

Norwich Housing Strategy

Norwich Affordable Housing Subcommittee
Monday, May 9, 7 pm

1

Norwich Housing Strategy: Background

- Multipronged approach for achieving three housing goals: **affordability**, **diversity**, and **environmental sustainability**.
- Covers **five-year period** from January 1, 2020 through Dec. 31, 2024.
- Adoption history / public input:
 - Developed by Affordable Housing Subcommittee based on work by the subcommittee and ideas from the public gathered through five listening sessions
 - Planning Commission held two additional public sessions before approving on Nov. 21, 2019
 - Incorporated as an appendix to the 2020 Norwich Town Plan, which had additional public input sessions. Adopted on March 7, 2020

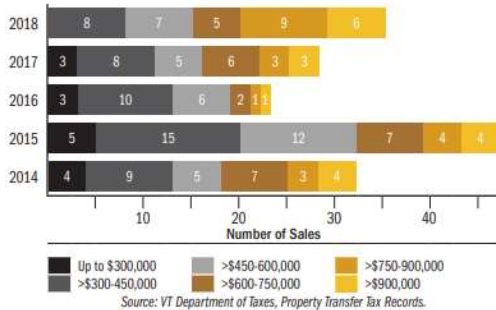
2

Norwich Home Sales / Values

Home Prices

In 2018, the median sales price of a single-family home in Norwich was \$649,000, a jump from \$564,500 in 2014, \$480,000 in 2015, \$431,000 in 2016, and \$500,000 in 2017. As Figure 16 shows, in four out of the five most recent years, more than half of sales each year have been for \$450,000 or more.

Figure 16. Single-Family Home Sales in Norwich by Price



3

Objectives

- **Affordability** – Ensure that people of all incomes can find quality housing they can afford in Norwich
- **Diversity** – Increase the diversity of the housing stock so that it includes a range of housing types suitable for people of different incomes and backgrounds and at different stages of their life. Increased numbers of both rental and for-sale homes are needed in Norwich. Among other needs, housing efforts should support:
 - **Older adults** who wish to age in place in a safe and energy-efficient home as well as those who want or need a communal living environment.
 - **Families with children** who are in the market for rental housing or homeownership.
 - **The town workforce**, including teachers, police, and other employees of the town.
- **Environmental sustainability** – Reduce energy use and greenhouse gas emissions by increasing housing in areas served by public transit and with easy access to employment and retail centers, as well as through the use of green building materials and practices.

4

Numerical goals

Goals

- Construct at least 10 Accessory Dwelling Units
- Construct at least 10 units of "missing middle" housing (duplexes, triplexes, etc.)
- Construct at least 25 units of dedicated affordable housing

Definitions:

- **Accessory Dwelling Units** (or ADUs) are housing units located on the same parcel as a principal unit. Familiar names include "granny flats" and "in-law suites."
- **Missing middle housing** is a term for the many different forms of housing that fall in between single-family housing and mid-rise construction. Examples: duplexes, triplexes, quadraplexes, town homes, and garden style apartments.
- **Dedicated affordable housing** is housing that comes with a legal covenant that regulates the rent or sales prices of the home to ensure it remains affordable.

5

Strategy #1: Encourage the development of dedicated affordable housing

- Formalize and grow the **affordable housing revolving fund**
- Review Norwich's **density bonus**
- Consider whether developments of a certain size should be **required to include** affordable units
- Investigate the use of **land owned or controlled by the town of Norwich** for dedicated affordable housing.
- Encourage the **donation of land** for dedicated affordable housing
- Conduct **outreach** to encourage developers of affordable homes to focus on Norwich.

6

Strategy #2: Facilitate the development of lower-cost housing types

- Facilitate the creation of **Accessory Dwelling Units**
- Facilitate the creation of duplexes, triplexes and other "**missing middle housing**."
- Ensure that zoning rules permit the development of **multifamily housing**.

7

Strategy #3: Reduce barriers to new development

- **Reduce the cost** of developing new housing.
- Consider how to address barriers to development related to limitations on **septic capacity**.

8

Strategy #4: Expand public understanding of housing issues

- Make it easier for developers and the public to **understand** Norwich's zoning rules and affordable housing policies.
- Develop **educational materials** that address frequently asked questions about affordable housing in Norwich.
- **Increase public understanding** of how new development will affect **town and school property taxes**.
- Investigate **models** for improving public understanding of the housing stock.
- Undertake **research** to better understand the town's housing challenges and how best to address them.

9

Main actions undertaken / underway

- Adopted policies for \$45,000 revolving fund (completed)
- Review of publicly owned land (completed)
- Exploring development feasibility at identified sites (starting)
- Study of development patterns (underway by PC)
- Updating Norwich's zoning code (underway by PC)
- Study of wastewater needs and options (underway by PC)

10

Strategy #1 underway

Investigate the use of land owned or controlled by the town of Norwich for dedicated affordable housing.

11

Rationale for exploring town-owned land

- One of the barriers to developing dedicated affordable housing is the high price of real estate in Norwich.
- For a developer, this means a high acquisition cost for either a parcel with a structure or vacant land.
- Dedicated affordable housing, whether for rental or owner-occupied use, may not generate enough operational income to pay back a sizeable acquisition loan (likely in addition to construction financing).
- Were the town to donate land, or convey land for significantly below market value, that would reduce the need for a project to take on debt or pursue competitive grant funding.
- In short, it could make a project feasible and result in lower rents (or mortgages).

12

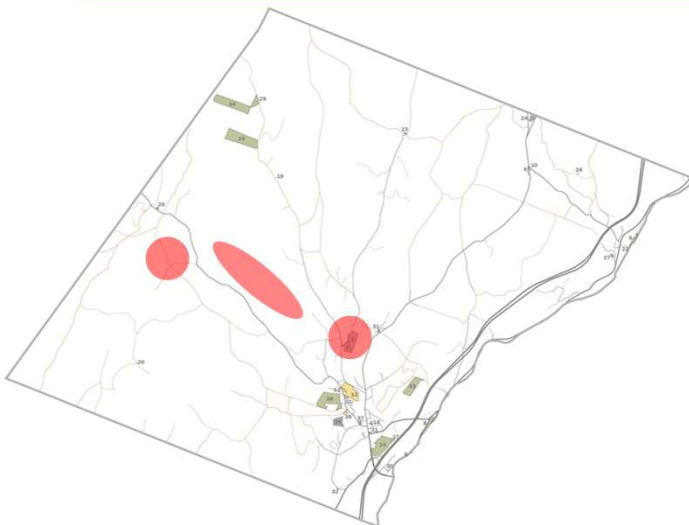
Guiding criteria for preliminary review



- Beginning in fall 2020, the AHSC and the Town Planner reviewed parcels owned by the town and by the Fire District.
- Among the considerations at this stage:
 - Obvious physical barriers (steep slopes, flood propensity)
 - Known legal restrictions like conservation or other covenants
 - Proximity to town (for access to amenities and transit)

13

Findings with existing knowledge of sites



- SPAN: 450-142-12272 – This is a 24+ acre parcel owned by the town of Norwich that houses, in the southern section, the Department of Public Works and the transfer station.
- SPAN: 450-142-11592 and -12882 – This covers 915 acres of land owned by the First District to which the town has development rights.

14

New Boston Road Parcel

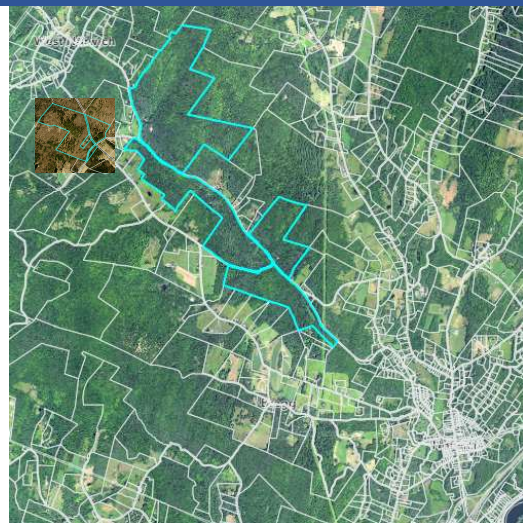
- 24+/- Acres
- Large northern portion that has not been developed
- Less than a mile from end of bus line
- Likely has good soils for septic
- Holds a communications tower



15

Norwich Fire District Owned Parcels

- 915 acres in total
- Substantial road frontage along Beaver Meadow and Tucker Hill Roads
- Much of the parcel is wet or sloped and not developable
- Goal is to identify 1-4 sites along road for single-family or duplex homes
- While potential development sites may not be close to the village center, from a regional perspective, sites will have good access to major job centers



16

Questions requiring technical analysis

New Boston Rd. site

- Environmental implications, if any, of proximity to former town dump (downhill and at opposite end of the parcel).
- Other wastewater testing typical of development projects in Norwich.

Beaver Meadow Rd. sites

- Specific sites within large parcels suitable for development (access to roads, proximity to wetlands).
- Legal mechanism for conveyance given ongoing Town-Fire District deliberations.

Request to fund small-scale scoping study to be considered by the Selectboard – May 2022.

17

Next steps for the subcommittee (and you)

- Refine outstanding technical needs for New Boston Rd. site and identify appropriate resources (internal or external).
- Continue education efforts on the housing strategy and particular components (Accessory Dwelling Units).
- Targeted outreach to private landowners to discuss shared goals and possibility of land donations/sale, including how housing and conservation could be accomplished together.
- Engagement with other town committees to take advantage of collaboration opportunities (and avoid unintended consequences).
- Discuss with school district the implications of new proposed state property tax education policies

18