

NORWICH PLANNING COMMISSION AFFORDABLE HOUSING SUBCOMMITTEE

Agenda

Monday, Sept. 14, 2026, 6:00 pm

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

Topic: Affordable Housing Subcommittee

Join Zoom Meeting

<https://us02web.zoom.us/j/83194128919>

Meeting ID: 831 9412 8919

1. Approve meeting agenda
2. Public comment
3. Approve August meeting minutes
4. Updates
 - a. Memo to the Planning Commission re Missing Middle Housing
 - b. Village Master Plan Project
 - c. Other
5. Review and discuss Housing Chapter of the Town Plan
6. Prepare for next discussions on housing chapter of the Norwich Town Plan

Adjourn

Attachments

8/17/2026 Meeting Minutes

Final Memo to the Planning Commission re Missing Middle Housing Recommendations
Housing Chapter of the Town Plan

**NORWICH PLANNING COMMISSION
AFFORDABLE HOUSING SUBCOMMITTEE**

**Meeting Minutes
Monday, August 17, 2026**

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

Members Present: Jeff Lubell, Brian Loeb, Pete DeShazo, Gregory Hynes, Jeff Goodrich, Aviva Tevah

Members absent: None

Staff: Steven True

Members of the Public Present: Lindsay McClure Miller

1. **Meeting opened, quorum determined 6:00**
2. **Motion to approve the meeting agenda** – Passed 6-0
3. **Public comment** None
4. **Motion to approve the July 20th meeting minutes** – Passed 4-0, 2 abstain
5. **Updates**
 - a. Village Master Plan an RFP was sent August 3; proposals due in the office by August 27; A selection committee composed of the Planning Director, the Chair of Planning Commission, and the Town Manager will review proposal targeting to present a recommendation to the Selectboard at the first regular September meeting; kickoff anticipated in late September.
6. **Draft memo to planning commission re Missing Middle Housing**
 - Members reviewed a draft memo to the planning commission, prepared by Jeff Lubell, focused on how to expand the availability of missing-middle housing in Norwich. Members generally liked the memo, though they had a number of comments on graphics, audience considerations, and the substance. There was consensus to add photos of real-world housing types to make the content more relatable to a local audience. Members discussed zoning barriers, such the Planned Unit Development review process, Site Plan Review versus Conditional Review, and the proposed density calculation, with some members arguing that septic capacity of a site should be the primary consideration. Others argued for a generous cap based on lot size and zoning district. The consensus was to include both ideas in the revised memo.

Members then discussed the document structure and tone, with a consensus for framing the memo as more of a priority set of recommendation, rather than a more neutral policy piece. To the extent possible, there was also interest in clarifying the practical implications of the memo, such as (a) what the Planning Commission can do now; (2) things to incorporate into the town plan; and (3) implementation items after the town plan is adopted.

By a vote of 6-0, the subcommittee unanimously authorized Jeff Lubell to revise the memo based on the feedback provided and transmit it to the planning commission.

7. **Preparing for next discussions on housing chapter of the Norwich Town Plan** – tabled until next meeting

Adjourn 7:10 PM.

The next meeting is scheduled for **September 14th** at 6 p.m.

To: Norwich Planning Commission
From: Affordable Housing Subcommittee
Date: September 9, 2026
Re: Missing Middle Housing

We are writing to share the Subcommittee's recommendations for the next Town Plan related to the development in Norwich of "missing middle" housing – a set of traditional housing types that could contribute to a more diverse and affordable housing stock in Norwich. While we know that the Planning Commission is presently focused on the Village Master Plan and that adoption of the next Town Plan is more than a year away, we wanted to share our recommendations now to ensure the Planning Commission was aware of our input and had an opportunity to provide feedback. We expect these recommendations will help to inform both the Housing and Land Use chapters of the Town Plan.

The Subcommittee discussed this memo at the Aug. 17, 2026 Affordable Housing Subcommittee meeting and authorized the Chair, Jeff Lubell, to revise the memo to address the Subcommittee's feedback and then submit it to the Planning Commission. This is the revised submitted version.

What is missing-middle housing and why is it important?

Missing-middle housing is basically everything in between single-family homes and mid-rise multifamily construction. In our context, it includes duplexes, triplexes, fourplexes, cottage courts, townhomes, and other small multifamily structures, such as the potential conversion of office buildings in the village to rental units. The pictures on this page provide nearby examples. They include

townhomes in Norwich, a duplex and four-to-six-unit structure in Hartford and a fourplex in



Hartford Ave - Hartford



Hartford Ave - Wilder (Hartford)



Norwich Meadows (Norwich)

Randolph. (See appendix for photo credits.) Additional missing middle housing types are depicted in a graphic from Opticos Design in the appendix.

Historically these diverse housing types were a fairly common feature in the New England landscape. But as zoning rules were created or changed to promote residential neighborhoods that included all or mostly single-family homes, new missing-middle housing has become less common. This is one of many reasons why housing costs have climbed to levels that are unaffordable to many working families.

Missing-middle housing types are often less expensive to construct than single-family homes for several reasons. First, splitting the costs of a single lot among two or more missing-middle units instead of one often reduces per-unit land costs. Second, these homes share walls and often are smaller than newly built single-family homes, reducing the amount of raw material required to build each unit. Third, building multiple rather than single units at a time allows for soft costs (permitting, design, architecture, legal, etc.) to be split among multiple units.

While the price or rent of a home is ultimately a function of the demand for housing relative to supply and not just the costs of producing it, generally newly-built missing-middle homes are sold or rented at a lower price/rent point than newly constructed single-family homes. Again, there are multiple reasons for this, including generally smaller units and a premium that people put on the additional privacy afforded by detached structures.

While there are trade-offs involved in living in a duplex or fourplex relative to a single-family home, we believe that many prospective residents would embrace these and other missing middle housing options in Norwich, choosing smaller attached units in order to achieve a lower rent or home price. A well-functioning housing market should include a diverse range of housing options at different price points. Making it easier to develop missing-middle housing in Norwich would contribute to this desired outcome.

What are the barriers to the development of missing-middle homes in Norwich?

Since the state of Vermont recognized the right of homeowners to build a duplex on any lot where single-family housing is allowed, duplexes have become much easier to construct. Structures with three or more housing units, however, remain difficult. The main barriers are in Norwich's zoning rules, which (1) require structures with more than two units to go through the complicated planned unit development (PUD) process, and (2) include density limits that require missing-middle and other multifamily structures to be built on parcels that are far larger than needed to accommodate them, driving up land costs and sharply limiting the universe of parcels in the town that can accommodate missing-middle homes.

The 2020 town plan states that it is the town's goal to "facilitate the creation of duplexes, triplexes and other 'missing middle housing.'" However, apart from changes in the recent

zoning package to conform to state law by allowing duplexes and to increase the density bonus for PUDs that include affordable housing, Norwich has not taken significant steps to facilitate the development of missing-middle housing.

Rather than simply repeat this goal in the next town plan, we recommend that the town identify the full range of zoning and other land use changes needed to make missing-middle housing more feasible, specify them as planned changes in the next town plan, and then speedily adopt them shortly thereafter. This memo outlines the changes we recommend be considered.

What changes would be needed to facilitate the development of Missing-Middle Housing?

A. Adjust Norwich's zoning districts to better correspond to expected future land use and identify appropriate zones for missing-middle housing.

One initial question is *where* missing-middle housing types should be encouraged. A review of Norwich's zoning district map, however, indicates that it is not well suited to informing this decision. In the current zoning map, nearly all of Norwich is classified as rural residential, with only very small areas zoned for village residential, business, or commercial/industrial. The rural residential district is very diverse and includes areas like deep forest blocks where we don't want to encourage development and areas closer to the center of town that could be a good source of new homes. The zoning code relies on a complicated calculation for maximum density to regulate land use in the rural residential district that is opaque and can be difficult to implement.

Adopting new zoning districts that look more like the future land use maps in the new regional TRORC plan would be a good step in the direction of defining more functional zoning districts that can be mapped to desired uses and form the basis for regulation of missing-middle and other development types. The draft TRORC 2026 future land use map (reproduced below) includes these categories:

1. **Downtown/Village Center** (purple) – Dense centers with a mix of residential, business, and civic uses. (These will be termed Centers under the [State Designation](#) program.)
2. **Village Area** (pink)– Existing neighborhoods adjacent to Centers with planning and zoning that support residential and mixed-use.
3. **Planned Growth Area** (orchid) – Existing mixed-use neighborhoods and undeveloped lands near Centers that have planning, zoning, subdivision bylaws and infrastructure to support substantial growth.

4. **Transition Area** (orange)

– Areas that are planned for growth but don't qualify for other Future Land Use areas due to lack of infrastructure and/or local planning

5. **Rural General Area**

(beige) – Low-density rural residential and commercial (not retail) areas

6. **Rural Agriculture & Forestry Area** (teal) –

Predominantly working forests & farmland, along with scattered residential and commercial (not retail) development

7. **Rural Conservation Area**

(dark green)– Areas of significant natural resources including connectivity/interior forest habitat blocks and wetlands. May include existing small residential, recreation, farming or working forest areas

8. **Enterprise Area** (fuchsia) – Industrial areas/mixed commercial development

9. **Resource-Based Recreation Area** (light green)– Major recreational areas

10. **Hamlets** (brown) – Historic settlement nodes that are mostly residential and not planned for future growth

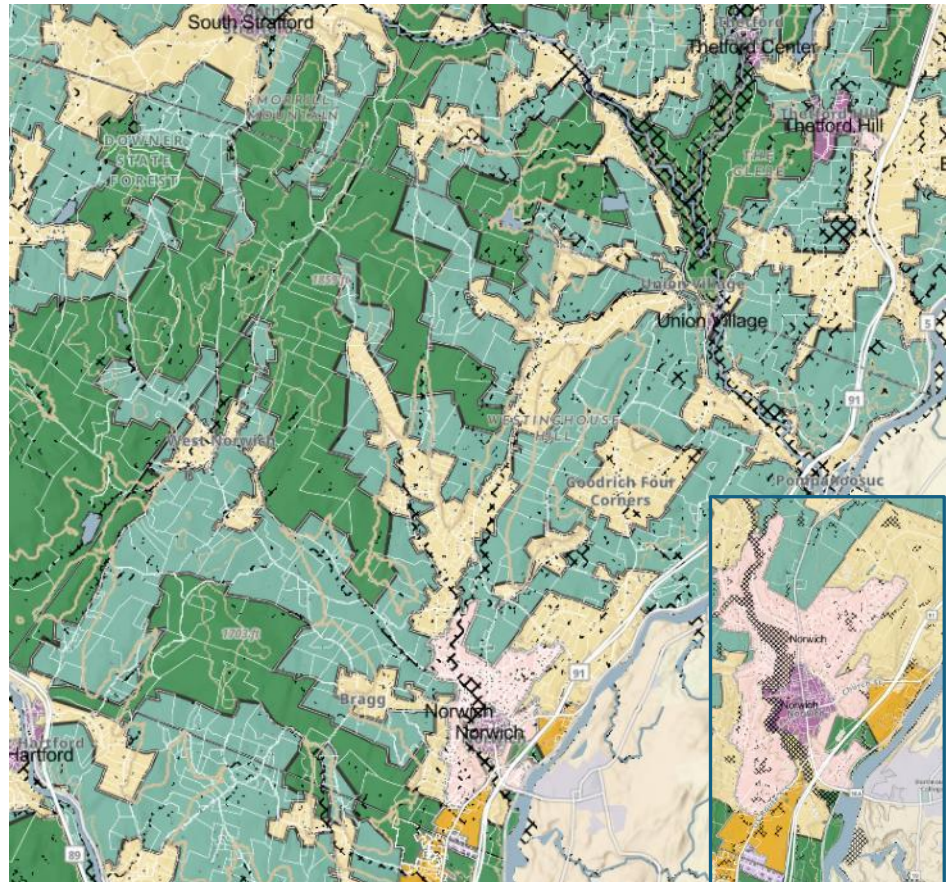


Figure 1 -- Draft 2026 TRORC Future Land Use Map (with inset of center of town)

We assume that Norwich would want to focus mainly on promoting missing-middle housing in the first four land use categories (Village Center (purple), Village Area (pink), Planned Growth (orchid) Area, and Transition Area (orange)).¹ We likely would also want to authorize the development of missing-middle housing in the Rural General (beige) area, the rural category most suited to residential development, though perhaps at a lower density. Missing-Middle Housing would also be appropriate in any mixed-use areas, so depending on the land uses included in areas designated as Enterprise areas (fuchsia, category 8), that would also be a place to facilitate missing-middle housing. Depending on how the Town wants to treat hamlets (light

¹ It does not appear that TRORC has designated any parts of Norwich as Planned Growth Areas. Given this, Norwich may want to consolidate the Planned Growth and Transition Areas into a single category for purposes of zoning districts.

brown, category 10), that might be another place to consider promoting this housing type; the draft TRORC map does not identify any hamlets in Norwich though there are a few areas in which the town may wish to use this designation.

By contrast, the town likely does not want to take steps to facilitate the development of missing middle housing in land use categories 6 (teal, Rural Agriculture & Forestry Area), 7 (dark green, Rural Conservation Area) and 9 (light green, Resource-Based Recreation Area) beyond the statutorily required duplexes and accessory dwelling units. While these areas comprise the majority of the land area of Norwich, they are not well suited for intensive development.

B. Authorize missing-middle housing types in appropriate zones

Once Norwich decides where to facilitate the development of missing-middle housing, the next step would be to authorize appropriate building typologies within those zones. Duplexes are already authorized in all zones, as required by state law. Within the zones deemed appropriate for missing-middle housing, one option would be to make triplexes and fourplexes a permitted use, but with the requirement that they go through site plan review under Section 5.03.

It would also be useful to allow small multifamily or cottage court clusters up to a certain size, such as 6 or 8 units, as a conditional use. Such developments must currently go through the PUD process. Allowing them to be developed as a conditional use without site plan review could make them simpler to develop. The inset picture illustrates a cottage court;² a number of towns have found it helpful to use a zoning overlay to authorize cottage courts.



Figure 2 -- Example of a cottage court

These developments would also need to comply with minimum lot size and density requirements as discussed below. Multifamily buildings with more than the 6 or 8 units allowed as a conditional use would need to go through the PUD Process.

C. Allow sufficient density to support missing-middle housing

To produce missing-middle housing, it is not enough just to authorize it. Additional steps are needed to make it economically feasible. Requiring eight acres to put in a single fourplex because the town requires two acres per unit is the kind of policy that makes development infeasible and promotes sprawl. We need a better approach.

² This example comes from: <https://davidrobinsonblog.com/2019/04/cottage-courts-affordable-compatible-gentle-density-housing-in-worthington/>

Given the severe limitations that septic capacity puts on development, a case can be made for eliminating formal density limits and simply regulating height, setbacks, lot coverage etc., and letting people build to the extent that septic capacity exists. However, some residents may feel that this provides insufficient protection against large-scale development. An alternative is to provide caps on density that are less restrictive than current rules, even if many developments will not be able to build up to these limits due to limited septic capacity.

We present both alternatives here.

Alternative A: Remove minimum lot sizes and let the septic capacity determine how many units can be built on a parcel. Since Norwich does not have a public wastewater system, development on most parcels is constrained in any event by the site's wastewater capacity. Since septic capacity is already a very strong limitation on new development, under this approach, the town would not further regulate density.

Alternative B: Under this approach, the town would place limits on density, but those limits would be less restrictive than current density limits. In practice, developers would still be limited by what the septic capacity of a site allows, but the density limits would provide additional reassurance that development would not occur at a scale with which the town would be uncomfortable. For example, the following is an illustration of new rules that could promote missing middle housing. Please consider this a starting place for discussion, and not a final proposal.

	Minimum Lot Size (Maximum units per acre)			
	SF or duplex	Triplexes	Fourplexes	5+ Units
Village Center, Village Area, Planned Growth / Transition	20,000 SF (4 units/ac)	1 Acre (6 units/ac)	1.5 Acre (8 units/ac)	1.5 Acre (8 units/ac)
Enterprise	1 Acre (4 units/ac)	1 Acre (6 units/ac)	1.5 Acre (8 units/ac)	1.5 Acre (8 units/ac)
Rural General and Hamlet	1 Acre (2 units/ac)	2 Acre (3 units/ac)	2 Acre (4 units/ac)	3 Acre (4 units/ac)

20,000 Square feet is the minimum lot size under current zoning rules for Village Residential I and Village Business, so this illustration sticks with this policy in the village center and the adjoining village area and planned growth/transition areas for the currently authorized single-family and duplex homes. For buildings with three or more units, however, the illustrative policy increases the minimum lot size in recognition of the fact that sufficient land is needed for septic systems and to have a prospect for replacing a septic system when it reaches the end of its useful life.

While the proposed minimum lot size increases for structures with more units, the proposed maximum density also increases. The combination of the two policies would allow two structures of two to four units each – i.e., a duplex, triplex or fourplex – per acre. Larger structures would be authorized at eight units per acre.

Please remember that these are just the zoning limits. In reality, available septic capacity will limit density in most locations to a level below these maximums.

In this illustrative policy, the maximum density for rural general and hamlets is half that of the village center / areas and the minimum lot sizes are larger. This recognizes that development in these areas should be less intensive and more spaced out, while still allowing the use of missing-middle building typologies.

D. Review and adjust other regulations to ensure missing-middle housing is feasible and appropriate

Many other regulations affect the feasibility of development, including height, setback and off-street parking requirements. We haven't reviewed those in detail at this point, but wanted to flag that it would be useful to review these policies carefully as we are developing a new missing middle policy to ensure they do not inadvertently make development more difficult than it needs to be.

There may also be new policies we want to consider to regulate the form and feel of new development in ways that ensure it is appropriate for the location while preserving flexibility for new development. These include regulating the maximum footprint or lot coverage of a development or minimum amounts of open space.

E. Allow conversion of existing buildings to residential use

In addition to changing the maximum density rules, it would be useful in the Village Center, Village Area, and Planned Growth / Transition areas to permit the conversion of existing commercial and mixed-use buildings to residential use as a conditional use, irrespective of the minimum lot or density requirements applicable to new development. This would allow, for example, for upper-story housing in mixed residential/commercial buildings, or full office-to-residential conversions. Of course, this would be subject to site-plan considerations including parking and building and fire code issues to ensure the development is safe as well as adequate water/wastewater capacity.

Since these conversions do not, in and of themselves, change the footprint of the building, we wouldn't want to necessarily limit the repurposing of the structures for housing. We may, however, want to limit major exterior expansion.

Next Steps

Discussion. The Affordable Housing Subcommittee would welcome an opportunity to discuss the policies proposed in this memo with the Planning Commission. This would provide an opportunity to ask questions and ensure the two bodies are on the same page heading into the town plan update process.

Timing. A key early decision relates to the timing of the zoning changes needed to implement these proposed policies. One option would be to move forward based on the language in the current town plan outlining the town's intent to expand the availability of missing-middle housing. A second option would be to socialize these proposed changes during the preparation of the new town plan and wait until the new town plan is in place to move forward. We assume the Planning Commission would prefer the latter approach, but please let us know if you would prefer to act sooner.

Drafting of Town Plan. If the Planning Commission accepts our recommendations to change the town's zoning to facilitate the development of missing middle housing, the policies proposed in this memo should inform both the Housing and Land Use Chapters of the Town Plan. This process will provide an opportunity to get public input on these proposed changes.

Revisions to Land Use Policies. Eventually the town's land use policies will need to be changed to implement the proposed changes and facilitate the development of missing middle housing. There will be additional opportunities for public input during this process.

Appendix – Missing Middle Housing Types

Stylized Graphic of missing middle housing types

This graphic, produced by the planning firm Opticos Design, is designed to illustrate the many different types of “missing middle” housing types that fall in between single-family and mid-rise multifamily housing. The style of the graphic is to depict one housing type next to the other to squeeze as many housing types as possible into a single illustration. The graphic is not meant to suggest that missing-middle housing needs to be placed this close together.

The Town will retain full control of the density at which missing middle housing is built in Norwich.



Figure 4 – Missing Middle Housing Illustration by Opticos Design

Photo Credits for Page 1 Photos

All but one of the page 1 photos come from a publicly-available presentation prepared by Utile for the Vermont Department of Housing and Community Development in connection with the 802 Homes program.

https://outside.vermont.gov/agency/ACCD/ACCD_Web_Docs/CD/CPR/Planning-Your-Towns-Future/CPR-H4A-802-Homes-Feb-Workshop-Intro-Presentation.pdf

The Norwich Meadows photo comes from this website:

<https://norwichmeadowsvt.wordpress.com/galleries/> .



Photo: Norwich Historical Society

4 | HOUSING

4.1 Objectives

- 4-1.a 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)).
- 4-1.b 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)).
- 4-1.c 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)).
- 4-1.d 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)).
- 4-1.e 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.
- 4-1.f 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.
- 4-1.g 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.

4.2 Policies

- 4-2.a Advance the following four key strategies included in the town's Housing Strategy:
- i. Encourage the development of dedicated affordable housing.
 - ii. Facilitate the development of lower-cost housing types.
 - iii. Reduce barriers to the development of new housing.
 - iv. Expand public understanding of housing issues.

4.3 Actions

- 4-3.a Encourage the development of dedicated affordable housing by formalizing and growing the affordable housing revolving fund (currently \$45,000).
- 4-3.b Encourage landowners to donate land for dedicated affordable housing.
- 4-3.c Investigate the use of land owned or controlled by the Town of Norwich for dedicated affordable housing.
- 4-3.d Conduct outreach to encourage developers of affordable homes to focus on Norwich.
- 4-3.e Implement the recommendations made in this chapter when revising the Norwich Zoning and Subdivision Regulations to:
- i. Ensure the continued right to construct multi-family and manufactured homes in any district where housing is a permitted use.
 - ii. 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.

- iii. Facilitate the creation of duplexes, triplexes and other “missing middle housing”.
- iv. 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.

- 4-3.f Ensure that the new Norwich Zoning and Subdivision Regulations are clear, accessible and avoid any unnecessary barriers to developing housing.
- 4-3.g Continue to encourage accessory dwelling units (ADUs) to increase Norwich's stock of rental housing.
- 4-3.h 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.
- 4-3.i Make it easier for developers and the public to understand Norwich's affordable housing policies by developing educational materials and conducting outreach.
- 4-3.j 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.
- 4-3.k Monitor the effect of short-term rentals (e.g. Airbnb).
- 4-3.l Encourage broad-based participation in community conversations around housing, including low and moderate income households, seniors, younger residents and renters.
- 4-3.m Norwich will contribute to regional discussions of housing issues and work collaboratively with other municipalities to explore creative solutions.

4.4 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.

4.5 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.

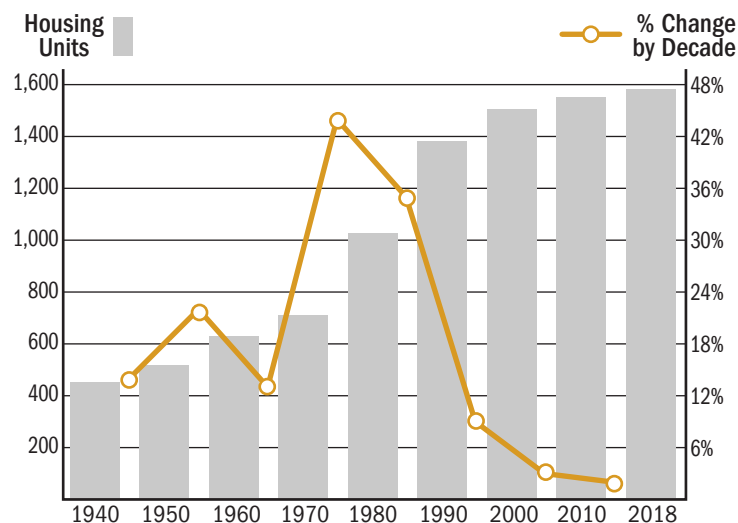
Figure 13. Year Housing Unit Built

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.



Source: US Decennial Census. 2018 estimated based on town E911 data.

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 single-family 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).

4.6 Affordability

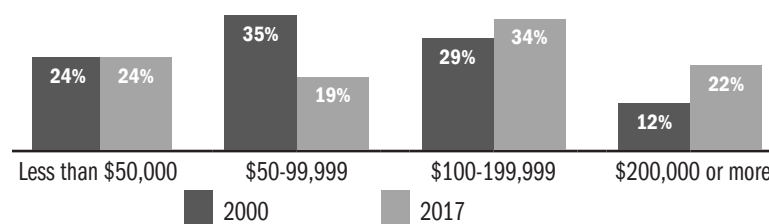
Housing affordability has been a prominent concern in Norwich since at least 2002, when the Planning Commission created an Affordable Housing Subcommittee. In 2019, the Affordable Housing Subcommittee, based on input provided during multiple listening sessions, prepared a draft of the town's housing 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 re-instatement 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.

Figure 15. Change in Household Income 2000-2017

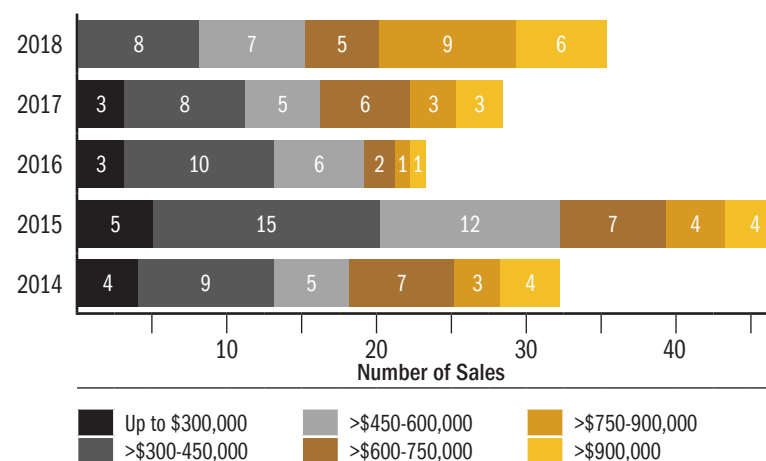


Source: Based on US Census Bureau data. Income figures adjusted to \$2017.

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



Source: VT Department of Taxes, Property Transfer Tax Records.

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.