

# NORWICH PLANNING COMMISSION AFFORDABLE HOUSING SUBCOMMITTEE

## Agenda

**Monday, Apr. 20, 2026, 6:00 pm**

Hybrid Meeting: In-Person at Tracy Hall and via zoom:

Topic: Affordable Housing Subcommittee

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Meeting ID: 831 9412 8919

1. Approve meeting agenda
2. Public comment
3. Approve March meeting minutes
4. Updates
  - a. Planning Grant
  - b. Application of Starlake Housing Trust and Twin Pines Housing Trust for revolving funds
  - c. Other
5. Preparing for review of housing chapter of the Norwich Town Plan
6. Future agenda items

Adjourn

Attachments

3/23/2026 Meeting Minutes

Final Analysis of the Application from Starlake and Twin Pines sent to Planning Commission

Housing Chapter of Norwich Town Plan

Norwich Housing Strategy (appendix to Town Plan)

## NORWICH AFFORDABLE HOUSING SUBCOMMITTEE

### DRAFT

### Meeting Minutes

Monday, March 23, 2025

Tracy Hall and Zoom

**Members present:** Jeff Lubell (Chair), Jeff Goodrich (6:09), Creigh Moffatt, Brian Loeb (6:18), Peter DeShazo

**Members absent:** None

**Staff:** Steven True, Director, Planning & Zoning

**Minute Taker:** Steven True

**Others Present:** Anne Hill, Andrew Winter, Lisa Talmidge, Susan Barrett

- 1) **Call to Order:** By Chair Jeff Lubell at 6:05; a quorum is present.
- 2) **Approve Agenda:** Moffatt **MOTIONS;** DeShazo seconds, to approve the agenda as amended, all in favor.
- 3) **Public comment for items not on the agenda:** None
- 4) **Approve March Minutes:** Moffatt **MOTIONS** to approve the February minutes; DeShazo seconds; MOTION carries 3-0
- 5) **Updates:**
  - a) Village Master Plan: The Planning Commission is currently recruiting for the Steering Committee to present at the next regular meeting of the commission; looking to kick-off the project at the end of April.
  - b) Tier 1b: The Selectboard opted into Tier1b status for the areas recommended by the Planning Commission.
- 6) **Review of Application by Twin Pines Housing Trust for Norwich Revolving Fund:**
  - a) Anne Hill provides updates about the request by Twin Pines Housing and Starlake Village for funding from the Norwich Affordable Housing Revolving Fund (“Fund”) to support critical capital repairs at Starlake Village.
  - b) Anne speaks to the funding already available from Vermont Housing and Conservation (VHCB) programs. The residence currently has twenty thousand set aside in reserve funds, and the residents contribute two to three thousand more annually. Lubell asks, in light of the current need, why aren’t residents contributing more to the long-term sustainability of the reserve. Andrew Winter speaks to the income-qualifying requirements of this type of housing, and that while the residents understand the financial necessity, increasing contributions would represent a hardship for many and most of them.
  - c) Anne Hill Notes that the residents chose to increase this funding recently, more than 5%.
  - d) Lubell reads two pieces of correspondence into the record. *See attached.*
  - e) Lubell summarizes his thoughts on the request, stating that on balance, while not what we thought we’d fund, the request fits in spirit, and meets the criteria. Lubell polls the members on their thoughts after reviewing the submission and the discussion. Goodrich

has concerns about the process but recognizes the next step will be in front of the planning commission. Loeb strongly recommends that we move this application to the next step, recognizing this is the only application that has ever been received. Moffet speaks to the more than 30-year history of the fund and feels this an appropriate use. DeShazo, recognizing he does not have history, feels that the money will provide tangible and real benefit to the Starlake community.

- f) Lubell asks if the members need more time, hearing no response, Goodrich **MOTIONS** to forward Starlake's request to the Planning Commission along with a recommendation that the Town fund the request. Moffet seconds. **MOTION** carries (4-1)

- 7) **Adjourn:** Lubell **MOTIONS** to adjourn, Creigh seconds; all in favor, meeting adjourned at **7: 23 PM**

## **Analysis of Starlake Housing Trust / Twin Pines Request for Funding Under the Affordable Housing Town's Revolving Fund**

March 29, 2026

NOTE: On March 23, 2026, the Norwich Affordable Housing Subcommittee approved these recommendations by a vote of 4-1 and authorized the chair to finalize the memo and submit it to the Planning Commission.

### **Background**

On Feb. 9, 2026, Starlake Housing Trust and Twin Pines submitted an application for \$45,000 under the town's Affordable Housing Revolving Fund (Fund). This memo provides an analysis of this application and a recommendation that it be granted.

The original Fund was created by Norwich voters more than 20 years ago. The funds have been reauthorized several times – most recently in 2018, when Norwich voters voted to reauthorize the funds and allow interest to accrue to the fund. On April 24, 2019, the Selectboard approved a set of guidelines developed initially by the Affordable Housing Subcommittee and approved by the Planning Commission, for the expenditure of the funds. Accrued interest on the Fund now exceeds \$5,000 for a total fund in excess of \$50,000.

This is the first formal request for the funds.

This memo describes the extent to which the request is consistent with various provisions of the approved guidelines and makes a recommendation to the Planning Commission, which is responsible for issuing a recommendation to the Selectboard.

### **The Application**

Starlake Village (Starlake) is a development in Norwich, established in 1992, consisting of 14 owner-occupied homes that were developed under a model designed to create owner-occupied homes that are and remain affordable over time through restrictions designed to balance residents' opportunities to build wealth and the preservation of long-term affordability. Owners of the homes buy the homes at below-market levels and take out a mortgage to pay for their purchase. When they sell the homes, they are required to sell at an affordable price calculated by sharing the home price appreciation; families keep some of the appreciation, while the rest stays in the home in the form of a lower purchase price, thus maintaining affordability over time. This category of homeownership is sometimes called "shared equity homeownership."

The Starlake homeownership association (the Starlake Trust) and Twin Pines (the original developer of the homes and the organization responsible for stewarding its long-term affordability) have requested funds to cover accrued capital needs related to the community water and wastewater systems. They submitted evidence of substantial costs to keep the water and wastewater systems in good working order, totaling about \$66,000 through 2028 and an additional \$173,000 through 2034. These costs were calculated a few years ago, so the costs may have gone up since the original assessment.

The applicants have a replacement reserve of about \$20,000, some of which the applicants note can be used as a match for the town's funding. (The Starlake Homeowners association currently builds its reserve by about \$2,000 per year.) The applicants have noted that the Vermont Housing and Conservation Board is open to providing an additional \$12,500 in matching funds.

### **Overall Purpose**

At its core, the underlying purpose of the Affordable Housing Revolving Fund is to help ensure that low and moderate-income households can afford to live in Norwich. The request by the Starlake Housing Trust and Twin Pines advances this purpose. The requested funding would contribute to the ability of moderate-income homeowners to stay in their properties without having to sell to higher income households who have the money on their own to update the water and wastewater systems.

### **Applicant Need**

It seems clear that applicants need the funding they have requested as their accumulated reserves fall far short of the costs of ensuring their water and wastewater systems are in good working order.

### **Use of the Funds**

When the Fund guidelines were established, the paradigmatic use envisioned for the Fund was to help facilitate the construction of a new affordable housing development (or the substantial rehabilitation of an older structure that creates new affordable housing). The Starlake proposal is somewhat different from that paradigm. They are proposing funds to help maintain the affordability of an existing affordable housing development rather than the creation of a new one.

Interestingly, while there are several phrases in the guidelines that seem to reflect the assumption of new construction, the guidelines mostly talk about **providing** affordable housing. For example, the guidelines state: "The purpose of the Norwich Affordable Housing Revolving Fund (fund) is to facilitate the **provision** of housing in Norwich that

remains affordable in perpetuity” (emphasis added). The Guidelines also specify that: “Funds may be used to cover reasonable “hard” and “soft” costs incurred in the acquisition, construction, or rehabilitation of an Eligible Project except as provided for herein.”

The guidelines do not define the term “rehabilitation,” but generally in the housing context it means repairing or improving an existing property, as opposed to building a new structure. Arguably, then, while this project does not fit the original paradigm directly, it does represent an expenditure for “rehabilitation” to facilitate the “provision of housing in Norwich that remains affordability in perpetuity.” So, its use is largely compatible with the eligible uses specified in the guidelines, even if it represents a use not originally contemplated when the guidelines were prepared.

### **Initial Affordability**

The Fund guidelines call for homes to be affordable to and initially occupied by a household at 80% of the area median income. Starlake is aimed at a group with slightly higher incomes. Starlake’s guidelines initially called for it to be affordable to households at 95% of the area median income, and now call for applicants for available units to have incomes below 120% of the area median income. The Fund guidelines recognized that over time, new homebuyers might need to have somewhat higher incomes than the original 80% of area median income due to the mechanics of how the resale formula works, so the increase in area median income is not entirely unexpected.

The precise affordability level of Starlake homes is unclear as no information has been provided about mortgage costs relative to incomes. On balance, it appears the units the applicant proposes to assist with the funds serve an income group that cannot afford to live in Norwich without assistance but does not meet the literal requirements in the guidelines for initial affordability.

### **Long-Term Affordability**

The Fund guidelines also call for assisted units to be affordable in perpetuity. For owner occupied homes, this means they utilize one of the resale formulas commonly in use in Vermont. This requirement appears to have been met here, as Starlake uses the 75/25 split common in Vermont where the family can sell the home for its original purchase price plus 25% of the increase in appraised value (often plus capital improvements).

### **Loan Terms**

The applicants have requested that the funds be issued in a loan that is forgiven over time. If that is not possible, they request a 10-year term with 0% interest.

The Fund guidelines specify a loan with an interest rate of one point below the prime rate, but gives the Selectboard discretion to charge a lower rate. The Fund guidelines do not contemplate that the loan would be forgiven. The term is not specified in the guidelines but the guidelines contemplate a longer term for a larger number of units assisted.

### **Leverage**

While there is no formal match for the town's fund required by the Fund guidelines, the guidelines specify that "Projects that demonstrate a substantial leveraging of the town's funding with other private and/or public funding sources for the creation of affordable housing units are preferred."

The applicants have proposed to match / leverage a portion of the town's funds with their own reserve funds. Whether this is technically a match or not (usually a match is from an external source and not the applicant), it's clear this is a meaningful contribution to the project but not a large one. Should the state follow through in providing \$12,500 in matching funds, the two funding sources together would constitute an amount equal to about half of the funds requested from the town, which is more substantial leverage.

### **Analysis**

As noted above, this is the first formal request for funds from the Fund in its entire existence. The funds do not do any good sitting in the bank. They are meant to be used. There applicants unquestionably have a need here for the funds. The requested use advances the underlying purpose of helping moderate-income households afford to live in Norwich. The funds are proposed to be used for rehabilitation (an eligible use) and provide affordable housing that is affordable over the long-term, which the guidelines also call for. While the proposal does not line up perfectly with all aspects of the guidelines, it seems consistent with the overall spirit of the Fund and its guidelines, and we recommend that the town find a way to use the funds to help the applicants.

Taking a step back from the immediate application, it is important to recognize that the Fund guidelines are very specific and appear better matched to a much larger fund. As noted in the town's housing strategy, the town originally intended to grow the fund over time. For a variety of reasons, that did not happen. While a larger fund – say \$500,000 or \$1 million – might make a material contribution to the feasibility of a perpetually affordable housing development, a \$45,000 fund is far too small to accomplish this. Developers of perpetually affordable housing generally do not need \$45,000 to advance their project as they have other sources of working capital. We need to find a use that is appropriate for the scale of the funding available – where \$45,000 can make a material difference. The requested use appears to be such a case.

One concern is that the funding being requested goes only partway to solving their long-term capital needs problem. The requested funds, plus some amount of their accrued reserve and the Vermont state's contribution, should help them meet their near-term capital needs. But a larger bill is coming due within 8 years and it's not clear how they will meet that need. For this reason, it would be useful to discuss with the applicant whether the town's funding could be used to help leverage additional resources to provide a more comprehensive solution to the applicant's needs. Some options might include, for example:

- Using the town's funds as a match for a larger grant, such as the match proposed to be obtained from the Vermont Housing & Conservation Board.
- Using some or all of the town's funds to cover the costs of higher contributions to the property's reserve account by residents who cannot afford it. For example, if the residents raised their collective annual contribution to the reserve fund by an additional \$5,000 or \$8,000 per year, some of the funding provided by the town could be used to pay the additional costs for those residents who cannot afford the increase, while facilitating a faster increase in the fund.

It's not the town's role to be prescriptive about the exact way in which the town's funds are leveraged for greater impact but any such leverage would be a strong positive that would support a decision to provide the requested assistance.

### **Recommendation**

We recommend that the application be granted and that the original \$45,000 plus any interest that has accrued in the fund (which appears to exceed \$5,000) be loaned to the applicants at zero percent interest. We propose a 12-year term with no payments for the first two years, followed by a ten-year repayment schedule. We believe there is merit to the request for the loan to be forgiven but are not sure the town has the authority to do so, given that the town warrant article specified a revolving loan fund. Potentially, the voters could, in the future, decide whether to forgive the loan, should the question be posed to them on the ballot.

The affordable housing subcommittee did not condition its recommendation of approval of the request on any specific conditions. It would nevertheless be useful to continue to encourage applicants to find a way to maximize the utility of the town's contribution by actively investigating opportunities for using the money as leverage to secure additional funds to help meet applicants' long-term capital needs. We present two ideas above, but the applicants may have other ideas for a match.

The town should further encourage applicants to develop a long-term plan for raising the funding needed to meet their long-term needs.

### **Postscript**

If the Selectboard decides to fund the request, they will need to decide whether they have authority to do so under the existing policy or whether they need to amend the policy first. We do not express an opinion on that question.

If the Selectboard determines that it needs to modify the Fund's guidelines before it can approve the applicants' request, one option would be to first add a clause to the policy that says:

“The Selectboard reserves the right to approve a proposal that advances many of the underlying goals of the Fund even if it does not necessarily meet each specific requirement.”

If the Selectboard wished to approve the applicants' request without first modifying the guidelines, it might wish to consider a motion that looks something like this:

Having considered the Affordable Housing Revolving Fund guidelines approved by an earlier Selectboard on April 24, 2019 and the lack of any prior formal requests for the funding, and considering the pros and cons of the funding application by Starlake Housing Trust and Twin Pines, we believe the request satisfies enough of the guidelines to merit funding. Accordingly . . . “ [with the final terms of the award.]

## **HOUSING**

### **Objectives**

- Ensure the availability of safe and affordable housing in Norwich which will meet the needs of diverse social and income groups, particularly for low and moderate income households (24 VSA §4302 (c) (11) (A)).
- Encourage new and rehabilitated housing conveniently located to employment and commercial centers, and coordinated with the provision of public facilities and utilities (24 VSA §4302 (c) (11) (B)).
- Encourage more intensive residential development primarily in the village and suitable adjacent areas and discourage strip development along highways, (24 VSA §4302 (c) (1) (A)).
- Allow for multi-family and manufactured housing in locations similar to those generally used for single-family conventional dwellings (24 VSA §4302 (c) (11) (C)).
- Increase the diversity of the housing stock in Norwich so that it includes a range of housing types suitable for people of different incomes and backgrounds and at different stages of their life. Increase the number of both homes for rent and sale. 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.
- Implement the Norwich Housing Strategy (see Appendix A) to increase Norwich’s housing stock within the first five years of the plan by 10 accessory dwelling units (ADUs), ten units of “missing middle” housing (duplexes, triplexes, etc.), and at least 25 units of dedicated affordable housing

### **Policies**

- Advance the following four key strategies included in the town’s Housing Strategy:
  - Encourage the development of dedicated affordable housing.
  - Facilitate the development of lower-cost housing types.
  - Reduce barriers to the development of new housing.
  - Expand public understanding of housing issues

### **Actions**

- Encourage the development of dedicated affordable housing by formalizing and growing the affordable housing revolving fund (currently \$45,000).
- Encourage landowners to donate land for dedicated affordable housing.
- Investigate the use of land owned or controlled by the Town of Norwich for dedicated affordable housing.

- Conduct outreach to encourage developers of affordable homes to focus on Norwich.
- Implement the recommendations made in this chapter when revising the Norwich Zoning and Subdivision Regulations to:
- Ensure the continued right to construct multi-family and manufactured homes in any district where housing is a permitted use.
- Promote the construction of affordable housing through regulatory mechanisms such as:
  - Offering substantial density bonuses,
  - Using alternative density measurements to encourage smaller unit sizes,
  - Considering whether to require large projects to include affordable units,
  - Allowing for combined commercial and residential uses in a single structure as a permitted use in the proposed mixed use district.
  - Facilitate the creation of duplexes, triplexes and other “missing middle housing”.
  - Require Certificate of Compliance inspections on all new dwelling units and major residential rehabilitations to ensure that the Vermont Residential Building Standards (VT-RBES) are met.
- Ensure that the new Norwich Zoning and Subdivision Regulations are clear, accessible and avoid any unnecessary barriers to developing housing.
- Continue to encourage accessory dwelling units (ADUs) to increase Norwich’s stock of rental housing.
- Consider how to address barriers to development related to limitations on septic capacity, including a review of the findings of the 2005 study conducted by the Norwich Sewer Committee in light of current challenges and changes in wastewater management.
- Make it easier for developers and the public to understand Norwich’s affordable housing policies by developing educational materials and conducting outreach.
- Develop educational materials that address frequently asked questions about affordable housing in Norwich and increase public understanding of how new development will affect town and school property taxes.
- Monitor the effect of short-term rentals (e.g. Airbnb).
- Encourage broad-based participation in community conversations around housing, including low and moderate income households, seniors, younger residents and renters.

- Norwich will contribute to regional discussions of housing issues and work collaboratively with other municipalities to explore creative solutions.

### **Regional Market**

The major land use in Norwich is residential (see Figure 2). Situated just west of Hanover and Lebanon, New Hampshire, and north of Hartford, Vermont, Norwich is a predominantly rural residential bedroom community (with a vibrant village) for these employment and commercial centers. The housing situation in Norwich is best understood within the context of the Upper Valley residential real estate market. This chapter is based on outreach conducted over a period of 18 months with Norwich residents and professionals in the Upper Valley residential real estate market.

To meet the objectives and policies of this plan, consistent with state and regional policies, significant efforts will be needed, as outlined in Norwich's housing strategy. In addition to local efforts in Norwich, it is important for towns in the region to coordinate their efforts in order to meet the 5,000 to 6,000 regional housing unit shortfall as identified by the market analysis commissioned by Vital Communities. This shortfall is a major cause for concern for employers in the area who struggle to attract and retain workers due to high housing costs. Norwich, through its membership in the Two Rivers Ottauquechee Regional Planning Commission (TRORC) is participating in Keys to the Valley — an initiative of three regional planning commissions (TRORC, Upper Valley Lake Sunapee and Southern Windsor Regional Planning Commissions), covering 67 communities centered on the Upper Valley. This work follows a 2012 Housing Needs Assessment, which called for additional housing in the region based on population growth and employment trends in the preceding decade and a 2015 study; East Central Vermont: What We Want, a holistic report integrating key findings on housing, land use, economic and workforce development, transportation and infrastructure.

### **Local Housing Stock Characteristics**

According to the Norwich Grand List, at the end of 2018 there were 1,325 residential properties in Norwich, including single-family homes (98 percent), mobile homes (1 percent), and commercial apartments (0.5 percent). The total stock of single-family homes in Norwich has changed little in recent years (see Housing Location Map, Figure 13). From 2010 to 2018, just 29 housing units were built. Most of these homes were located a considerable distance from the village and on larger, (more expensive), parcels. Not only has there been little new construction, the rate of property sales is also low, suggesting that entry into the Norwich housing market is challenging. Real estate property transfer tax data collected by Vermont Department of Taxes shows that from 2014 to 2018, 165 single-

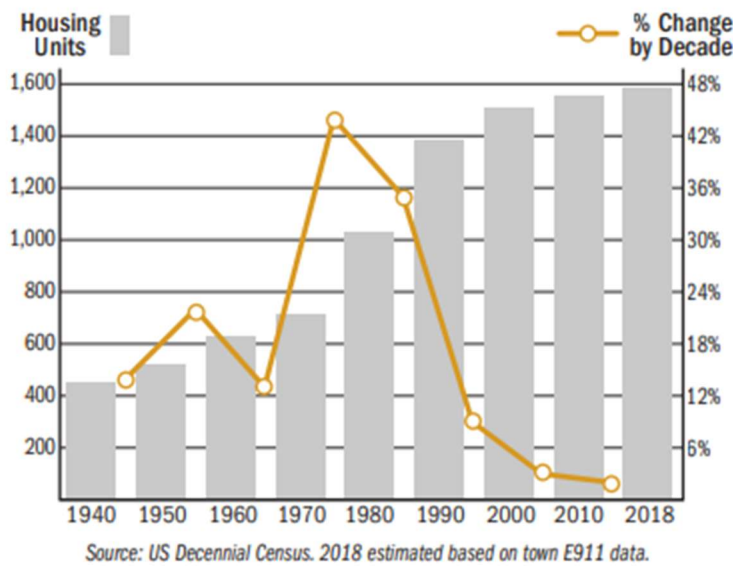
family homes sold as either a primary or secondary residence. This represents an annual average of approximately 2.6 percent of all homes changing hands.

**Figure 13. Year Housing Unit Built**

Construction Year	Norwich %	Windsor Cty %
2000 – 13	9	12
1980 – 99	36	27
1960 – 79	24	23
1940 – 59	12	10
1939 or earlier	19	28

Source: US Census Bureau

Figure 14 below takes the total units counted at each US decennial census (gray bars), as well as the percentage growth during that decade (orange line). Norwich experienced substantial growth in housing units during the 1970s and 1980s, but much slower growth in the 2000s and 2010s. Growth in the decade following 2010 is estimated using the number of new E911 residential addresses.



**Figure 14. Change in Housing Units 1940 – 2018**

Figure 14. Change in Housing Units 1940 — 2018 Regional real estate development professionals cite five reasons to explain the low level of housing development in Norwich.

- New Hampshire is perceived to have less stringent environmental and development review for projects of ten units or more (the threshold for the Vermont Act 250 review process)
- High construction costs due to high materials and labor prices (skilled labor is in short supply)

- The high cost of providing wastewater systems for each development because there is no access to municipal wastewater
- The perception that Norwich residents will oppose development, making the development review and permitting process longer and more expensive
- There are relatively few parcels for sale in Norwich. Local developers have evaluated those well-located with regard to public transit, employment and commercial centers, and found them not economically feasible to develop.

Most of the existing stock of housing in Norwich is used as the primary residence of the homeowner. According to estimates by the Census Bureau, in 2017 about 21 percent of occupied housing units in Norwich were rented. These units are, according to industry experts, largely in singlefamily homes, either in a primary residence or a secondary unit on the same property — an accessory dwelling unit (ADU). The proportion of rental units is lower than Hartford (34 percent) and the remainder of Windsor County (26 percent).

### **Affordability**

Housing affordability has been a prominent concern in Norwich since at least 2002, when the Planning Commission created an Affordable Housing Subcommittee. In 2019, the Affordable Housing Subcommittee, based on input provided during multiple listening sessions, prepared a draft of the town’s housing strategy. After subsequent revisions to address further public input, the strategy was adopted by the Planning Commission in December 2019 (see Appendix A). The issues and proposals in the strategy echo the work of the preceding decades, demonstrating the persistence of housing challenges in Norwich. In November 2018, Norwich voters overwhelmingly approved the reinstatement of a \$45,000 revolving fund for affordable housing.

### **Household Income**

In the last two decades, the average income of Norwich households has increased. Moreover, there has been a marked increase in the share of Norwich households that have very high incomes, as documented by Census Bureau data summarized in Figure 15. This figure shows the percentage of Norwich families in various income brackets using the 2000 census and then the 2017 American Community Survey (ACS). The share of the Norwich population with annual income below \$100,000 has dropped substantially since 2000, and the share of the population with annual income above \$200,000 has increased.

### **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. During 2014-2018, the average annual median sales price of single-family homes in Norwich was the highest of any town in Windsor County. The Norwich median sales price between 2014 and 2018 was \$500,000 and significantly more than any other town in the county. The next highest was Woodstock, where over the five-year period the average was \$397,000. In Hartford, the five-year average was \$240,000. These high sales prices mean that few low-, moderate-, or even middle-income households can afford to purchase a home in Norwich. In addition to Norwich, several other towns in the Dresden School District and with proximity to job centers in Hanover and Lebanon, NH and White River Junction, VT, have housing sales prices that are high relative to the regional average. For example, the median purchase price of a single-family home in Hanover was \$620,000 in 2018.

As documented in the Norwich housing strategy, only a small share of Norwich home sales are affordable to families at the median income for the county. For example, of the 35 single-family homes sold in 2018, just 5 were sold at a price that would be affordable for a family earning \$76,454.

### **Rental Market**

Current rents are also high in Norwich, as high or higher than the county-wide estimates produced in Out of Reach, a report by the National Low Income Housing Coalition. There is no centralized listing of rental properties in Norwich, so various websites from the college and the town listserv were reviewed.

On a day in June 2019, typically a period of high volume in the area rental market, seven single-family homes were listed for rent in Norwich, as well as six apartments on the property of a single-family home. The median asking rent for the houses was \$2,250 per month, and for the apartments, \$1,075. Again, this may miss some of the available inventory. But it suggests that house rentals are currently oriented more toward groups of graduate students or young professionals, and that many households likely struggle to find enough space that they can afford. Those that are able to stretch their budgets to afford renting in Norwich may be extremely vulnerable to changes in employment or unexpected financial needs.

Despite rents that are out of reach for many potential renters, local experts suggest that renting out a single-family home in Norwich is rarely profitable. Instead, many homeowners are motivated to rent their property as a way of retaining ownership and offsetting holding costs, so they can move back into the home in the future, or pass the property down to their family. This helps explain why few rental properties in Norwich are professionally managed

(there is not sufficient revenue to pay a management firm), and why there is no evidence for widespread purchase-and-rent activity in the town.

### **Affordable Housing Need and Supply**

In addition to the limited supply of affordable housing in Norwich, many existing residents struggle to afford their ongoing housing costs, including local property taxes. Census Bureau ACS data reveal that among homeowners with a mortgage in Norwich in 2017, 31 percent paid 30 percent or more of their household income for housing; 38 percent of renters paid 30 percent or more of their household income in gross rent.

The staff and school board for the Marion Cross School report that, each year, families that rent in Norwich must leave the school, and likely the wider Dresden School District, as well, because their rent rises beyond what they can afford. Some residents even struggle to afford the costs of food. The Upper Valley Haven, the area's principal service provider for individuals and families who are homeless or are at risk of homelessness, serves Norwich residents. In 2018, the Haven's food shelf, which provides free healthy food options, served 32 Norwich households (approximately 80 residents). Households can only visit the food shelf once a month, and on average they come four times per year. In the same year, eight Norwich households received case management services from the Haven. In recent years, the Haven shelters for homeless individuals, families, and those with seasonal (i.e. winter) needs have housed between one and three households that had lived most recently in Norwich.

Two developments in Norwich meet the definition of "dedicated affordable housing", with long-term, binding instruments to ensure the units remain affordable. Starlake Lane (built in 1992) is a neighborhood of 14 owner-occupied homes kept affordable through a shared equity model that strives to balance the community's interest in long-term affordability with individual asset building. The land is owned by the development's steward, Twin Pines Housing Trust, which leases individual parcels to the household purchasing the home. Twin Pines also makes grants to income-qualified homebuyers to assist with their initial purchase. Norwich Senior Housing (built in 1981) consists of 24 one-bedroom units of dedicated affordable housing in the village area in which tenants pay 30 percent of their adjusted gross income in rent. The demand for affordable senior housing in the area is such that there is an eight- or nine-year waiting list. The board of directors that oversees Norwich Senior Housing has in the past explored options for expansion on site but found that the infrastructure needs would make that infeasible.

Additional affordable housing units would be useful to meet the demand for affordable housing in Norwich from seniors, families with children, low-wage workers and others. A range of housing options is also needed to help current Norwich residents, especially seniors, remain in the community.

# Norwich Housing Strategy 2020-2024

Approved November 21, 2019  
Norwich Planning Commission

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This document is based on a draft developed by the Affordable Housing Subcommittee of the Norwich Planning Commission in 2019:

Ralph Hybels (Chair)  
Jeff Goodrich  
Brian Loeb  
Jeff Lubell  
Paul Manganiello  
Creigh Moffatt  
Kathleen Shepherd

## Summary

This document describes the housing strategy for the town of Norwich for the five-year period beginning January 1, 2020 and ending December 31, 2024. The strategy articulates the town's interest in this important issue and provides guidance to town officials on how to advance the town's housing objectives.

This strategy has been adopted by the Norwich Planning Commission based on a draft developed by the Affordable Housing Subcommittee. It was informed by input from a series of Affordable Housing Listening Sessions, an Affordable Housing Education Series, town surveys, stakeholders, and the Selectboard. Its adoption fulfills an action item specified in Norwich's 2018 town plan.

To achieve the three core housing objectives of affordability, diversity, and environmental sustainability, this document outlines a series of action items to advance four strategies:

1. Encourage the development of dedicated affordable housing;
2. Facilitate the development of lower-cost housing types;
3. Reduce barriers to the development of new housing; and
4. Expand public understanding of housing issues.

To facilitate tracking of the town's progress in achieving its goals, the strategy has identified the following numeric goals for the five-year period of 2020 - 2024:

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

These goals will be revisited from time to time to ensure they remain relevant and appropriate.

## Background

Housing affordability is on the minds of many Norwich residents. Families that have lived here for decades or even generations express nostalgia for the greater economic diversity that once characterized the town. Newer arrivals know what a scramble it was to put an offer in for the one suitable house that came on the market or respond to the one listserv post advertising a rental with enough bedrooms. And the school community understands how climbing housing costs threaten families' ability to remain in Norwich and keep others out of Norwich altogether. A more robust, dynamic housing market – serving a range of housing needs and income levels – is essential to the sustainability and vibrancy of the town.

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The Norwich Selectboard has identified housing affordability as a high priority for the town, as did a majority of the town in a 2018 town survey. To inform the strategy, the subcommittee sought out broad public input during subcommittee meetings and in five affordable housing listening sessions:

- Two of the sessions (on May 5 and May 10, 2018) were public meetings, held at Marion Cross Elementary School and Tracy Hall
- Two of the sessions involved joining previously planned meetings of the Norwich Business Roundtable (January 12, 2018) and Energy Committee (February 27, 2018).
- The fifth session was hosted by the Congregational Church on April 15, 2018.

The roundtables helped identify topics for a speaker series on affordable housing held in the fall of 2018, which in turn informed the development of this strategy. The speaker series included sessions on Government funding of Affordable Housing (August 7, 2018), Developing Housing by the Private Sector (September 17, 2018), and Alternative Septic Systems to Facilitate Affordable Housing (October 22, 2018)

The planning commission held a public meeting on September 12, 2019 to consider input on this draft strategy before it was finalized, followed by a publicly-advertised teleconference on October 8, 2019.

### Objectives

Through this housing strategy, the town seeks to advance the following 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.

Some housing plans or strategies provide strict definitions of affordable housing, sometimes distinguishing between “affordable” and “workforce” housing, and breaking out the population that cannot afford market-rate into a number of different segments, such as low-income, very low-income,

and extremely low-income. While definitions are necessary to implement specific policies, in this broad housing strategy document, the town prefers to focus on the full spectrum of housing needs. The strategies proposed in this document are designed to encourage the development of housing at a range of different price points to meet the needs of people with a range of different incomes. The ultimate goal is to ensure that people of all incomes can find housing they can afford in Norwich.

### Housing Needs

Very few homes come on the market in Norwich every year, and those that do tend to sell for prices that far exceed what the typical household in Windsor County can afford. In 2018, just 35 single family homes were sold (to be used as either primary or secondary residences), and the median value for those homes was \$649,000. This price was a sharp jump from the medians in 2015 (\$480,000), 2016 (\$431,000), and 2017 (\$500,000),<sup>1</sup> but even the 2015-2017 levels were largely unaffordable to the typical household in the region. As shown in Figure 1, only about a quarter of the homes sold in Norwich over the past five years – and no more than one-third in any given year – sold at levels affordable to a family at the median income for Windsor County.<sup>2</sup> Since older homes in Norwich are often upgraded at the time of sale, these home sale data provide a more realistic yardstick of the affordability of home purchases than Norwich’s Grand List, which is based on current property values.

While the cost of entering the town through homeownership is high, the cost of remaining a homeowner is also high. Much of the housing stock is aging (55 percent of units were built in 1970 or before), with implications for septic systems, weatherization and heating, and general maintenance that can present tough choices for households struggling with mortgage payments (31% of homeowners in Norwich with a mortgage spend 30% or greater of their household income on housing).<sup>3</sup>

Rental housing in Norwich is more affordable than for-sale housing, with an estimated 43 percent of units renting for less than \$1,000 per month (including utilities). Rental housing in Norwich is still more expensive than in Windsor County, however, where an estimated 59 percent of units rent

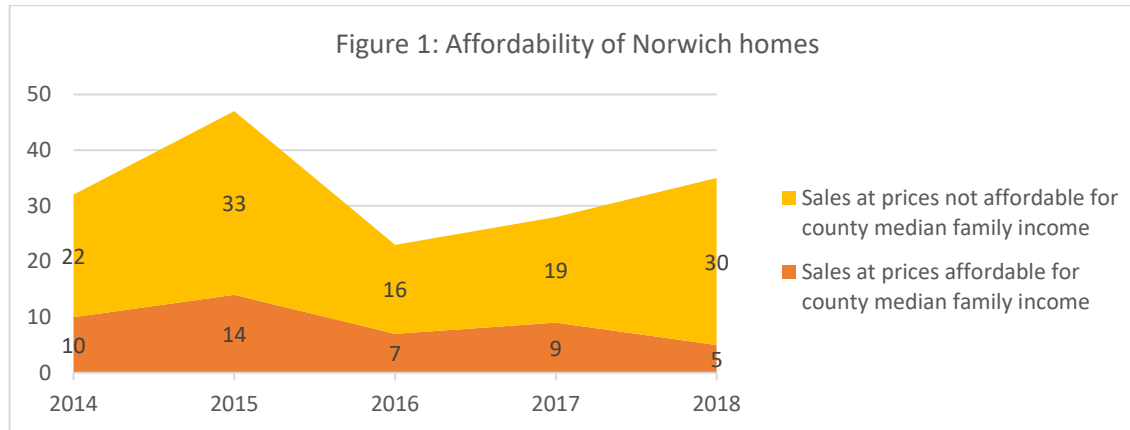
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<sup>1</sup> These statistics do not include property sold as open land, and they do not include condominiums or mobile homes. In other areas, these other forms of homeownership may be significant components of the housing stock, but they are not in Norwich. In the period 2014-2018, just 9 condominium units sold, and zero mobile homes sold.

<sup>2</sup> Income data are from five-year averages of American Community Survey data, inflated to the end year, accessed using <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml> on May 30, 2019. The American Community Survey is an annual survey administered by the U.S. Census Department and is a replacement for the long form previously administered every ten years. The most recently available American Community Survey data as of July 1, 2019 are for the 2013-2017 period. Homeownership affordability calculations assume a family can afford to spend 30% of monthly income on mortgage payments, a 30-year fixed-rate mortgage at 4.5%, and down payments of 10% of purchase price. County income estimates are not available yet for 2018 from the American Community Survey, so the 2017 figure has been adjusted for inflation for 2018. To illustrate the methodology, in 2017, the median family income in Windsor County was \$74,662, which under the assumptions specified here would allow for the purchase of a home of about \$409,316.

<sup>3</sup> 2013-2017 American Community Survey, accessed on June 25, 2019, [https://factfinder.census.gov/bkmt/table/1.0/en/ACS/17\\_5YR/DP04/0600000US5002752900](https://factfinder.census.gov/bkmt/table/1.0/en/ACS/17_5YR/DP04/0600000US5002752900).

for this level. Moreover, only about one in five (21.3 percent) households in Norwich are renters, which means that most households who wish to live in Norwich will need to purchase a home. Renters make up a modestly higher share of occupied households (28.3 percent) in the County.<sup>4</sup>



According to the 2013-2017 American Community Survey, an estimated 16.5 percent of the 3,341 individuals in Norwich are 65 years of age or older. This is up from 11.0 percent as of the 2000 census, tracking a broader U.S. trend toward the aging of the population.<sup>5</sup>

For additional background on housing in Norwich, see the Housing Chapter of the 2020 Town Plan.

### Strategies

Over the five-year period from 2020 to 2024, the town will work to advance its housing objectives through four strategies:

1. Encourage the development of dedicated affordable housing;
2. Facilitate the development of lower-cost housing types;
3. Reduce barriers to the development of new housing; and
4. Expand public understanding of housing issues.

<sup>4</sup> 2013-2017 American Community Survey Tables B-25063 (Gross Rent) and DP-04 (Selected Housing Characteristics), accessed using <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml> on June 23, 2019. Tables

<sup>5</sup> 2013-2017 American Community Survey Table DP-05 (Demographics and Housing Estimates) and 2000 Census Table DP-1 (Profile of General Demographic Characteristics), accessed using <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml> on June 23, 2019.

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This section provides a brief overview of these four strategies. The next sections specify the action items the town will undertake to advance each of these strategies.

### Overview

There are two main ways to increase housing affordability. The first is to expand the stock of housing that is reserved over the long-term for people with low or moderate incomes. These homes are known as “dedicated affordable housing” because they come with legal covenants that regulate the rent or sales prices of the units in order to ensure they are and remain affordable over time, even as the rents and sales prices of market-rate units increase. Norwich currently has two developments that provide dedicated affordable housing: Norwich Senior Housing, a 24-unit development of rental homes for seniors in the village center and Starlake, a 14-unit development of for-sale homes kept affordable over time through a “shared equity” arrangement.<sup>6</sup> The first of Norwich’s four housing strategies focuses on encouraging the development of more homes that provide dedicated affordable housing.

The second way to expand housing affordability is to increase the overall supply of housing, and in particular the supply of lower-cost housing types, such as duplexes, triplexes, and multifamily housing developments. The second and third of Norwich’s four strategies focus on these approaches.

To make these efforts possible, Norwich land owners and the region’s housing developers need to be aware of the town’s interests in developing a diverse and affordable housing stock as well as the incentives Norwich provides to encourage this outcome. The fourth and final strategy focuses on expanding public understanding of housing issues.

### Strategy #1. Encourage the development of dedicated affordable housing

The most common approach for developing dedicated affordable housing is to use subsidies provided by the federal or state government. In Vermont, most housing subsidies are obtained by nonprofit housing developers through applications to the state (most notably, for an allocation of federal Low-Income Housing Tax Credits). Municipalities may also apply for grants from the state, which typically are used to supplement the larger subsidies that nonprofits obtain. Another way to create dedicated affordable housing is to require that a share of newly developed housing units be provided at a price or rent that is affordable for a certain income level, or to create incentives for this outcome.

Norwich’s strategy focuses on both of these approaches. Specifically, Norwich will do the following to encourage the development of dedicated affordable housing:

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<sup>6</sup> In “shared equity” housing, a for-sale home is kept affordable to future buyers through provisions specifying for the sharing of home price appreciation. Typically, upon sale, a portion of the appreciation is retained by the owner while the balance stays in the home to keep it affordable to subsequent homebuyers.

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**A. Formalize and grow the affordable housing revolving fund.** In November 2018, Norwich voters approved the re-instatement of Norwich’s \$45,000 revolving fund for housing<sup>7</sup>, which had lapsed. The town encourages applications for use of the funds to produce dedicated affordable housing under the terms approved by the Norwich Selectboard on April 24, 2019. While the fund amount is modest, it provides a tangible signal to developers that the town is interested in the development of dedicated affordable housing. In addition to maintaining and administering this fund, the town will conduct outreach to advise developers of its availability and to solicit contributions from private citizens to grow the fund. To donate to the fund, contact the town planner at [planner@norwich.vt.us](mailto:planner@norwich.vt.us).

**B. Review Norwich’s density bonus.** A density bonus allows a property owner to develop more homes or housing units on a particular parcel than would otherwise be permitted. Norwich’s Zoning Code provides a density bonus of 25 percent (i.e., ten units instead of eight) for planned developments in which at least 20 percent but less than half of the units are affordable, and a density bonus of 50 percent (i.e., twelve units instead of eight) for developments in which at least half of the units are affordable. (A larger bonus applies to the Village Residential II district). To date, this provision has not been used. During the period covered by this housing strategy, the Planning Commission and its Affordable Housing Subcommittee will review the town’s density bonus policy to determine whether and if so how it should be adjusted to increase the likelihood that it is used to produce dedicated affordable housing. The town will also conduct outreach to advise owners and developers of its availability.

**C. Consider whether developments of a certain size should be required to include affordable units.** For such requirements to be effective, they need to be structured in a way that does not undermine the financial feasibility of new development. Therefore, they are typically adopted in conjunction with density bonuses or other provisions that make development more financially feasible. In addition, they generally only apply to developments over a certain size, such as 10 or 15 units. The current version of the regional plan for the Two Rivers Ottauquechee Regional Commission requires that a share of homes in developments of 10 or more units be affordable, but does not provide specific details on how this requirement can be satisfied. During the period covered by this housing strategy, the Planning Commission and Affordable Housing Subcommittee will consider whether Norwich should adopt its own affordable housing requirement and how best to implement the provision of the regional plan, should it be included in the final adopted plan.

**D. Investigate the use of land owned or controlled by the town of Norwich for dedicated affordable housing.** The high cost of land is widely understood to be a key obstacle to the development of dedicated affordable housing in Norwich. Accordingly, the town will investigate whether and to what extent land owned or controlled by the town might be used for this purpose. The town will develop an inventory of all publicly owned land in Norwich, including land owned by the town as well as by the Norwich Fire District, Dresden School District and any other governmental bodies. The town will also explore the mechanisms by which it could make land available for the development of affordable homes.

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<sup>7</sup> Specifically, a majority of voters answered “yes” to this question: “Shall the voters of the Town of Norwich re-establish a revolving Affordable Housing Reserve Fund with previously appropriated funds approved by Norwich voters to be distributed and administered according to a process adopted by the Selectboard in consultation with the Town Manager, the Norwich Planning Commission, and the Affordable Housing Subcommittee?”

**E. Encourage the donation of land for dedicated affordable housing.** The town encourages residents to donate suitable parcels, either vacant or with homes, for use as affordable housing. Property sales at below-market levels can also help facilitate the development of affordable homes, as the reduced cost of acquisition can be passed along to buyers or renters. In some cases, such donations can be made as part of an effort to preserve open space – for example, housing units may be clustered in one section of a larger parcel. To explore donating or selling land at a below-market-price for purposes of developing dedicated affordable housing, contact the town planner at [planner@norwich.vt.us](mailto:planner@norwich.vt.us).

**F. Conduct outreach to encourage developers of affordable homes to focus on Norwich.** The development of dedicated affordable housing will require an organization or business to assemble the land, apply for public subsidies, identify and manage the construction of the development, and operate the development as affordable housing. The town will conduct outreach to encourage developers to develop affordable homes in Norwich.

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

The overwhelming majority of structures in Norwich are single-family homes. These homes provide a considerable amount of privacy, but tend to rent or sell at levels higher than other forms of housing, such as duplexes, triplexes or multifamily housing. These alternative housing types typically rent or sell at levels that fall below that of single-family homes but above that of dedicated affordable housing. While the town is not a developer and cannot construct these types of lower-cost housing directly, there are a number of steps it can take to promote their development.

To facilitate the development of lower-cost housing types, the town will do the following:

**A. Facilitate the creation of Accessory Dwelling Units.** Accessory Dwelling Units (or ADUs) are housing units located on the same parcel as a principal unit. Familiar names for ADUs include “granny flats” and “in-law suites.” An ADU may take the form of an apartment in or over a garage, barn or other outbuilding. Vermont state law requires municipalities to allow ADUs, and Norwich’s zoning rules expressly permit them. When not used to house a relative, ADUs are often rented out to members of the public. Because they tend to be small, ADUs often rent for levels below that of other rental homes, providing a source of lower-cost housing and increasing the stock of rental housing. ADUs also provide a stream of revenue to their owners, which can help defray the costs of property taxes and building maintenance.

There is no list of ADUs currently being rented or available for rent within Norwich. It is likely, however, that the number of ADUs can be increased. To help promote the development of ADUs, the Affordable Housing Subcommittee will work to educate residents about ADUs and the process for obtaining financing and contractor services to make an ADU possible. The Subcommittee will also investigate the potential barriers to the development of ADUs and consider how they could be addressed by town action.

**B. Facilitate the creation of duplexes, triplexes and other “missing middle housing.”** Missing middle housing is a term for the many different forms of housing that fall in between single-family housing and mid-rise construction.<sup>8</sup> These include, among other housing types, duplexes, triplexes, quadraplexes, town homes, and garden style apartments. Historically, these housing types were included within the mix of housing in many towns

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<sup>8</sup> More information on the concept of missing middle housing may be found here: <https://missingmiddlehousing.com/>.

around the U.S., but in recent decades, housing construction has tended to focus either on single-family development or (in larger communities) larger multifamily structures. Duplexes are already permitted on all parcels in Norwich, but this may not be well understood by property owners and developers. The Planning Commission will examine the town’s zoning code to determine whether there might be opportunities for zoning changes that facilitate the development of triplexes, quadraplexes and other missing middle housing types. And it will conduct outreach to educate property owners and developers about these housing options.

**C. Ensure that zoning rules permit the development of multifamily housing.** Multifamily housing is an important part of the housing stock in all communities, including Norwich. Multifamily housing is an important source of rental housing and tends to rent or sell at lower levels than single-family housing. It can also be useful for meeting the services needs of older adults and persons with disabilities who prefer a congregate living environment. Under Vermont state law, all municipalities must ensure the town’s bylaws “designate appropriate districts and reasonable regulations for multiunit or multifamily dwellings” and not have the effect of excluding multiunit or multifamily dwellings from the municipality (24 V.S.A. § 4412). Norwich’s zoning code already permits the development of multifamily housing in all zoning districts. The town will increase efforts to educate residents and potential partners that this is the case.

### Strategy #3. Reduce barriers to new development

The Upper Valley has a shortage of housing units, which has led to low vacancy rates and rising rents and home prices. While the high demand for housing in Norwich means that most new development in Norwich will likely continue to be fairly expensive, new development in Norwich may free up spaces in older homes that rent or sell at prices that are affordable to more people. New development in Norwich also helps to expand the supply of housing in the Upper Valley, which is important for improving housing affordability in the region.

The town will work to reduce barriers to new development by doing the following:

**A. Reduce the cost of developing new housing.** The Planning Commission will take a number of steps to investigate options for reducing the cost of developing new housing, including: (a) considering whether there might be appropriate areas in town in which to increase the allowable density<sup>9</sup> and (b) inviting input from the public, the Development Review Board, and from area developers on whether there are changes the town should consider to the regulations governing new development that might reduce development costs without undermining the objectives underlying these regulations.

**B. Consider how to address barriers to development related to limitations on septic capacity.** Many sites in Norwich have limited septic capacity due to their underlying geology. This can make development difficult at the densities needed for new projects to be financial feasible. One option to address this limited capacity is to take advantage of shared septic systems, including alternative systems that allow more people to be served. Norwich has already held a forum on alternative septic systems and will take further steps during the period covered by this strategy to educate property owners and developers about the available options.

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<sup>9</sup> The allowable density in a zone determines how many housing units can be built on a given parcel. It applies to all housing that is developed, and not just to housing that includes dedicated affordable housing. By contrast, the affordable housing density bonus increases density only for properties that include affordable homes.

While alternative systems can be helpful, they will not be sufficient to meet the wastewater needs of many of the properties that are needed to advance the town's housing objectives. Therefore, in consultation with the Dresden School District, area businesses and other stakeholders, the Planning Commission will re-examine the feasibility of providing community wastewater service to the village and adjacent areas, updating an investigation of this issue completed in 2005 and make recommendations to the Selectboard.

#### Strategy #4 Expand public understanding of housing issues

Increased public understanding of Norwich's housing challenges and planned approach for meeting them is important for building support for this housing strategy and dispelling misperceptions that may arise. Increased understanding of Norwich's goals and housing policies by developers and residents is also important for ensuring that the different participants in the housing market are aware of the available opportunities to take action to increase the diversity of Norwich's housing stock, such as developing more affordable homes or adding an ADU.

To advance this strategy, Norwich will:

- A. **Make it easier for developers and the public to understand Norwich's zoning rules and affordable housing policies.** Publication of this housing strategy as a stand-alone document will help to improve understanding of Norwich's housing objectives and policies. In addition, the affordable housing subcommittee will prepare a series of educational materials related to different aspects of Norwich's housing strategy, including a guide to creating an ADU and a guide for developers underscoring Norwich's interest in a diverse and affordable housing stock that meets the needs of people of different incomes, older adults, families and others, and the policy options available for facilitating this outcome. The materials will also reference Norwich's interests in promoting sustainability through energy-efficient building practices and the prioritization of development locations close to retail and job centers. The subcommittee will also conduct personal outreach to area developers to make them aware of these materials and encourage them to develop a diverse mix of housing in Norwich.
- B. **Develop educational materials that address frequently asked questions about affordable housing in Norwich.** Participants in the September 12, 2019 public session identified a number of questions they would like to see addressed in these educational materials, including the following: How do we define affordability in the Norwich and regional context? What stops us from building affordable housing? Is it true that septic and other infrastructure needs represent the most problematic barrier? Are there sufficient builders in the area who could or would take on projects that address affordability? What is the menu of legal mechanisms that can preserve housing affordability over the long-term? How do you ensure that those who are in affordable housing eventually have the means to move on, either in Norwich or elsewhere? What could affordable housing in Norwich look like, in terms of building design and scale, given today's practices and known constraints?
- C. **Increase public understanding of how new development will affect town and school property taxes.** To reduce confusion about the implications of new development for property taxes in Norwich, the affordable housing subcommittee will produce educational materials on this topic. Among other points, these materials will highlight the fact that most of the property taxes paid by Norwich residents are for school taxes, rather than municipal taxes; for example, in FY 2018, approximately 77% of the property taxes paid by Norwich residents went for school taxes, rather than

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municipal taxes.<sup>10</sup> The materials will also highlight the unique formula in Vermont for setting school property taxes in which the school property tax rate is based on the level of per-pupil spending. Under this formula, decreases in per-pupil spending lead to a reduction in the property tax rate while increases in per-pupil spending lead to an increase in the property tax rate. As a result, increases in the number of children in the school can actually lead to reductions in property taxes by allowing the school district to amortize fixed expenses over a larger student body. The relationship between the school population and the education tax rate is not perfectly linear, since some increases can require the addition of new teachers, but in general, a larger student body helps to keep school taxes from rising, and may even allow taxes to be reduced, so long as the physical limits of the Marion Cross building are not reached. With enrollment at Marion Cross below capacity and projected to decline, the capacity limits of the building are not expected to be reached any time soon.

- D. **Investigate models for improving public understanding of the housing stock.** The subcommittee will also seek to learn about successful models implemented elsewhere for improving public understanding of the housing stock and housing issues generally. In particular, the subcommittee is interested in policy options – such as rental registries – that can help increase knowledge of the town’s rental market and encourage all owners of residential rental property to provide safe and well-maintained homes for their tenants. Such learning will be shared with the Planning Commission for consideration as future actions.
- E. **Undertake research to better understand the town’s housing challenges and how best to address them.** Among other issues, the subcommittee will:
- a. Research the current status and potential impact of short-term rentals and consider whether to recommend the adoption of a town policy on this issue.
  - b. Research the needs of owners of manufactured housing or mobile homes (that predate HUD building codes) in Norwich and explore options for supporting rehabilitation and/or replacement.
  - c. Compile information on new building techniques (e.g. tiny homes) and materials that could lower the costs of homeownership and make housing in Norwich more environmentally sustainable and make the results available to builders, developers and others in the housing industry.

Encourage participation in community conversations around housing from groups that are less well represented, such as low-income families and renters generally. The more inclusive the town’s conversations about housing, the more complete and informative they will be. It is important to hear from as many segments of the Norwich population as possible as well as from individuals who would like to live in Norwich but cannot afford to do so.

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<sup>10</sup> Norwich Annual Report for Fiscal Year 2018.

## Goals

Specific, measurable goals are an important part of any strategy as they help ensure that progress can be measured and a determination made of whether the strategy is on track. For the five-year period of 2020 – 2024, Norwich’s housing goals are as follows:

## Outputs

- Complete the policy actions specified in this strategy
- Complete the educational materials and outreach specified in this strategy

## Outcomes

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

These goals will be revisited from time to time to ensure they remain relevant and appropriate.

## Discussion

These goals are informed by a number of factors, including the 2018 town survey and the practical realities associated with developing housing in Norwich.

In the 2018 survey, a majority (56 percent) of respondents identified affordable housing as a high (or the highest) priority for the use of tax dollars, but a majority (53 percent) also expressed a desire to see the population remain relatively stable, as opposed to “grow[ing] some” (42 percent). When asked how many units of affordable housing should be built in the next five years, the top two responses were 8-16 units (22 percent) and 17-25 units (22 percent), followed by 26-100 units (16 percent) and 8 units or less (12 percent). 11 percent said no units of affordable housing should be built, while 4 percent said 100 or more units should be built and 12 percent were not sure.

These survey results, together with the strong vote in favor of restoring funding for the housing trust fund, confirm the town’s desire to make progress in expanding the affordability of housing. At the same time, the results suggest a desire for incremental rather than transformative change. While annual housing development in Norwich in the 2005-2007 period ranged from 14 to 18 units per year, fewer than 10 units a year have been developed since that time. Achieving the goals specified in this Plan would likely mean restoring development in Norwich to the development level seen in the 2005-2007 period, or perhaps slightly higher, but would not take Norwich back to the level of development seen in the 1990s, when Norwich’s population grew by 15 percent, or in the 1980s, when the population grew by 29 percent.

According to a local developer of affordable housing, the economics of developing housing with low-income housing tax credits in Vermont means that a project in Norwich would generally need to have around 25-30 units to be viable. While more difficult, it may also be possible to combine somewhat

smaller developments into a single “project.” The goal for the five-year period is to complete at least one development providing at least 25 units of dedicated affordable housing.

The goals for ADUs and missing middle housing have been set at modest levels that reflect the challenges associated with developing housing in Norwich and the limited options available to the town for facilitating it.

During the September 12, 2019 public session, some of the participants felt the goals were ambitious but achievable during the five-year life of the strategy, while others felt they would be difficult to achieve within this time frame as it will take time for the actions specified in the plan to be implemented. In other venues, some residents have advocated for bolder goals to help address a larger share of the regional need. While acknowledging that the achievement of these goals will require concerted action on the part of the affordable housing subcommittee and other town officials and committees, the planning commission believes the goals are appropriate for marking the achievement of meaningful progress during the 2020-2024 period.

#### Conclusion

There is a significant need for a more diverse housing stock in Norwich that includes housing options affordable to people of all incomes and promotes environmental sustainability through energy-efficient construction and the location of housing near job and retail centers. Implementation of this Housing Strategy will help the town make progress towards achieving these goals.