied the proposed Subdivision Regulations (SR). We recommend some changes to the SR to make affordable housing (AH) possible in our town. We feel the SR as they are now written will constrain AH development.

These are the proposed changes:

1. Section 1.2 Purpose (A), page 1: Add a new statement (2) and revise the current #(2) to read 3, 4, 5, etc. (2) reads: "To encourage the development of AH and promote economic diversity in Norwich, the goal is to develop and maintain 20% of the housing stock in Norwich as AH." We recommend that this goal be reevaluated after 5 years.
2. Table 2.1, Review Process Outline, page 5: Add a note to the table: "An application involving AH will have top priority in moving through these steps."
3. Section 3.2, Determination of Developable Area, starting on page 16: Add paragraph (E) to page 18 "Any subdivision involving AH is eligible for an extra 35% density bonus. In determining the density bonus in such an application, the open land need not be contiguous but may be open land elsewhere in town."
4. A further recommendation to 3.2 is that any person or entity, developing within a 10-year period

in the town of Norwich which results in 5 (or more) lots and/or building units shall have 20% of it devoted to AH. If the 20% results in a decimal of 0.5 or greater, then round up to the next unit: for example, if 8 units are proposed this results in 1.6 units AH, which is rounded up to 2 units AH. (May 23, 2002 revision)

5. Section 5.2 Definitions, page 33: Add a new item to the definition listing "Affordable Housing": Affordable housing units include owner-occupied or rental dwelling units which are constructed and made subject to sufficient restrictions so that they will remain affordable on a long-term basis. Eligible households shall have incomes that are up to 120% of the median Windsor County family income, as reported by the Vermont Department of Housing and Community Affairs." Also: Revise the current definition for AH in the Zoning Regulation Amendments to the above wording, page 9, 5.1A.

The AHC further suggests that Daniel Hershenson be invited to the SB deliberations to offer his input to promote AH in our town. Dan has a wide background of working with towns in writing and implementing regulations favorable to AH and has offered his services pro bono.

The AHC favors upholding all of the environmental and conservation standards in the regulations. No waivers should be asked for or granted in that regard.

We would also like to ensure that the Zoning Regulations cover remodeling or home additions being made to favor AH conversion into apartments or shared housing.

## **8. Zoning Recommendations**

This section is a verbatim transcription of materials submitted as of the date stated therein. Numbers may vary from those in the final report.

(1a) Comments on Zoning Regulations. Page iii - How to apply for a permit. Add a note at bottom of page: "An application involving AH will be given priority in moving through these steps."

Section 4.6, purpose, page 1: "Add a new statement (6) and revise current (6) to read 7, 8, 9 etc.

New 4.6 reads: To encourage the development of "Affordable Housing and promote economic diversity in Norwich."

Section 5.1.A. Revise the 12/6/2001 zoning draft definition to read "Affordable Housing : Affordable housing units include owner-occupied or rental dwelling units which are constructed and made subject to sufficient restrictions so that they will remain affordable on a long-term basis. Eligible households shall have incomes that are up to 120% of the median Windsor County family income, as reported by the Vermont Department of Housing and Community Affairs."

Section 12.3.3.B.C. Revise the 12/6/2001 zoning draft to read "a density bonus of 35% of the permitted overall density may, in accordance with Section 4401(3) of the Act, be permitted in instances in which not less than 20% of the total number of dwelling units created are affordable housing units, as defined in Section 5.1A. In determining the density bonus in such an application, the open land need not be contiguous but may be open land elsewhere in town - this last statement also applies to the next section 12.3.3.B.d."

We also wish to modify the AHC recommended Zoning changes to include: New Section 12.4.3 "To promote AH, some areas in Norwich may be designated as villages or hamlets suitable for denser development. In those areas we recommend densities up to 8 units per acre, with

dwellings no higher than 35' ". Some of these areas are identified in Section 9 (The Form, Number, and Location. . .).

A minority opinion recommends no more than 5 units and no more than 2 stories or 35' height, whichever is lower.

(1b) Comments on Roads. "We recommend that AH construction not take place on private highways or class 4 roads in rural parts of town, unless there are compelling reasons for doing so which do not conflict with the purposes of the Town Plan.

## 9. Sewage Treatment Recommendations

One of the impediments over the years to the construction of affordable housing has been the lack of sewage disposal capability. Many townspeople worry that our reliance exclusively on on-site septic systems has unnecessarily hindered appropriate commercial and residential development, especially in the downtown area. However, it has not been conclusively shown that the existing systems are widely over-taxed. In the village a small number of on-site septic systems have "failed," mostly due to poor maintenance practices, and these have been repaired using a "best fix" approach. It is hard to tell whether the handful of failures masks a larger number that are unreported because of residents' reluctance to report failures necessitating repair or replacement of the systems, or for other reasons. It appears that most systems are functioning normally owing to generally good soils suitable for sewage disposal in the village. Further study is warranted, however, given that not all failures may be reported, many systems may be overtaxed and near failure, and the increased densities that may be desirable for affordable housing in the downtown likely will tax current technologies still further.

Proponents of municipal sewage treatment have suggested that in order to increase density within the village a municipal system may be necessary. They have advocated this for reasons of both increased housing availability and increased commercial development in the village and on Route 5 North and South. It is certain that having municipal sewage would benefit AH by creating additional density potential in the area the hook-up would serve. There are several possible scenarios that have been suggested at one time or another that the AHC has considered.

The first scenario would provide a municipal sewer system for the entire fire district. Further study would be necessary to understand fully the cost-benefit relationship between the cost of hookups and collection systems for joining to other towns' existing systems versus the costs of creating and maintaining our own municipal sewer system. However, it is clear that hooking up to either Hartford or Hanover would present lower capital costs compared to building our own independent system. Nevertheless, the costs of either a new plant or hookups with adjacent towns are significant and could present a noticeable tax impact for the town and/or the Fire District, especially if the decision were made to go forward with sewage for the entire district. After additional professional study, it may be determined that the capital expenses and operating costs associated with a municipal sewage system would necessitate tax increases that would be excessive. However, the increases also might be deemed appropriate after consideration of all relevant factors. The costs associated with *not* enabling municipal sewer service must also be considered, such as the continued limitations on our ability to foster the kinds of diverse housing we wish to encourage.

A second scenario involves hooking up to Hartford's or Hanover's system for only Route 5 South and River Road. In this instance, the amount of developable land would be more limited than if the entire Fire District were to have a municipal system. However, Lewiston and some of

the parcels on Route 5 South present opportunities for commercial development at lower operating and capital costs because the collection system would be much smaller in scope. If a sewage hookup to either Hanover or Hartford were available it would reduce operating costs significantly compared to a system for the entire Fire District. It remains to be seen whether this smaller scale possibility would pay for itself and produce additional revenues to offset the costs. At least for a period of time until the anticipated development began to generate taxes, the Town would likely have to support the additional capital and operating costs.

A third scenario, involves the use of Innovative Technology (IT). IT has been utilized in some states to good effect by allowing for increased development density and development on sites not developable with traditional on-site sewage systems and without necessitating the costs of a municipal system. Both the Vermont Senate and House have, very recently, approved new septic regulations, developed by the Vermont Agency of Natural Resources and providing for the use of IT on-site systems. They could provide the potential for increased density in a way that would benefit affordable housing in Norwich by allowing for greater densities, especially in the downtown area. In general, therefore, the committee recommends that the town should encourage the use of innovative technologies as they become available – while simultaneously contracting for a professional investigation of the various municipal sewage treatment options.

## **10. Coordination with Neighboring Communities**

Communities contacted by the subcommittee: Hanover, Hartford, Lebanon, South Strafford and Thetford.

Hartford, VT and Lebanon, NH each has a variety of affordable housing, from senior housing to small cluster homes, to subsidized rentals. Leaders in the towns have a vast amount of knowledge and experience about initiating affordable housing and maintaining the affordability of the housing. We can learn from their experience and knowledge, even though they provide affordable housing on a much larger scale than Norwich can probably accomplish, at least in the next five years.

Hanover has established an Affordable Housing Commission that, due to its status as a town agency with a specific charge, has made much headway. For example, when there is a site plan review for any potential development in the town, the Planning Board now asks whether there might be an opportunity to include some affordable housing in conjunction with the project.

South Strafford generally has more affordable housing than Norwich, primarily as a result of market forces. Nonetheless, some citizens of South Strafford are concerned that the situation is deteriorating for families of lesser means. There may soon be informal efforts to persuade landowners to donate parcels of land where development might not impinge on their enjoyment of the remainder of their lands. Thus, a landowner would enjoy a tax break while an affordable housing development would avoid the land costs. At this time, however, no formal initiatives have been undertaken.

## **11. Consultation with State Agencies, Boards, and the Regional Planning Commission(s) to Understand What Is Being Done by Others, What Has Worked Elsewhere and What Might Help Us in Norwich**

This section includes information gathered from the Vermont Department of Housing and Community Affairs, Vermont Housing and Conservation Board, Upper Valley-Lake Sunapee Regional Planning Commission, and Two Rivers -Ottauquechee Regional Commission.

The best first step should be to apply to the Vermont Community Development Program (in the Department of Housing and Community Affairs) for a planning grant, which could fund a “market study.”

The Affordable Housing Committee recommends, for several reasons, that the town join Two Rivers - Ottauquechee Regional Commission. First, this commission is based in Vermont. Second, Norwich joined the Upper Valley - Lake Sunapee Regional Council during a time when Two - Rivers was undergoing growth and a change in organization. At present the UV Commission serves 27 New Hampshire towns and only 3 Vermont towns. Two - Rivers has extremely proficient and experienced staff members who have been moving forward on many significant issues for the region, including that of affordable housing. Other communities within the Two - Rivers region that have been interested in establishing, or have already established, affordable housing have found that Two - Rivers has been a tremendous resource to them in their effort to provide affordable housing. Third, Two - Rivers has a particular focus on the region with a Vermont perspective. The import of this is that there are goals and values that are unique to communities in Vermont that are not necessarily the values or goals of the entire Upper Valley region. Norwich might like to support these goals and values by maintaining an alliance with Two - Rivers. This recommendation does not mean that the AHC recommends discontinuing the relationship with Upper Valley - Lake Sunapee. Ideally, the town would align with Two - Rivers and maintain the same, or a slightly lesser, relationship to that currently existing with Upper Valley - Lake Sunapee. If a substantial fee is required to maintain membership of each, the AHC would recommend 1) becoming primarily aligned with Two - Rivers, 2) negotiating with Upper Valley to obtain a reduced fee in order to remain partially aligned. (We believe there is value to Upper Valley - Lake Sunapee in having Norwich continue association with it, though in a reduced manner), and 3) if Upper Valley - Lake Sunapee cannot offer a reduced fee, consider aligning solely with Two - Rivers.

## **12. Consult and Coordinate with Other Town Committees, Commissions, and Boards**

The following town boards were consulted for their input and ideas about ways to coordinate similar efforts. Consideration was given to areas where two or more committees are working toward similar goals/purposes. An example is the Norwich Planning Commission’s effort to contain “rural sprawl”, ensuring that the zoning regulations encourage affordable housing and the AHC’s efforts to enable affordable housing while not contributing to sprawl. Another example is the Norwich Conservation Commission’s effort to contain sprawl and to provide for open spaces, forests, and other natural habitat sizable enough to allow for many species to thrive, and for residents of Norwich to enjoy. The Selectboard provided for this AH committee, and has expectations as enumerated in the charge to the AHC. The Senior Housing Corporation of Norwich has 25 years of experience starting an affordable housing complex from grassroots community involvement, and the continued operation of the 24-unit housing.

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Names, phone numbers and addresses of resources (people/agencies/groups)

CVOEO Mobile Home Project	Janet Dermody	(802) 660-3451
Hartford Community Develop. Office	Lori Hirshfield	(802) 295-6382
Housing Vermont	Nancy Owens	(802) 864-5743
Office of Community and Economic Development	Michael Monte	(802) 865-7174
Shared Housing for Elders		(802) 863-3868
Twin Pines Housing Trust	Gretchen Rittenhouse	(802) 291-7000.
Two-Rivers-Ottauquechee Regional Commission	Peter G. Gregory	(802) 457-3188
Upper Valley - Lake Sunapee Reg Comm	Tara Bamford	(603) 449-1680
Upper Valley Land Trust	Jeannie McIntyre	(603) 643-6626
Vermont Community Loan Fund	Dick Mansfield	(802) 223-1448
Vermont Housing and Conservation Board	Polly Nichol	(802) 828-3250
Vital Communities	Len Cadwallader	(802) 291-9100

### 13. Impact on Roads, Schools and Other Town Services

#### Transportation

It is difficult to get an exact handle on what impact AH will have on the town roads. Road maintenance is difficult to balance between whether to rebuild whole sections of road or "patch". Peter Bragg said that the present cost per person in Norwich is \$167.00 per year. He felt that cost would drop with more people unless more class IV roads were open. His impression was that AH would have a neutral or minimal impact on town roads.

#### Educational Facilities

The Town Plan (1996) talked of the capacity of the school as 400-500 students. It discouraged new residential development to ensure that the student population did not threaten the capacity of the present facility. Today, however, we have seen a decline (329 students) in the student population, which due to Act 60, has had a negative impact on Norwich tax payers. There are a number of possibilities for the future which can affect educational funding and thus taxes: student enrollment, budget increases, and actual changes in Act 60. (See Appendix, Memorandum from John Aubin, the Assistant Superintendent for Business SAU unit #70, and also the article by Bill Bender (VN 5/02).

#### Police

Police Chief Stephen Soares said that presently there are 4 full-time and 2 part-time officers. The department is authorized to have 5 full-time and 4 part-time officers. He felt that there may be some more information on the Internet (iacp.org) concerning the optimal ratio but it is roughly 1-2 police officers /1,000 residents. He cautioned, however, that there are a lot of variables that go into the figures. On the whole, making more affordable housing available in Norwich would probably have a neutral effect.

#### Fire Department

Chief Jack Fraser said that there are approximately 20 volunteer firemen (including occasionally some non-resident volunteers) in the town. To date he has experienced no problems with

maintaining a volunteer group who are highly educated. There has been a decrease in fire calls due to buildings being built to code. Surrounding towns also help out. There are more non-fire-related duties. He was unable to say what an increase in population will mean for the fire budget. A First Response Squad system is being developed. At the present time the department contracts out to Hanover @ \$9.00 / capita and user fees. Future costs will probably be through user fees. From discussions with him, it appears that the effect of increasing the percentage of affordable housing units will have a neutral effect.

#### **14. Norwich Affordable Housing Committee**

The Norwich Affordable Housing Committee was impaneled by the Selectboard in November, 2001, and has met on a weekly basis since that time, with additional subcommittee meetings supplementing the weekly meetings. The members, while supportive of the notion that Norwich needs more affordable housing, found that the creation and maintenance of affordable housing is complex and that there may be no simple or easy answers to some of the questions that we studied. We believe that the recommendations we make are appropriate for Norwich.

Much of the information that we have used has come from newspaper articles, other towns' data, Norwich and State records, tables, charts and graphs that we have devised, and other sources. The volume of material relating to affordable housing is substantial, and it is a daunting task to become familiar with more than a small part of this information. We have made an effort to familiarize ourselves with as many sources as possible. Some of the resources that have influenced our thinking are presented in the Appendix to this report.

Affordable housing in Norwich is a continuing issue with which the community must deal successfully if Norwich is to maintain economic and cultural diversity. We recommend that the measures we have proposed (in Section 1, above) be implemented in the very near future. Implementation of our recommendations will promote affordable housing for the betterment and enrichment of our community.

#### **15. Charge for Committee to Study Affordable Housing Approved on August 14, 2001**

The role of the committee is to make recommendations to the Selectboard on what actions should be taken by the private sector, non-profit organizations, public agencies, and the town to ensure that a continuum of housing stock is available in Norwich and that Norwich provides for its fair share of housing in the Upper Valley Region. In conducting its study the committee should consider the need for, barriers to and availability of affordable housing. The committee should review the Norwich Town Plan and current and proposed subdivision and zoning ordinances. The committee should consult with the regional planning commission and other local and state agencies and organizations studying and providing affordable housing. The committee should participate in local and regional municipal and regional planning commission efforts studying affordable housing. The committee, as its first task, should develop a plan of study for review and approval of the

Selectboard. The committee should conduct at least three public forums during the study. (Modified by the Selectboard as "a necessary" number of Forums.) One at the beginning of the study to allow residents and other interested parties to express issues and concerns relating to affordable housing, provide information to the committee on the problem of affordable housing and views of what can be done to alleviate any shortage of affordable housings, one to review the plan of study before it is submitted to the Selectboard and one near the end of the study when the draft report is ready for review. The final report from the committee should be presented to the Selectboard on, or before, \_\_\_\_\_.

## Appendix

1. Excerpts from the Summit Meeting on AH. Powerpoint slides.
2. Hadfield Associates, Hanover Affordable Housing Feasibility Study, and Executive Study. 2001.
3. Jim Kenyon, "Taxing Times in Norwich," *Valley News*, 11/21/01
4. AHC Letter to the *Valley News*
5. Recent History of Housing, Additions, Subdivision, and Septic Starts in Norwich
6. New Housing Starts in Neighboring Towns, 1/3/02 One sheet. (Hanover, Lebanon, Hartford)
7. Residential Norwich Properties listed for Sale. circa 1/10/02 One sheet.
8. *Valley Business Journal*, October, 2001. Janet Thompson.
9. "Proposed Septic Rules" *Valley News*, 11/28/01
10. "Housing and Growth" *Valley News*, 11/8/01
11. "Housing Fix: Not Just Cash" *Valley News*, 11/7/01
12. "Area Housing Shortage Seen Hitting Economy," Toby Coleman, *Valley News*, 11/7/01
13. Ed Janeway, *Valley Business Journal*, December, 2001
15. Bob Piasecki, *Valley News*, 10/21/01
16. Vermont Natural Resources Council Comments on Onsite Septic Wastewater Disposal Rules Changes
17. Ellen DesMeules, *Valley News*, 11/23/01
18. Jeffrey Mathias, Letters dated 1/23/2002, 1/30/02
19. Russ Thibeault, "Upper Valley Housing Needs Analysis. Briefing Materials . . . February 2002" and "Review Draft."
20. Kathleen Kunz, Letter, "Concerns " Addressed to Russ Thibeault (from Nancy Hoggson)
21. Personal and Town Tax Information from the Vermont Department of Taxes
22. Alex Hanson, "Consensus: Housing Shortage Stifling Hartford Growth" *Valley News*, 1/23/02
23. New Housing Starts, Septic Systems, Additions, Subdivisions, Partial Septic Systems in Norwich
24. Larry Lohmann, "Historic Time for Norwich" *Valley News*, 2/5/91
25. Robin Carpenter, *Valley News*, "Hanover's 'Analysis' of its Housing Situation Is Flawed."
26. Recommendations to Improve Chapter 40B, The Massachusetts Comprehensive Permit Law
27. Helen MacLam Letter to AHC, 2/6/02
28. Kate Feld, "More Houses Needed" *Valley News*, 3/25/02

29. Norwich AHC, Affordable Housing in Norwich? A Forum for Public Discussion 1/30/02
30. Letter from Bill Bender to AHC, 5.25.02
31. VN Jim Kenyon article 6.16.02
32. Letter to AHC 6.13.02 from Jenny Thomas
33. "New Septic Rules in Vt. Approved," *Valley News*, 6-6-2002.
34. Forum in Norwich, AHC 6.13.02
35. Educational Facilities Article. John Aubin, Assistant Superintendent for Business, SAU 70.
36. Editorial, VN, 5.02. Bill Bender.