

**NORWICH PLANNING COMMISSION
AFFORDABLE HOUSING SUBCOMMITTEE**

Minutes of Monday, Oct. 17, 2022 Meeting

Public Forum on Accessory Dwelling Units

Members present: Jeff Lubell, Brian Loeb, Jeff Goodrich, Paul Manganiello

Meeting notes taken by: Paul Manganiello

Invited speaker: Tyler Maas, facilitated by Brian Loeb

Meeting called to order at 6:30 PM

Agenda: Paul Manganiello made the motion to approve the agenda, Brian Loeb seconded the motion. Motion passed 4-0.

Forum: The meeting consisted of a public forum on Accessory Dwelling Units (ADUs). Maas described his background in ADU beginning in the Brattleboro area and now in Montpelier. As Maas indicated, an ADU is a separate unit on the same property as a main unit, and can either be constructed through internal division and renovation of the main structure or as a stand-alone structure. The maximum size of an ADU is based on local standards. The costs to construct will vary, largely determined on whether it is new construction, versus an internal rehab, which is usually less expensive.

One of the primary hurdles for the construction of an ADU is the need to ensure that the septic system is adequate for both the main property and the ADU. Brattleboro and Montpelier both have municipal septic which makes ADUs easier to implement.

According to Maas, home equity is a common form of financing for ADUs; construction loans are more complicated since many banks don't envision ADU as an investment.

There are State grant funds available to help with the costs of creating an ADU – the Vt. Rental Rehab Program, which can offer up to \$50,000 in assistance. This state program is administered in the Norwich area by the Windham & Windsor Housing Trust. More information on this program is available here: <https://www.homemattershere.org/rental-rehab/> . There are a number of specific rules that apply to this program, including a requirement that homeowners benefitting from this grant agree to rent the ADU for an amount that does not exceed the Fair Market Rent for at least five years. Benefitting homeowners must also attempt to rent these units during this time to households earnings less than 80% of the Area Median income. There are no restrictions on rent after this five-year period.

The Windsor & Windham Housing Trust also administers the Healthy Homes Initiative that can help upgrade or replace a septic system. These funds are intended to be add-on funds to grants for ADUs under the Rental Rehab Program.

Funds for both of these programs are limited and will be available only until they run out.

Aaron DeNamur, the new Norwich Zoning Administrator, provided an overview of Norwich's regulations regarding ADUs. Norwich defines 2 types of ADU: First, an Accessory Dwelling Unit (defined as an accessory dwelling structure with one dwelling unit) cannot exceed the lower of 50% of the primary dwelling's square footage or 1600 square feet. Second, a detached apartment (defined as an apartment in an existing accessory structure) cannot exceed the lower of: 30% of the primary dwelling's square footage or 1200 square feet. Norwich doesn't consider any structure on wheels (i.e., an RV) to be an acceptable housing unit (and thus they cannot serve as an ADU). DeNamur offered to meet with any Norwich resident that has questions about the town's policies on ADUs.

According to DeNamur, 16 ADUs have been permitted in Norwich in recent years, with 11 coming just since 2020.

Jeff Goodrich related that local zoning topography needs to be seriously considered. As he discussed in the forum, a structure's septic requirements are based on the number of bedrooms in the structure. The rules require 140 gallons per day (gpd) for the first three bedrooms and 70 gpd for each additional bedroom. The rules require 140 gpd for a one-bedroom "apartment" or ADU. That means that a 3-bedroom home could potentially be reduced to 2 bedroom-occupancy along with an ADU without requiring an upgrade to the existing septic system. However, if a home has four or five bedrooms and a septic system that just meets the minimum requirements for a home of this size, it would likely need to give up two bedrooms in order to accommodate an ADU without changing the size of the existing septic system.

A number of mechanisms exist to help address these septic challenges, including enlarging an existing septic system or installing a pre-treatment system or other method (e.g., composting toilet) to reduce the burden on the wastewater system.

This summary of septic rules is just an overview of a complicated topic. Homeowners interested in developing an ADU should consult experts who can advise them on how the septic rules will apply in their situation.

Discussion opened to the public for questions:

Concerns about the effects of an ADU on taxation were raised; one idea that was discussed was to base the expectations for future rental income on either a past history of actual rents or on a promise by the homeowner not to rent above a certain level. This would provide a modest incentive to rent ADUs at below-market levels. Another individual recommended that the

current size limitations on ADUs be eliminated as they could act as an impediment to constructing ADUs.

Unfinished business: One of the subcommittee members left around 8 p.m., which marked the formal adjournment of the meeting. The subcommittee therefore did not have a quorum to approve the minutes of the prior two Affordable Housing Subcommittee meetings.

Discussed ceased at approximately 8:10 p.m.