Chapter 4: Housing

INTRODUCTION

Housing is the main feature of the Rutland Region's built environment. Homes, and utilities built to support them, are the basis for the majority of all development in the Region.

Needs can vary widely by individual households and by community, but high quality, affordable housing is a key issue throughout the Region.

This chapter is focused on the link between housing and land use, transportation, education, and economic development, and to provide a tool for town officials, non-profits, developers, and individuals.

CURRENT CONDITIONS

Number and Type of Housing Units

The County's housing stock includes year-round single family homes, small- and mid-sized multi-family apartments, senior housing facilities, vacation homes, mobile homes, and converted upper stories of commercial buildings.

The 2000 Census recorded a total of 32,311 housing units in the County. Of these, two thirds were single family and mobile homes, and the remainder were multi-family homes ranging in size from duplexes to multi-story apartments or condominiums.

The County's housing is also relatively old. Over a third of the Region's homes are of pre-World War II construction. The remaining two thirds was built at a relatively even pace, with each ten-year block contributing to between ten and fifteen percent of the current total.

Rented, Owned, Seasonal Homes

A majority of the homes in Rutland County - 55% of the total - are owner-occupied, year round units. Year-round rental units account for another 24% of all units, nearly half of which is located in Rutland City. Both figures are roughly in line with statewide figures.

Seasonal units accounted for 16% of the County's homes, slightly above the statewide figure and well above the national average of just three percent.

The remaining 5% of homes in the Region were vacant at the time of the 2000 Census, a figure which is relatively standard and healthy for communities.

New Housing Construction

The construction of new housing units fell sharply in the 1990s after two decades of consistent demand. New owner-occupied housing units were down by a third in the 1990s; new rental housing units were down over two-thirds. A total of 3,000 units were built over the decade. These figures are significantly lower than those across the rest of the State.

Housing's Context in the Built Environment

Housing exits in many different settings throughout the Rutland Region, from farms, to mountain areas, villages and urban sites. These settings represent the

BY THE NUMBERS: RUTLAND COUNTY HOUSING

	Number	Percent
Total Housing Units	32,311	
Year-Round Occupied Units	25,678	79.5%
Owner-Occupied Units	*17,901*	*69.7%*
Renter-Occupied Units	*7,777*	*30.3%*
Seasonal Units	5,293	16.4%
Vacant Housing Units	1,340	4.1%

Source: US Census Bureau (2000) Summary File 1

Seasonal homes, not surprisingly, are located primarily in towns with significant lakefront property or which are adjacent to ski resorts.

Seasonal homes account for over 77% of all homes in Killington and over 40% of the homes in Wells, Mount Holly, and Hubbardton.

Meanwhile, they account for less than 2% of all homes in Rutland City, Proctor, Fair Haven, Rutland Town, and West Rutland.

FOOD FOR THOUGHT

Spotlight on Childcare:

A key issue related to housing affordability is the presence (or lack thereof) of child care alternatives for residents.

Safe and affordable childcare is integral to families' ability to have jobs that meet financial obligations and ongoing schooling.

Rutland County is served by approximately 130 registered and 50 licensed child care providers. In 2000, 5.2% of the County's population, or 3,272 people, were under the age of five.

Childcare is a multi-facetted issue. Services must be provided in various locations (close to homes for some families, close to work for others) and with flexible schedules for those parents who work service-based or second-shift jobs and are in need of childcare at non-traditional hours.

different needs and desires of the Region's present and past residents, based on an infinite number of individual preferences and constraints, including cost, safety, accessibility, privacy, and employment.

Housing in the Region can be broadly sorted into four contexts. Each corresponds to a different mix and arrangement of housing and other uses of land.

Places near to employment, educational facilities, or services

Homes in this context are found in the

Region's most populated areas: Rutland, Fair Haven, Brandon, and Poultney. These places offer services, employment, and schooling in close proximity to compact housing. These areas are attractive to people because they provide options for mobility that do not necessarily rely on the automobile and have the widest range of housing types available to their residents. They also put people close to one another and generally have more human interaction and activity present on a regular basis.
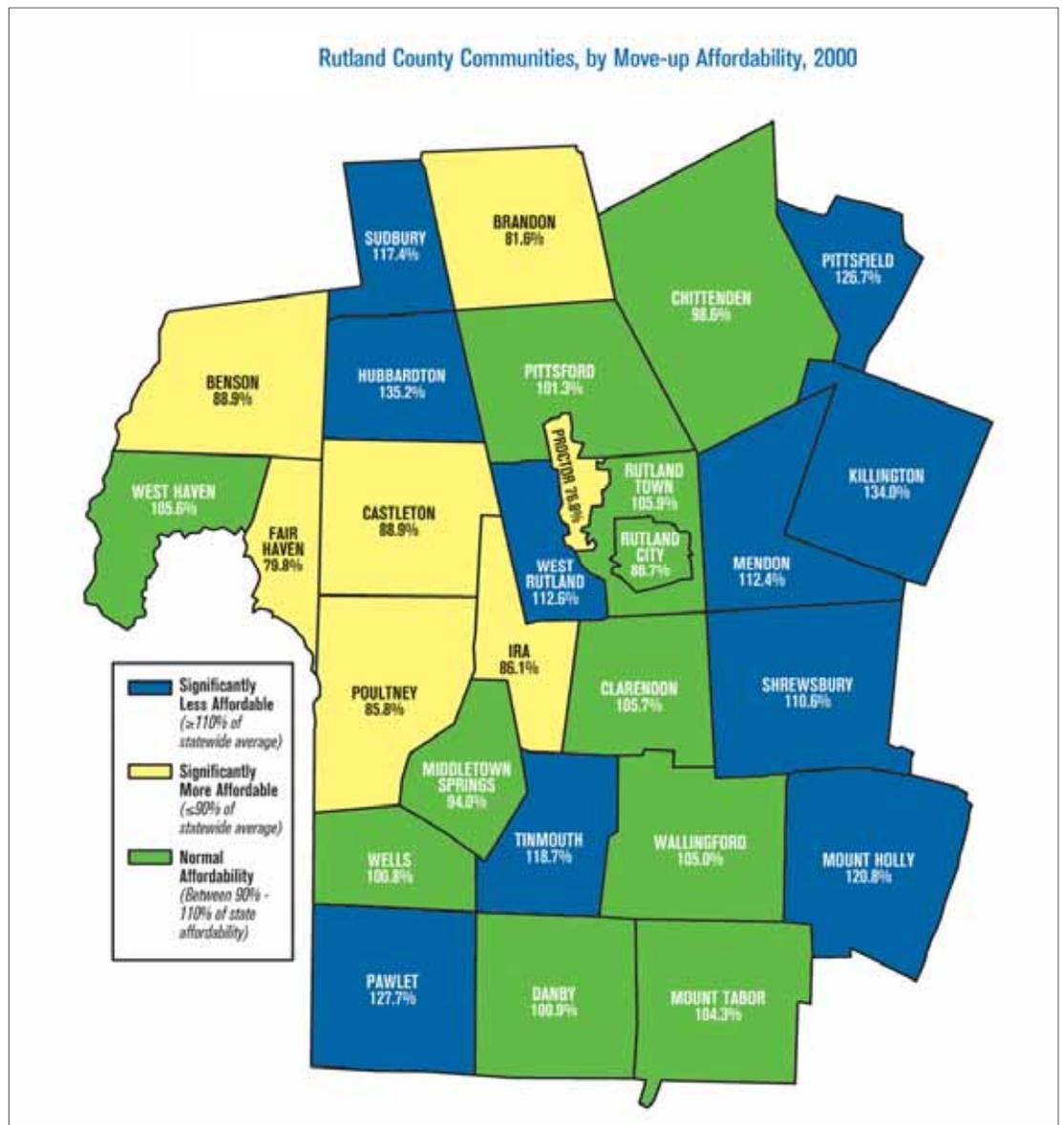
The 2004 Rutland County Housing Needs Assessment notes that "move-up affordability", that is, the relative cost of a homeowner to move into a larger home, varies greatly by town. Factors may include school choice, land availability, and popularity among second-home owners.

Village settings with limited services

Housing in this context is found in the villages and hamlets of most communities in the Region. These places are a traditional form of compact housing. They differ from one another in size and the scope of their services, but generally provide limited retail, educational and employment functions for households throughout the town. They are attractive to people because they offer some of the amenities of more urban areas while establishing some rural elements such more separation between homes, less total built area, less traffic, and the other pieces of the small town sense of community.

Rural areas with commuting access to employment and services

Housing in this context is found throughout the Region outside traditional villages and hamlets. Large tracts of farm and forest land dominate these areas; homes dot the landscape along roads that cross through valleys. These areas are attractive because people can live on or next to large amounts of undeveloped land to use for farming, forestry, recreation, unique views, or privacy. These areas are also typically less busy with human activity.

Rural areas are home to both people who commute to work and people who work with the land.

Hybrid settings

A good deal of housing has been built in locations that are neither rural nor village-based in recent years. Homes are built in places that are essentially a compromise between two contexts based on people's needs for some of the features of each.

These areas are not rural landscapes, but also do not provide the amenities and services of village and more urban settings. Homes are typically on mid-sized lots in areas that were once rural.

*2004 Rutland County Housing Needs Assessment

Cost of Housing*

Housing costs are among the primary concerns of Rutland County residents. Mortgages, taxes, rents, heating, and utility costs spark a great deal of debate and feed many individual and community decisions.

Renters

Median rents were $564 in 2004, increasing at a rate of 2-3% per year since 1990 after much more significant jumps in the previous two decades. The effect of this lower rate of increase was to halve the number of renters paying over 50% of their income to housing costs between 1990 and 2000. The percent of households paying over 30% of their income stayed steady at 40% of all rental households.

First-time homebuyers

First-time homebuyers who earn above roughly $32,000 appear to have access to a range of relatively affordable, lower cost housing thanks primarily to favorable mortgage interest rates over the past decade. While the value of lower-cost housing rose by 26% from 1996 to 2003,

CONNECTING THE PLAN

Housing in each of the contexts described in this chapter places demands on the community for utilities, infrastructure, and services.

The demands will differ by context (for example, more compact housing requires less infrastructure per home but requires more attention to recreational facilities). As communities struggle to contain town costs, they should consider these relationships.

FAST FACT

Rutland County is home to 731 subsidized elder housing units (located in 10 cities and towns) and 430 subsidized family units (located in six cities and towns).

Single family homes in an urban setting, on Kendall St. in Rutland City

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AFFORDABILITY IS RELATIVE:
A single parent earning $30,000 annually may be able to pay for his or her housing unit because they are able to find a cost-effective 2-bedroom unit within walking distance of work.

A dual income family earning $60,000 may not be able to afford their living arrangements not because of the cost of homes there, but because of a high tax rate and the need for each parent to have a car to get to work.

the income needed to purchase such a home actually dropped by 18%.

More recent trends in interest rates, the limited housing stock in Rutland County, and fuel costs indicate that these favorable conditions are in the process of changing.

'Move-up' homebuyers

The lack of new construction since 1990 has created a lack of higher-quality, 'move-up' housing for the median-income homeowner. One effect has been a shortage of housing to meet the needs of families seeking to trade up and the resulting increase in prices for median-income earners.

Federal and State Subsidy Programs

A range of Federal and state subsidies exist to reduce housing costs for qualifying residents. Non-profit housing operators provide below-market cost housing throughout the Region. This form of subsidized housing is available for approximately 19% of all renter households in Rutland County and just

under 35% of all renters earning less than $20,000.

A different program, known as Section 8, allows recipients to remit vouchers to landlords in lieu of a portion of their rent. Just over 400 vouchers existed in 2004, serving 5% of the renter population. The wait list at that time was 483, or 115% of the total, up significantly from 2000.*

UNMET NEEDS

Gaps in housing affordability*

The *2004 Rutland County Housing Needs Assessment*, identified several segments of the population that are facing especially difficult searches for housing that is affordable. Among the study's conclusions are three key points:

- The County's non-elderly, low-income renters are currently underserved by the supply of subsidized rental housing, especially with respect to the distribution of Section 8 housing certificates.

A LOT OF FOOD FOR THOUGHT
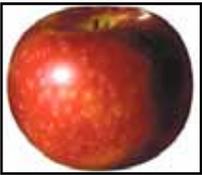
SEVEN OBSTACLES TO AFFORDABILITY

1. Rent / mortgage

Monthly mortgage or rental payments are the chief obstacle to affordability. The causes are diverse, but include land development costs (see below), a lack of units in a particular location or at a particular size, or external pressure from new full or part-time residents.

2. Construction costs

The higher the fixed costs for construction and rehabilitation, the less likely that enough housing will be added to the market.

Possible factors causing high up-front costs include:

- Complex septic installation in certain common soils
- Availability of potable water
- Costs of materials
- Permit process: Significant delays and uncertainties in permit requests increase project times and costs
- Regulations that permit only certain types of homes may deter creativity

3. Utility costs

Utility costs – including electricity, fuel oil, and telephone service – fluctuate throughout the year. While fixed costs are higher in Vermont than elsewhere because of the state's rural nature, variable costs may jump or drop depending on weather or international fuel prices.

4. Finance rates

Depending on national economic trends, interest rates on mortgages can have significant effects.

5. Property Taxes

Increases in tax rates may cause home / rental costs to rise (though these must

always be weighed against the benefits these taxes provide).

6. Transportation

If a household is forced to own and maintain one or more vehicles, this must be added into the equation of affordability. If, on the other hand, a person can walk or take a bus to work, then the costs of living may be reduced substantially.

7. Child care

Working parents with children are faced with the challenge of finding daycare that suits their schedules and budgets.

- Rental affordability is almost entirely limited to those earning less than $20,000; while they represent just over half the renters in the County, they account for 80% of those experiencing high rent burdens.

  Families with fixed or low incomes are faced with ongoing difficult decisions about which bills to pay. Homelessness (including those living on the street and those forced to co-habitate with other families) is an ongoing issue throughout the Region and State.

- The market for moderate-income, first time homebuyers is tied closely to mortgage rates. If mortgage rates increase substantially, the market will become very tight. The greatest concern for potential first-time homebuyers is the need for a stronger local job base to provide households with the minimum income of about $32,000 to afford a first home.

Gaps in Housing Supply*

The *Needs Assessment*, as well as local housing organizations, underscored a series of missing elements in housing supply in the County. Opportunities may exist for both the private and non-profit sector to fill in these gaps in the future.

- An undersupply of newly constructed ownership housing has created a significant gap in the supply of high value homes for those seeking to "move up". The buying power of existing, median income owners exceeds the highest quartile value homes in the County. An opportunity exists to provide new, higher quality housing for existing owners.
- Rutland County has a significantly higher share of housing stock owned by householders 65 years old and over than does Vermont generally. A market

* Source: 2004 Rutland County Housing Needs Assessment

opportunity likely exists for moderately priced, accessible condominium units for seniors located near services.

- Housing for residents with physical disabilities is among the most widely shared housing gaps in the County. For those communities with little or no subsidized housing, the capacity to provide appropriate housing for those with physical disabilities is virtually non-existent.

Flexibility of Choice

Public input has identified that householders are having difficulty trying to maintain their long-standing links to towns when faced with changing household needs.

There are many reasons why householders will seek alternate housing in a specific community: they may be young couples or single householders looking to rent or buy a small house to start out, a

HOUSEHOLDS PAYING MORE THAN **30%** OF HOUSEHOLD INCOME TOWARDS HOUSING:		
	Number	Percentage
Specified Owners (with a mortgage)	2,080	28%
Specified Owners (without a mortgage)	673	15%
Specified Renters	3,009	41%

Multiple forms of housing in the village of Pawlet

growing family with expanded needs, or an older householder or couple seeking to maintain their community ties but live in smaller, more accessible accommodations.

A lack of diversity of housing types or living arrangements beyond single family homes in many towns in the Region is a primary concern for people in these circumstances.

Substandard Housing

Housing that meets an individual or family's needs in a safe and sanitary manner is a right, not a privilege. In Vermont, the Department of Health maintains the Rental Housing Health Code which spells out specific standards the owner must meet for sanitation, heating, lighting, and construction, among others. The code reads, in part: "It shall be the responsibility of the owner to bring any dwelling unit into compliance with this code before renting it to any occupant."

Part of the problem stems from a complex cycle of homeownership. Homes that are in poor condition are often priced lower than other homes, and comprise a substantial portion of the housing affordable to lower income households.

While initially in the price range of low and moderate-income households, these homes are often accompanied by increased maintenance and energy costs. For low-income households, this linkage could mean forgoing the upkeep needed to maintain livable conditions in order to allocate resources for other necessities, leading to further deterioration of the structures

Homes lacking sufficient plumbing or kitchen facilities are among those considered to be substandard. These situations are uncommon within the Region but still comprise 0.7%, or 202 units, of available housing, according to the 2000 US Census. Overcrowded conditions, or situations with more than one family member per livable room, can occur when a community lacks a diverse range of housing types to accommodate all income levels. Overcrowding has only been recorded in 1% of the housing units in the Region.

Undersupply of Housing in Contexts

Limited numbers of homes and house sites exist and are available in the Region's three principal housing settings, urban, village, and rural. Households make

decisions of where to live based on a series preferences and priorities (identified under Current Conditions).

Demand for housing that fits these needs is outstripping supply. The market for homes in existing villages and urban areas is tight, especially for those with limited incomes or special needs. Likewise, the number of homes and house sites in rural settings is limited, as each additional home makes the area less rural.

Expansion of existing villages following traditional patterns has been limited. Land costs, capital costs of construction, and uncertainty of return on investment have added to the problem, as has the hesitancy of communities and current residents for fear of increased traffic and noise.

The result of the tight supply and increasing demand is the loss of separation and distinction between the traditional contexts for housing. Each of the settings described above are decaying in favor of unclear, suburban patterns of development — the aforementioned hybrid context.

Villages and urban areas are losing their defined borders, while rural settings are losing their dominant characteristics — open fields, large forests, separation between built areas — to small-scale housing development. The impacts include a growing loss of the Region's best agricultural and forestry lands.

Related to this is the continued increase in the length of peoples' commutes to work. According to the 2000 Census, the mean travel time to work was 20.6 minutes for residents of Rutland County. The County's most rural communities had mean travel times of 30 minutes. Larger villages averaged about 20 minutes. Rutland Town and Rutland City averaged approximately 15 minutes. This trend is placing an increasing demand on limited transportation infrastructure, placing additional financial stresses on households, and contributing significantly to air pollution in the Region.

FUTURE TRENDS

Changes in the Region's population structure and an ongoing need for additional housing units will continue to shape housing needs into the future. Among the key trends:

- In the next 15-20 years, a significant proportion of the County's population will retire. The result will be an increased need for assisted living facilities and accessible apartments.

- Household sizes have declined steadily over the past 30 years and are expected to continue to do so into the future. The number of 1 and 2 person households will rise, making for a glut of larger homes and a need for smaller units.

- The Region's population will continue to grow, both in terms of year-round and seasonal residents. It is estimated that the Region's year-round population will grow by a modest 2.6% , between 2000 and 2020[1]. These estimates are based on statistical models and do not include the impacts of events such as those of September 11, 2001, which may intensity the influx. Seasonal populations are likely to continue to grow as well, especially in areas near to Killington and Okemo resorts. These influxes will add

FAST FACT

In 1970, the median age in Rutland County was 29. In 2000, it was 39.5. The every-changing population distribution will need housing that adaptive to multiple needs.

CONNECTING THE PLAN

Transportation infrastructure and services are integrally tied to housing. Housing generates the need for transportation, and transportation serves housing.

The Wallingford Inn provides subsidized senior housing in a historic village structure

RRPC Staff

Community Land Trust Constructs School Street Homes

The Rutland County Community Land Trust is the second largest provider of subsidized housing in the Rutland Region. Their objective, to provide affordable housing solutions for all types of people, including young families, is sought by constructing or redeveloping, and then managing, small groupings of homes in communities around the region.

The Land Trust's most recently completed project, 64 School Street, was an exercise in perseverance and community partnerships. The newly built 10-unit complex sits on a formerly site of a vacant lot in the midst of a compact residential neighborhood. Once a site of employment in the heart of a mixed-use district, it had laid vacant for years prior to the RCCLT project proposal.

Elisabeth Kulas, Executive Director of the Land Trust, said that the organization had been looking for an appropriate site in the neighborhood, especially given the City of Rutland's intent to redevelop the West Street entrance into downtown.

"We have been looking at how a revival of West Street could have negative impacts on the neighborhood by driving land prices up and beyond the reach of many residents," Kulas explained.

"We wanted to come up with a project that would strengthen the neighborhood. At the same time, we

Lucas Somers

were careful in selecting our property. We saw that many other parcels in the area were turning over fairly quickly, and we did not want to stifle those efforts by the private sector."

Kulas explained that as the Land Trust began to meet with people to discuss the proposal, the neighborhood's sense of identity became apparent. People in the area were strongly rooted to the site's commercial history and were reluctant to have it change over to housing, especially 'affordable' housing.

After a series of meetings, the Land Trust redesigned the project, including moving parking, adjusting doors, and changing the lighting.

The project continued to face obstacles, including opposition from neighbors and an initial permit denial by the City's Planning Commission. The Land Trust decided to push forward regardless, hoping that once construction began, people in the neighborhood would come to like the project.

After the groundbreaking, Kulas explained, the Land Trust began again to meet with neighbors and sought their input on how to minimize the disturbances caused by construction.

"We truly saw this as the start of a long-term relationship," said Kulas. "And I'm happy to say that we've had a positive relationship with neighbors ever since." She added that having been through the experience and learned so much from the community, she would not hesitate to establish another housing site in the area.

"The School Street project, I think, gave us a lot of credibility in this neighborhood and around the Region," Kulas said. "People found that our final product was a high-quality facility."

Lucas Somers

additional competition for homes and house sites and may inflate purchase and rental costs in certain communities.

- New construction in all towns will place additional burdens upon municipal services and continue to challenge town officials with how and where to accommodate new housing.

- The availability of empty lots, both within existing urban and village centers and on their outskirts, is limited throughout most of Rutland County.

Where infill sites do exist, higher development costs limit their appeal. Areas on the fringes of villages and urban areas —often among the Region's more productive agricultural soils— continue to face development pressure.

Local realtors' and homebuilders have raised concerns that the current regulatory system discourages compact development on the outskirts of towns, even in compact forms, noting that there is ongoing pressure for new housing.

MEETING CURRENT AND FUTURE NEEDS

Informed land use decisions

There is a clear link between housing and land use. What is less clear is the nature of that relationship. The challenges and opportunities faced in Rutland City differ greatly from those faced in Ira. Equally importantly, the issues faced within a town's village area may be very different from those in its more rural areas. Because the issues are different between (or within) communities, the solutions must also be different.

It is the community's responsibility to support the creation of housing that meets the needs and desires of residents in a manner that enhances that community's

[1]Source: Vermont Department of Aging & Independent Living, ***MISER Population Projections for Vermont, 2000–2020,*** 2004

character. It is also important that communities allow a mix of housing types, forms, and price ranges in order to meet the varied needs of residents.

It is important to be aware that housing does not take place in a vacuum. Even the best housing development or redevelopment can be a poor fit for residents and the community if transportation, employment (including agriculture), and services are not built following the same framework.

Advocacy

Many of the factors that affect the availability of housing are not under the direct influence of local decisions. Where this is the case, individuals and organizations must advocate for change in policies at a broader level. Among those cited:

- The need for greater availability of Section 8 housing certificates and support for subsidized housing

- Changes in state regulatory mechanisms to promote compact development in urbanized and immediately adjacent areas

FOOD FOR THOUGHT

Many towns in Vermont think of 10 acres as being a desirable residential lot size. This is due in part to an old regulatory loophole that allowed development lots larger than 10 acres to avoid receiving State on-site permits.

A question to pose at your next town Planning Commission meeting: what does a 10-acre lot do for the community. It may be bigger than what people need or can manage (or, it may be too small to actually farm).

Public input and support are critical elements of successful projects. In the photo above, residents of Mount Holly discuss land use options for the future.

RUTLAND RPC ACTIONS

In addition to supporting activities and developments that contribute to individual communities and the Region, and which help meet the needs identified in this chapter, the Rutland Regional Planning Commission will strive to accomplish the following actions in the coming years:

- Help towns to identify the land use patterns and housing types that make their communities unique.

- Provide communities with tools to promote efficient use of the land, including planned unit development, cluster development, conservation subdivisions, and other regulatory and non-regulatory concepts.

- Ensure that regulations enable new housing to follow development patterns that meet the needs of diverse social and income groups, and is convenient to employment, services, educational, and recreational facilities.

- Provide assistance to towns in designing incentive programs that encourage the construction and rehabilitation of affordable, subsidized, and below-market housing.

- Ensure that all towns in the Region have a well thought out Housing Plan that identifies housing issues and outlines steps through which housing needs will be addressed.

- Help communities to develop innovative strategies for conversion of existing or new housing to serve the needs of the elderly, special need, and low-income population.

- Work with communities to develop incentives and / or regulations that allow for compact housing, including multi-family housing, in villages and areas of mixed-use development.

- Disseminate information to communities and the public to raise awareness of State and Federal Fair Housing laws.

- Encourage towns to assess substandard housing and adopt nationally recognized building codes.

- Encourage the adaptive reuse of former industrial, commercial, and institutional buildings into housing and / or mixed use structures.

- Educate communities about housing concerns and disseminate information to the communities in the Region regarding available housing programs and funding sources.

We need child care workers. She needs an affordable home.

There's a severe shortage of affordable housing in nearly every part of Vermont. And it affects everyone.

Our communities need child care workers, emergency medical technicians, and police officers. Yet none of these professions earns an average wage high enough to afford a modest two-bedroom apartment, at statewide average rents.

We need to build more housing and we need to do so in a way that respects our state's character and environment.

When hard-working Vermonters can't afford decent housing, we all risk losing essential services, community vitality, and economic energy.

If you'd like to become part of the solution, please call, or visit our website.

Vermont Housing Awareness Campaign
802 652-3449 www.housingawareness.org

HOUSING—THE FOUNDATION OF VERMONT COMMUNITIES