



MICHAEL J. MUNSON, PH.D.

PLANNING CONSULTANT

11 Pearl Street, Essex Junction, Vermont 05452 (802) 879-0605

AFFORDABLE HOUSING IN CHARLOTTE, VERMONT

Recommended Policy

Prepared by

R.E.S.V., INC.

Michael J. Munson

April 29, 1991

CONTENTS

I.	INTRODUCTION AND PURPOSE.....	1
II.	SUMMARY OF RECOMMENDATIONS.....	3
III.	AFFORDABLE HOUSING ANALYSIS.....	5
IV.	SPECIFICRECOMMENDATIONS.....	25
APPENDIX A.	TABULATION OF SURVEY RESPONSES.....	31

LIST OF TABLES

1.	PROPERTIES CONTAINING ONE OR MORE DWELLINGS BY TAX CLASSIFICATION.....	5
2.	YEAR-ROUND DWELLINGS IN STRUCTURES CONTAINING ONE DWELLING.....	6
3.	SEASONAL DWELLINGS IN STRUCTURES CONTAINING ONE DWELLING.....	7
4.	YEAR-ROUND DWELLINGS IN STRUCTURES CONTAINING TWO OR MORE DWELLINGS.....	8
5.	SEASONAL DWELLINGS IN STRUCTURES CONTAINING TWO OR MORE DWELLINGS.....	9
6.	TOTAL YEAR-ROUND DWELLINGS.....	10
7.	TOTAL SEASONAL DWELLINGS.....	11
8.	EXAMINATION OF ASSESSED VALUE CATEGORIES OF SINGLE FAMILY DWELLING MAIN BUILDINGS ON PROPERTIES CLASSIFIED AS YEAR-ROUND DWELLINGS.....	13
9.	ILLUSTRATIVE COSTS OF CREATING AN ACCESSORY APARTMENT IN AN EXISTING DWELLINGSTRUCTURE.....	18
10.	ILLUSTRATIVE COSTS OF CREATING AFFORDABLE SINGLE FAMILY DWELLINGS.....	20

LIST OF FIGURES

1.	CUMULATIVE DISTRIBUTION CURVE OF YEAR-ROUND DWELLINGS BY VALUE.....	12
----	--	----

I. INTRODUCTION AND PURPOSE

In the spring of 1990 the Town of Charlotte received a Special Planning Grant from the Vermont Department of Housing and Community Affairs for conducting research and formulating an affordable housing policy for the Town. In April of 1990 the Town retained RESV., Inc. to assist in developing the affordable housing policy. This report represents the results of the work over the past months and presents the proposed policy, along with the supporting analysis and recommended implementation actions.

The purpose of this study can be expressed in three objectives:

- A. Determine whether there is an apparent need for affordable housing in the Town of Charlotte at the present time, and if so, quantify that need;
- B. Identify types of affordable housing which are appropriate in the Town; and
- C. Determine ways by which the Town can satisfy the identified need for affordable housing.

The study included several components aimed at the above objectives. 1) A comprehensive analysis of the Town's present housing stock was undertaken as a means of identifying the current supply of affordable housing. 2) A survey of Town residents was undertaken to assess the need for affordable housing and to determine types of affordable housing which were perceived as appropriate to the Town. 3) Cost analyses of creating various types of affordable housing were prepared in order to determine what was feasible and where public actions might serve as incentives for the creation of new affordable housing. 4) Finally, specific recommendations were developed for creating the needed affordable housing in a manner appropriate to the Town.

One of the first questions to be addressed was just what constituted affordable housing. The Vermont Department of Housing and Community Affairs defines affordable housing as housing that can be acquired by a household having an income below the median income for all households in the county while not spending more than 30 percent of its income for housing. While the median household income for a family of four in Chittenden County is estimated at just under \$40,000, the median income for all households is estimated to be approximately \$34,000. The median family of four could afford a single family home at a price of approximately \$100,000 (as a first time buyer with 10 percent down payment and a thirty year mortgage). The median of all households could afford a home valued at approximately \$85,000.

Charlotte, like all towns, is unique, in ways that make the general definition of affordable housing difficult to apply. The Town is remote from employment and shopping centers in the region and is not served by public transportation. In addition, land values are high and soils conditions make it difficult to provide on-site waste treatment systems. Examination of the Town's present housing stock revealed that less than 17 percent of all dwellings had values of \$100,000 or less. It was decided, based on these findings, to focus attention on housing valued in the range of \$85,000 to approximately \$100,000, but it was recognized that it might be difficult to create new housing in this range in the Town.

This report is organized as follows. Section II summarizes the findings and recommendations. Section III presents the basic analyses and conclusions which support the recommendations. Finally, in Section IV, the recommendations are presented in considerable detail. An Appendix presents detailed tabulations of the responses to the survey of Town residents.

II. SUMMARY OF RECOMMENDATIONS

The analysis of the present housing stock and the results of the residents' survey led to the conclusion that there is currently a need for approximately 75 additional units of affordable housing in the Town. It was further concluded that there are three types of affordable housing which are appropriate for the Town, given the existing housing stock, current land values, the current population, soils conditions and the absence of public water and sewer systems. These are a) Accessory Apartments within existing structures; b) Elderly Affordable Housing; and c) New Affordable Single Family Dwellings, sometimes known as "starter homes". It was felt that the target of 75 new affordable units could be allocated equally among these three types.

To achieve these targets, the following recommendations were developed. They are summarized here and presented in detail in Section IV.

A. ACCESSORY APARTMENTS

It is recommended that the Town's Zoning regulations be amended to allow the creation of small accessory apartments within existing structures on existing lots, provided, that the septic system is acceptable, that no new enclosed floor space be created, that the structure be owner occupied, and that adequate parking be provided. Under these conditions, accessory apartments can be created without having any detrimental impacts on surrounding properties, yet the apartments created will require modest investments and rentals.

B. ELDERLY AFFORDABLE HOUSING

It is recommended that the Town's Zoning regulations be amended to allow the creation of elderly affordable housing developments in locations where soil conditions can support them. These developments must include facilities and services intended specifically for the support of elderly residents. Increased density should be allowed in exchange for assurance that the elderly housing created will be made available at modest price levels.

C. AFFORDABLE SINGLE FAMILY DWELLINGS

It is recommended that the Town's zoning regulations be amended to allow increases in density of Planned Residential Developments in exchange for the creation of building lots dedicated for affordable dwellings. The affordable lots shall be sold to a qualified non-profit

housing developer at a pre-agreed upon price. The qualified non-profit housing developer must have agreed to construct a dwelling on the lot within a reasonable time, and make it available for sale at an affordable price with provisions for "perpetual affordability".

III. AFFORDABLE HOUSING ANALYSIS

This Section of the report includes four parts. First, the analysis of the Town's existing housing stock is presented. Second, the findings from the survey of Town residents are discussed. Third, these findings are synthesized into a clear set of conclusions and policy directions. Finally, a series of cost and feasibility analyses are summarized relating to the three types of affordable housing identified as being appropriate to Charlotte.

A. EXISTING HOUSING INVENTORY

As a means of developing an inventory of housing resources in Charlotte, an analysis of all property tax records was undertaken. The data file identified a total of 1,062 properties as containing one or more dwellings. In total, these properties contained 1,225 dwelling units. Table 1 summarizes the properties identified by general tax classification.

TABLE 1

PROPERTIES CONTAINING ONE OR MORE DWELLINGS BY TAX CLASSIFICATION

	PROPERTY CLASSIFICATION						
Dwellings in Main Building	100 Yr. rnd Resid.	200 Cmp./Vac Home	300 Commerc. Prop.	500 Farm Prop.	800 Open Sp. Misc.	Total Properties	
1	790	127	11	21	2	951	
2	60	10	6	4	0	80	
3	11	2	3	4	0	20	
4	3	2	0	2	0	7	
5	1	0	1	1	0	3	
6	0	0	0	1	0	1	
7+	0	1	0	0	0	1	
Total	865	142	21	33	2	1,062	

Of the 1,225 dwellings, 168 are camps of vacation homes. This leaves 1,058 dwellings available for permanent occupancy.

While an attempt was made to identify dwellings in finished detached structures, it is possible that some were missed. It is likely that such missed dwellings fall at the lower end of the value scale.

Table 2 presents information about the residences suitable for year round occupancy located in structures containing only a single dwelling unit. This includes dwellings located in detached structures if such structures contain only one dwelling. This table tabulates the dwellings by size (number of bedrooms) and estimated value based on assessed value.

TABLE 2

YEAR ROUND DWELLINGS IN STRUCTURES CONTAINING ONE DWELLING
(Includes dwellings in detached structures)

Estimated Property Value Categories (\$1,000)	Number of Bedrooms							Unkn.	Total
	0	1	2	3	4	5	6+		
00.0 to 19.9	0	2	0	8	3	0	0	0	13
20.0 to 39.9	0	6	1	0	0	0	0	0	7
40.0 to 59.9	0	3	11	2	2	0	0	0	18
60.0 to 79.9	1	5	13	9	1	1	1	0	31
80.0 to 99.9	0	7	13	18	11	1	0	0	50
100.0 to 119.9	0	5	13	33	13	2	1	0	67
120.0 to 139.9	0	1	10	47	14	8	0	0	80
140.0 to 159.9	1	2	10	46	18	9	0	0	86
160.0 to 179.9	0	4	7	29	23	0	1	0	64
180.0 to 199.9	2	3	10	31	13	8	1	0	68
200.0 to 249.9	2	3	8	47	48	9	1	0	118
250.0 to 299.9	2	1	11	43	27	6	1	0	91
300.0 to 399.9	1	0	4	41	28	14	2	0	90
400.0 to 499.9	2	1	4	13	16	11	2	0	49
500.0 plus	2	2	4	7	16	9	5	0	45
Totals	13	45	119	374	233	78	15	0	877

Table 3 presents similar information regarding seasonal dwellings located in structures containing only one dwelling.

TABLE 3

SEASONAL DWELLINGS IN STRUCTURES CONTAINING ONE DWELLING

(Includes dwellings in detached structures)

Estimated Property Value Categories (\$1,000)	Number of Bedrooms							Unkn	Total
	0	1	2	3	4	5	6+		
00.0 to 19.9	1	1	1	2	0	0	0	0	5
20.0 to 39.9	3	4	18	6	5	1	0	0	37
40.0 to 59.9	0	0	7	10	11	3	1	0	32
60.0 to 79.9	0	0	2	2	7	7	3	0	21
80.0 to 99.9	0	0	0	1	0	1	2	0	4
100.0 to 119.9	0	1	1	2	0	1	1	0	6
120.0 to 139.9	0	0	0	0	1	0	0	0	1
140.0 to 159.9	1	0	0	0	0	0	0	0	1
160.0 to 179.9	0	0	1	1	1	0	0	0	3
180.0 to 199.9	0	1	1	0	0	1	0	0	3
200.0 to 249.9	0	0	2	1	1	0	0	0	4
250.0 to 299.9	0	0	3	0	2	1	0	0	6
300.0 to 399.9	0	0	0	1	0	1	1	0	3
400.0 to 499.9	0	0	0	0	0	0	1	0	1
500.0 plus	0	0	0	0	0	0	0	0	0
Totals	5	7	36	26	28	16	9	0	127

A total of 127 single dwelling seasonal structures were identified.

In addition to the single dwelling structures, there are a good many structures in Town which contain two or more dwellings. These are tabulated below. No attempt was made to break these structures into categories based on the number of dwellings in the structure. The tables below include dwellings in detached structures which contain two or more dwellings. Table 4 presents the data for year round dwellings and Table 5 shows similar information for seasonal dwellings.

TABLE 4

YEAR ROUND DWELLINGS IN STRUCTURES CONTAINING TWO OR MORE DWELLINGS
(Includes dwellings in detached structures)

Estimated Property Value Categories (\$1,000)	Number of Bedrooms							Unkn	Total
	0	1	2	3	4	5	6+		
00.0 to 19.9	0	2	0	0	0	0	0	0	2
20.0 to 39.9	0	5	0	0	0	0	0	0	5
40.0 to 59.9	0	3	6	0	1	0	0	0	10
60.0 to 79.9	1	1	7	2	0	0	1	0	12
80.0 to 99.9	0	2	0	2	0	0	0	0	4
100.0 to 119.9	0	1	1	0	0	0	1	0	3
120.0 to 139.9	0	0	0	2	2	0	0	0	4
140.0 to 159.9	0	0	0	0	1	0	0	0	1
160.0 to 179.9	0	1	0	0	1	0	0	0	2
180.0 to 199.9	0	0	0	1	0	1	0	0	2
200.0 to 249.9	0	2	0	1	1	0	1	0	5
250.0 to 299.9	0	1	0	1	0	0	0	0	2
300.0 to 399.9	0	0	0	0	0	0	0	0	0
400.0 to 499.9	0	0	0	0	1	0	0	0	1
500.0 plus	0	0	0	0	0	0	0	0	0
Totals	1	18	14	9	7	1	3	0	53

TABLE 5

SEASONAL DWELLINGS IN STRUCTURES CONTAINING TWO OR MORE DWELLINGS
(Includes dwellings in detached structures)

Estimated Property Value Categories (\$1,000)	Number of Bedrooms							Unkn	Total
	0	1	2	3	4	5	6+		
00.0 to 19.9	1	0	0	1	0	0	0	0	2
20.0 to 39.9	3	4	2	1	0	1	0	1	12
40.0 to 59.9	0	3	3	2	0	0	0	1	9
60.0 to 79.9	0	5	2	2	2	0	0	0	11
80.0 to 99.9	0	0	1	2	0	1	0	0	4
100.0 to 119.9	1	0	0	0	0	0	1	0	2
120.0 to 139.9	0	0	3	1	2	0	0	0	6
140.0 to 159.9	1	1	0	2	3	5	1	0	13
160.0 to 179.9	0	0	0	0	0	0	0	0	0
180.0 to 199.9	0	0	0	1	0	0	0	0	1
200.0 to 249.9	1	0	0	0	0	0	1	0	2
250.0 to 299.9	1	0	0	0	1	0	0	1	3
300.0 to 399.9	0	0	0	0	0	0	0	0	0
400.0 to 499.9	0	0	0	0	0	0	0	0	0
500.0 plus	0	0	0	0	0	0	0	0	0
Totals	8	13	11	12	8	7	3	3	65

Finally, the above can be combined into a similar set of tables which describes the Town's entire housing stock, regardless of the number of dwellings in the various structures. Table 6 presents this tabulation for year round dwellings and Table 7 does the same for seasonal dwellings.

TABLE 6

TOTAL YEAR ROUND DWELLINGS
(Includes dwellings in detached structures)

Estimated Property Value Categories (\$1,000)	Number of Bedrooms							Unkn	Total
	0	1	2	3	4	5	6+		
00.0 to 19.9	0	3	0	11	3	0	0	0	17
20.0 to 39.9	1	11	1	6	0	0	0	0	19
40.0 to 59.9	0	6	16	7	2	0	1	0	32
60.0 to 79.9	2	9	15	12	2	2	1	0	43
80.0 to 99.9	1	8	16	22	11	3	1	0	62
100.0 to 119.9	2	6	15	38	15	4	1	0	81
120.0 to 139.9	0	3	10	51	18	12	2	1	97
140.0 to 159.9	1	2	12	48	19	10	1	0	93
160.0 to 179.9	0	4	7	32	25	1	2	1	72
180.0 to 199.9	2	3	13	32	16	9	1	0	76
200.0 to 249.9	2	3	8	52	55	10	6	0	136
250.0 to 299.9	2	1	11	45	28	8	1	0	96
300.0 to 399.9	1	0	6	46	30	16	4	0	103
400.0 to 499.9	2	1	6	14	16	13	2	0	54
500.0 plus	2	2	4	9	19	9	7	0	52
Totals	18	62	140	425	259	97	30	2	1,033

TABLE 7

TOTAL SEASONAL DWELLINGS
(Includes dwellings in detached structures)

Estimated Property Value Categories (\$1,000)	Number of Bedrooms							Unkn	Total
	0	1	2	3	4	5	6+		
00.0 to 19.9	2	1	1	3	0	0	0	0	7
20.0 to 39.9	6	8	20	7	5	2	0	1	49
40.0 to 59.9	0	3	10	12	11	3	1	1	41
60.0 to 79.9	0	5	4	4	9	7	3	0	32
80.0 to 99.9	0	0	1	3	0	2	2	0	8
100.0 to 119.9	1	1	1	2	0	1	2	0	8
120.0 to 139.9	0	0	3	1	3	0	0	0	7
140.0 to 159.9	2	1	0	2	3	5	1	0	14
160.0 to 179.9	0	0	1	1	1	0	0	0	3
180.0 to 199.9	0	1	1	1	0	1	0	0	4
200.0 to 249.9	1	0	2	1	1	0	1	0	6
250.0 to 299.9	1	0	3	0	3	1	0	1	9
300.0 to 399.9	0	0	0	1	0	1	1	0	3
400.0 to 499.9	0	0	0	0	0	0	1	0	1
500.0 plus	0	0	0	0	0	0	0	0	0
Totals	13	20	47	38	36	23	12	3	192

The above pages and tables describe the Town's total housing stock as identified through the tax records. Our concern with affordable housing suggests that we should concentrate only on year-round dwellings, and that we need no longer examine seasonal dwellings.

Figure 1 is a Cumulative Distribution Curve which indicates the number of year-round dwellings in the Town having estimated values at or below a specified point. From the curve, it is apparent that there are 260 dwellings valued at \$120,000 or below. The vertical point on the graph where half of the total dwellings are above and half are below represents the median value. In Charlotte, the median value is approximately \$180,000. With such a curve, it is possible to specify a value as the upper limit of "affordable" housing, and determine how many such dwellings exist in the Town. For instance, if it is felt that the upper limit of "affordable" should be \$100,000, it is apparent that the Town contains approximately 175 affordable dwelling units (actually 173).

CHARLOTTE HOUSING STOCK
CUMULATIVE DISTRIBUTION CURVE
1990

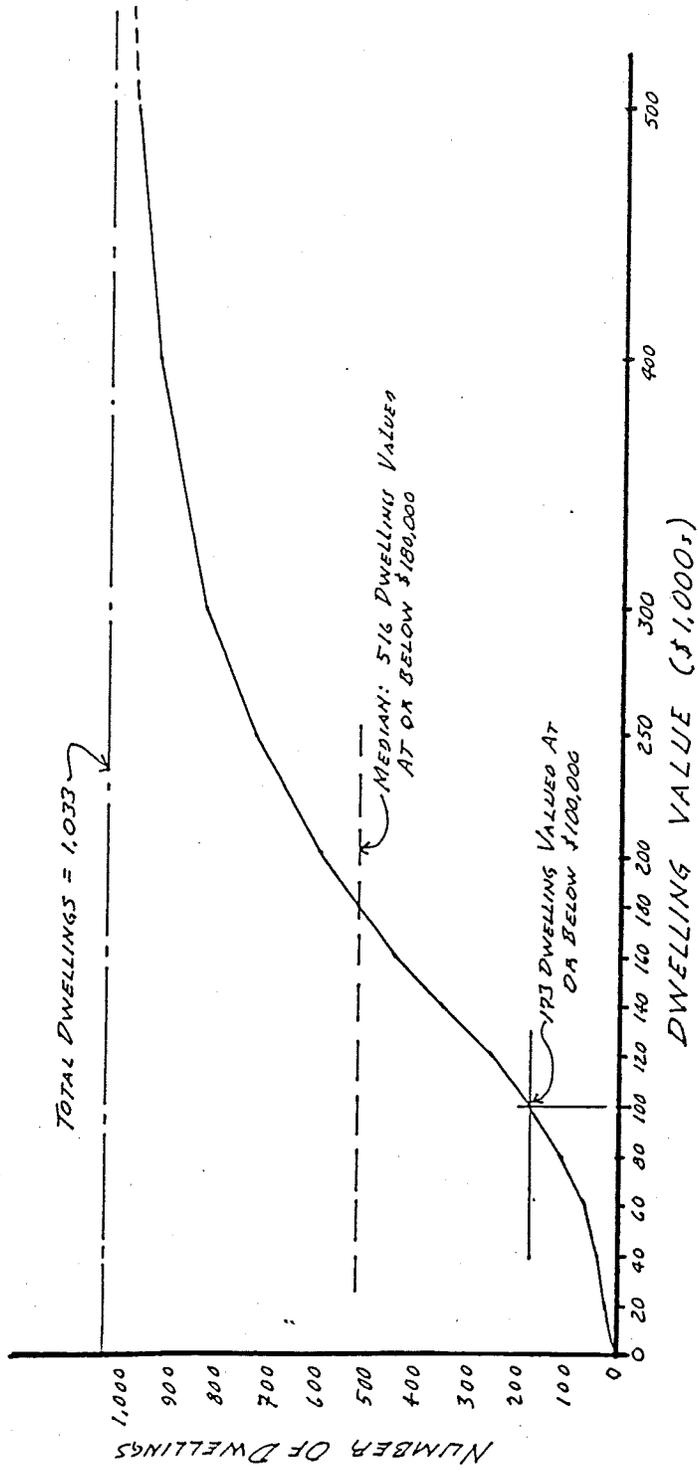


FIGURE 1

It was also possible to examine tax data to explore the value of the land component of total dwelling value in order to gain an understanding of local land values. Table 8 presents this information.

TABLE 8

EXAMINATION OF ASSESSED VALUE COMPONENTS FOR SINGLE DWELLING MAIN BUILDINGS ON PROPERTIES CLASSIFIED AS YEAR ROUND RESIDENCES
(790 properties)

LOT SIZE CATEGORIES (ACRES)	AVERAGE TOTAL ASSESSED VALUE	AVERAGE STRUCTURE ASSESSED VALUE	AVERAGE LAND ASSESSED VALUE	AVERAGE LAND VALUE PER ACRE
0.0 to 4.9	\$183,356	\$119,556	\$ 63,801	\$ 49,527
5.0 to 9.9	211,083	146,087	64,996	11,530
10.0 to 10.9	212,031	140,447	71,584	6,993
11.0 to 14.9	275,623	175,528	101,098	8,034
15.0 to 24.9	300,373	179,277	121,098	6,635
25.0 plus	440,120	200,688	239,432	3,349

From this we can draw the following conclusions:

1. Building lots, less than 11.0 acres, are valued between \$64,000 and \$72,000 each, with little variation due to size. The average value of a building lot in this size range is \$65,228.
2. Large residential lots, from 11.0 to 24.9 acres in size, are valued at between \$6,500 and \$8,000 per acre, and lot value clearly is a function of size.
3. Large tracts, 25.0 acres and larger, are valued at about \$3,500 per acre.

Thus, for purposes of estimation, the basic residential value of dwellings on lots of greater than 11.0 acres (eg. farms or dwellings on large residential lots or large tracts) can be set at the value of the structure plus the value of a basic building lot, ie. \$65,000.

The value of raw land can be estimated at \$3,500 per acre.

B. SURVEY FINDINGS

In August of 1990 the Affordable Housing Committee distributed a brief survey to all known occupied dwellings in Charlotte. A total of 1,276 surveys were mailed out and 135 were returned. This yields a return rate of 10.6 percent. While the original distribution constituted 100 percent of the Town's households, there is no certainty that the sample returned is a true random sample of that population. An examination of household characteristics of sample respondents suggests that the sample may be somewhat skewed towards higher income residents than the total population. Nonetheless, the survey provides some interesting insights into possible directions for affordable housing policy in Charlotte. Appendix A to this report presents a complete tabulation of the survey responses. The following pages will discuss what appear to be key findings.

- A. By a seven to one majority, survey respondents indicated that they felt there was a need for affordable housing in Charlotte. This is quite a strong statement of support for action by the Committee. In addition, just over half of the respondents indicated that they would be unable to move into the Town now if they did not already live here. These two findings are a good indication that Town residents perceive that there is truly a problem in finding affordable dwellings in the Town.
- B. In terms of the types of affordable housing which respondents felt that they would like to see in Town, there was strong support for single family dwellings (10 to 1 majority), small apartments in existing homes (9 to 1 majority) and conversion of existing homes (4 to 1 majority). Apartments, condominiums and mobile homes received roughly equal statement of support and opposition. One interpretation of these findings is that respondents are interested in affordable single family dwellings or affordable housing that has no visible impact on the community (ie. located within existing structures).
- C. When asked which of a list of groups of households currently needed affordable housing, respondents indicated that all of them were in need. Those groups most cited as needing affordable housing were (in descending order) the elderly, first time buyers, second generation residents looking for first home, and single parent households. In general, respondents reported that they would like to see the same groups have new affordable housing in Town. A slight exception is that noticeably fewer respondents said they would like to see low income households have new affordable households in town than reported that low income households need affordable housing.

- D. By a 2 to 1 majority the respondents indicated that the Town should provide for a reasonable share of the Region's need for affordable housing. Many respondents raised questions regarding how Regional need was to be determined and what was a "reasonable" share.
- E. Most respondents felt that new affordable housing should be single units scattered within existing villages (3.4 to 1 majority), or in small apartments in existing buildings (4 to 1 majority). There was modest support for single units scattered in outlying areas (2 to 1 majority). Respondents were split almost equally regarding multiple unit structures or small groups of affordable dwellings. This is consistent with the observation made in "B", above.
- F. When asked to identify why there is a lack of affordable housing in the Town, an overwhelming majority identified "the price of building lots" (16 to 1 majority), and "land values" (19 to 1 majority). These were followed by "higher profit margins on more expensive dwellings" (3.4 to 1 majority), "minimum lot size" (3.5 to 1 majority), and "lack of sewer and water" (2.6 to 1 majority).
- G. In spite of all of the above findings, there was no strong support for any of the Town actions suggested in the survey as ways to create additional affordable housing. A slight exception is modest support (1.8 to 1 majority) for joint efforts with neighboring towns. The written comments suggest basic concern for cost and impact on property values.
- H. The characteristics of the responding households revealed few surprises.

Fully 29.1 percent of respondents have lived in their current house less than 5 years, and 18.4 percent have lived in Town less than 5 years. This clearly reflects recent residential growth in the community.

Median household income was \$48,500 which seems high when compared to County-wide median of around \$34,000.

Median dwelling value was \$200,000 which also seems high. The median value from the tax record study was \$180,000.

People took the time to offer a wide variety of comments on the survey forms, either at the open ended questions or elsewhere on the pages. These offer some subjective insights on how people perceive affordable housing in Charlotte, and have been summarized at the end of the data tabulation in Appendix A.

C. CONCLUSIONS AND POLICY DIRECTIONS

The survey findings support the conclusion that there is a perceived need for additional affordable housing in the town. On the other hand, there was little convergence on what the Town might do to rectify the situation. The lack of support for possible Town actions may reflect lack of understanding of what can be done other than direct subsidy which carries connotations of tax burden and lower property values. There are, however, options which are not inconsistent with the survey findings which may be useful in increasing the supply of affordable dwellings in the Town. Three specific approaches seem useful:

- a) Efforts to increase the supply of affordable accessory apartments constructed within existing residential structures;
- b) Efforts to increase the supply of affordable elderly housing in the Town; and
- c) Efforts to create new affordable single family dwellings in the Town.

In other Chittenden county communities, the proportion of the housing stock which qualifies as "affordable" ranges from 20 percent to just over 30 percent. This suggests that a reasonable "target" proportion for the Town of Charlotte is 25 percent. With roughly 1,000 year-round dwellings presently in the Town, application of this proportion suggests a need for a total of 250 affordable dwellings. Since there are presently 175 such dwellings, the target becomes that of creating 75 new affordable dwellings over the coming years. In the absence of more detailed information on the types of affordable housing needed, the Committee determined that the target of 75 new affordable dwellings should be split evenly between the three categories listed above.

In addition, since the survey findings suggest considerable apprehension and misunderstanding about the concept of affordable housing, it may be appropriate to pursue a public education effort with two basic thrusts:

- a) To convey the widespread perception of need; and
- b) To demonstrate that things can be done which don't involve direct expenditure of town tax dollars.

D. COST AND FEASIBILITY ANALYSES

1. Accessory Apartments

Accessory apartments are small apartments created entirely within structures containing a single family dwelling. As such, they can be created without additional land cost and without the cost of creating additional enclosed structural space. In fact, accessory apartments are typically created by simply reorganizing existing residential building space and adding certain facilities necessary to form a separate dwelling unit such as kitchen facilities and/or bathroom facilities.

Accessory apartments are typically small (ranging from studio units to two bedroom units) and frequently are occupied by relatives of the owners of the initial dwelling structure. In some cases the owners occupy the accessory apartment and rent the larger principal dwelling.

The concept of owner occupancy is important in that it ensures that tenants will be compatible with the owners and thus with the surrounding neighborhood.

By converting unused bedrooms to a second dwelling, the total sewage volume is no greater than that of the initial house when it was fully occupied. This suggests that the original sewage treatment system would continue to be adequate with the accessory apartment.

Table 9 is an illustrative tabulation of the costs of creating an accessory apartment in an existing structure. It is assumed that no new enclosed space is created, but that both new kitchen and bathroom facilities must be provided. It is further assumed that the owner of the principal structure finances the cost of creating the accessory apartment through a home equity loan, and sets rents to cover the costs of the loan plus additional taxes. Given sufficiently large principal dwelling structures, it is clear that accessory apartments can be created with relatively little initial expense. Thus, it is a viable option for creating additional affordable dwellings. It is, however, important that appropriate conditions and standards be established to ensure that accessory apartments do not overtax water and sewage treatment capacity, and that they do not have detrimental impacts on surrounding properties.

The mechanism for allowing the creation of accessory apartments is quite simple and virtually costless from the Town's perspective. As a use, accessory apartments can be allowed and regulated under the Town's Zoning Regulations, and no other Town action is necessary. Section IV of this report presents recommended Zoning provisions for allowing accessory apartments.

TABLE 9.
ILLUSTRATIVE COSTS OF CREATING AN
ACCESSORY APARTMENT IN AN EXISTING DWELLING STRUCTURE

=====	
ASSUMPTIONS:	
1. No new building space will be created	
2. Total unit size: 400 to 600 s.f.	
bedroom (10x12) =	120
bath (6x8) =	48
l.r. (10x14) =	140
kit. (8x10) =	80
storage =	50
circulation and misc.	62
TOTAL	500
3. Not necessary to build a stariway	
4. Is necessary to install a new kitchen including appliances, cabinets floor covering and plumbing	
5. Is necessary to install a new full bath including fixtures, plumbing, cabinets and floor covering	
6. Is necessary to paint all walls	
7. Is necessary to relocate some walls and doors	
8. Is necessary to carpet all rooms except bath and kitchen	
9. Not necessary to do major rewiring	
10. Not necessary to build new sewage system	
=====	

COST ITEM	UNIT COST FIGURES
=====	
BASIC CARPENTRY	
relocation of walls and doors, drywall, etc (per s.f.)	\$5.00 \$2,500.00
Bldg Permit	\$25.00
INSTALL NEW KITCHEN	\$5,000.00
INSTALL NEW BATHROOM	\$3,500.00
PAINTING AND DECORATING (per s.f.)	\$1.00 \$500.00
CARPETING (per sq. yd \$20.00	\$238.52
=====	
	\$11,763.52
FURNITURE	\$3,000.00
=====	
TOTAL, CONSTRUCTION AND FURNITURE	\$14,763.52
=====	
MONTHLY COSTS (assuming a 100% home equity loan)	
rate 10.50%	
term 15	
Mortgage	\$163.20
Taxes at rate of \$2.25	\$22.06
TOTAL	\$185.25
=====	
INCOME REQD	\$7,339.39
=====	

2. Elderly Affordable Housing

The survey responses clearly indicated support for the creation of new affordable housing specifically for elderly residents. Creating such housing is complicated by the fact that the types of services and facilities often needed by elderly residents require that such residents be more concentrated than is allowed by the Town's Zoning Regulations. The concentration also implies sewage treatment capacities higher than typically provided by residential systems, whether mound or conventional. Thus, to facilitate the creation of affordable elderly housing, two types of decisions are required.

First, the Town's Zoning Regulations must be amended to allow elderly housing in locations where septic needs can be accommodated and where appropriate access is available. Secondly, some mechanism must be established to encourage the use of sites with the ability to accommodate large septic flows for the specific purpose of elderly housing. A density bonus for elderly affordable housing is an effective way of encouraging this use, but the provision of a density bonus must be specifically tied to some assurance that the elderly housing will be offered at rates which are affordable to households at median income or below. Some specific Zoning recommendations are presented in Section IV of this report.

3. New Affordable Single Family Dwellings

New affordable single family homes, often referred to as "starter homes" are generally relatively small structures (600 to 1,200 square feet of finished space) with some provision for expansion. These homes are typical of those built during the 1950's and 1960's in Burlington, South Burlington and Essex Junction, as well as elsewhere throughout the country. Such dwellings can provide housing opportunities for children of current residents, for persons working in the Town, and for those who find that their current homes have become too costly.

Table 10 is an illustrative tabulation of the costs of creating new single family dwellings, assuming a relatively modest sized structure. The tabulation includes land and land development costs, permit costs, engineering and design costs, construction costs and profit, leading to a total selling price of the dwelling. In addition, an estimate of the household income needed to be able to afford the dwelling is made, assuming that the household is a first time buyer able to make a minimum down payment of 10 percent, that the house is purchased with a 30 year mortgage at a nine percent interest rate, and that last year's tax rate is applied to the purchase price of the dwelling.

TABLE 10.
ILLUSTRATIVE COSTS OF CREATING AFFORDABLE
SINGLE FAMILY DWELLINGS

GENERAL LAND DEVELOPMENT COSTS PER LOT		
=====		
RAW LAND (\$3,500 per acre, Minimum lot size	5	\$17,500.00
LOCAL FEES		
Subdivision (major)		\$50.00
Zoning Board		\$25.00
Act 250		\$400.00
DEVELOPMENT COSTS		
Roads, sitework		\$3,000.00
Storm Water		\$300.00
Landscaping & other.		\$600.00
Eng. & Prof fees		\$1,000.00
=====		
TOTAL GENERAL LAND DEVELOPMENT COSTS PER LOT		\$22,875
LOT-SPECIFIC DEVELOPMENT COSTS		
=====		
Bldg Permit		\$500.00
Rec. Fee		\$1,000.00
School Fee		\$0.00
Protection Div.		\$20.00
Labor & Indust.		\$80.00
Well		\$5,000
Mound treatment system		\$10,000.00
Electricity		\$300.00
Gas		\$0.00
Telephone		\$50.00
Cable TV		\$0.00
=====		
TOTAL LOT-SPECIFIC DEVELOPMENT COSTS		\$16,950.00
=====		
TOTAL LAND DEVELOPMENT COSTS PER LOT		\$39,825.00
=====		
CONSTRUCTION COSTS		
Based on prototype		\$74,900.00
TOTAL, BUILDING AND LAND		
		\$114,725.00
INT. ON CONST. LOAN		
	11.50%	\$860.44
DEVELOPER PROFIT		
	10.00%	\$11,558.54
SELLING PRICE		
		\$127,143.98
=====		
MONTHLY COSTS (assuming 10% down, 30 yr mortgage at 9%, and assessed value equals sales price)		
Mortgage		\$962.24
Taxes at rate of \$2.25		\$238.39
TOTAL		
		\$1,200.63
=====		
INCOME REQD		\$51,455.71
=====		

Examination of Table 10 reveals that there are two principal components of the cost of producing a single family dwelling--land and land development costs, and actual construction costs of the dwelling structure. Once a total cost for the dwelling is established, financing costs determine the monthly costs which a household must cover in order to purchase the dwelling.

The construction component of costs is not independent of the land and land development cost component. In general, the higher the land cost, the more house that must be put on it (It is not likely to put a \$50,000 structure on a \$70,000 plot of land). Lending institutions have various rules which address the relationship between land value and structure value, but a rough rule of thumb is that the value of the structure should be approximately 80% of the total value of a residence. This means that construction costs should be roughly four times land costs.

Construction cost is partly a function of the size of the structure and partly a function of the quantity and quality of fixtures put into the house. On an expensive lot, one puts a large structure with expensive materials and fixtures. It is possible to construct a reasonable single family dwelling of 1,200 square feet at a cost of \$50.00 per square foot, or \$60,000. Add a basement and a garage and the figure approaches \$75,000. Applying the rule of thumb from above, a dwelling of this type should be associated with a parcel of land with a value of \$15,000 to \$17,000, giving a total price of \$75,000 to \$92,000. This would qualify as affordable housing.

In fact, however, building lots are not available in Charlotte at prices of \$15,000 to \$17,000. Raw land alone is valued at approximately \$3,500 per acre, and building lots must be at least five acres. Table 10 suggests that a minimum cost of building lots in Charlotte may be closer to \$40,000. Many lots are presently selling for far more than that.

Land prices are basically market determined, and have until recently been driven by demand. One approach to creating affordable lots is to identify land owned by the Town which could be donated or sold at nominal prices to an organization which will construct affordable housing. Another approach might be to establish a density bonus system which spreads the cost of raw land development over more lots in exchange for making some lots available for affordable housing. In either case, the Town would want some assurance that the lots would be used for affordable dwellings and that the dwellings would remain affordable. It would also, of course, be necessary that the land be able to accommodate on-site septic systems.

What follows is a proposal for linking the work of land trusts or other non-profit housing organizations to the concept of a density bonus. It recognizes that only a limited number of new affordable single family dwellings are needed in Charlotte, and that the

concept of a small number of "affordable" dwellings intermingled with market price homes is certainly attractive for the Town.

The first step in such a process is to develop an agreement with a land trust, or other non-profit housing organization, that it will purchase building lots designated for affordable housing at a specified price (say \$17,000), that it will build suitable dwellings on the lots, and that it will sell them to qualified buyers with provisions for "perpetual affordability".

The second step is to create incentives to private developers to develop lots to be made available to the non-profit housing organizations at the specified price. A density bonus is a way of creating such incentives. To explore this, an analysis was undertaken which considered a prototypical Planned Residential Development type of development. Two types of land development costs were considered:

- a) General costs which apply to the entire development and which will not change substantially if a small number of lots are added (this category includes raw land costs, engineering and planning costs, road construction, site work, Act 250 permits, etc.).
- b) Lot-specific costs which are tied to each individual lot, and which are directly determined by the number of lots in the development (this category includes on-site sewage system, on-site water supply, utility service drops, impact fees, local permits etc.).

The concept of a density bonus ratio was defined as the ratio of bonus lots to designated affordable lots. Thus, if the density bonus ratio was 1.5, the developer could add 1.5 lots to the project for every designated affordable lot. If the project originally contained 15 market lots, the developer could agree to create two lots designated as affordable (and committed for sale at the specified price) and get a third bonus lot to be sold at market prices. The total bonus would equal three lots (two affordable and one market). The density bonus ratio of 3 total bonus lots divided by two affordable lots is 1.5. Density bonus ratios of various sizes were examined to determine when the creation of lots designated for affordable housing at the specified price would generate additional profit for the private developer.

It was found that the density bonus ratio could not go below 1.0 and still create an incentive to the developer. That is, that the designated affordable lot must be allowed as a bonus to the number of lots that would otherwise be allowed (ie. that a 10 lot development be allowed at least 11 lots if one affordable lot is provided). In this case, all of the general land development costs (which do not increase as the number of lots increases) will be covered by the original ten lots, and that the general development

cost for the bonus lot is essentially zero. However, the lot-specific costs will increase because of the additional affordable lot. So long as the lot-specific costs per lot are less than the specified sales price of the affordable lot, the developer will see extra profit (ie. incentive) equal to the difference between the selling price of the affordable lot and the lot-specific costs of creating that affordable lot.

Thus, if the pre-agreed selling price of the affordable lot is \$17,000 and the lot-specific costs total \$12,000 per lot, the developer will gain \$5,000 in additional profit for each affordable lot created. If the lot-specific costs are \$18,000 per lot, the developer will see a loss of \$1,000 for each affordable lot created if the pre-agreed selling price remains at \$17,000.

It was also found that an incentive can be created even when the total lot-specific costs are greater than the pre-agreed selling price of affordable lots, by letting the density bonus ratio increase. When the developer gets an extra market rate lot in addition to the extra affordable lots, the extra profit becomes the difference between the sales price of the market lot and the lot-specific costs of the market lot, plus the difference between the lot-specific costs of the affordable lots and the selling price of the affordable lots.

Thus, if market lots sell for \$55,000 and the lot-specific costs are \$18,000, there will be extra profit of \$37,000 for each extra market lot allowed. If the lot-specific costs of affordable lots are \$18,000 per lot, and if the pre-agreed selling price of affordable lots is \$17,000, there will be a loss of \$1,000 for each affordable lot provided. However, if for each affordable lot provided a total of 1.50 bonus lots is allowed, two affordable lots would allow one additional market lot. Thus, the loss from the two affordable lots ($2 \times \$1,000 = \$2,000$) is off-set by the extra profit from the additional market lot (\$37,000) leaving a total additional profit of \$35,000, or \$11,700 per bonus lot.

The density bonus must not be unlimited. There should be a maximum number of bonus lots which can be obtained for any given development. At this point it is felt that a maximum bonus of 30 percent of the total non-bonus project would be adequate and would be compatible with the community at large. If this were combined with a density bonus ratio of 1.50, a 10 lot project could be increased to a maximum of 13 lots, with two being designated as affordable lots. Twelve projects such as this would virtually satisfy the target of 25 new affordable single family dwellings.

It is, of course, assumed that all of the affordable lots would be used, ie. that affordable dwellings would be constructed on them. It is probably appropriate that the granting of the density bonus be conditioned on an agreement by some qualified affordable housing organization to purchase the designated affordable lots, construct

affordable dwellings, and make them available in a way that ensures perpetual affordability.

Once a total dwelling and land package is placed on the market for sale, the cost of financing comes into play. The following discussion will assume a total purchase price of \$95,000. In the range of interest rates between 12 percent and 8 percent, a reduction of one percentage point in the interest rate generates a reduction in monthly debt service of approximately \$65.00 (assuming a 30 year mortgage with 10 percent down payment).

At an interest rate of 12 percent, debt service and taxes on the \$95,000 example total \$1,058 per month, and require an annual income of \$45,325 if housing costs are not to exceed 28 percent of income. At an interest rate of 8 percent, the total of taxes plus debt service is reduced to \$805 per month, and the required annual income is reduced to \$34,521.

At a given interest rate within this range, a reduction in the amount financed of \$1,000 results in a reduction in monthly costs of approximately \$10.00.

Thus, having produced an affordable housing package, it is possible to extend the range of household incomes which can afford the dwelling by achieving preferred mortgage interest rates, such as those provided by the Vermont Housing Finance Agency (VHFA).

The Town has little control over financing mechanisms, but it does have the ability to establish a density bonus mechanism for providing affordable building lots to qualified non-profit housing organizations for construction of perpetually affordable single family dwellings. This can be accomplished through the Town's Zoning regulations. In the following section specific recommendations for amending the Zoning regulations to achieve this are presented.

IV. SPECIFIC RECOMMENDATIONS

A. ACCESSORY APARTMENTS:

Charlotte has a housing stock which offers the possibility of creating additional affordable dwelling units in the form of accessory apartments in existing residential structures. To facilitate this, some changes in the Town's zoning regulations will be needed. First, it is necessary to establish and define a use called Accessory Apartments. Then, a new section should be established in the General Regulations Article which establishes the regulations governing accessory apartments. Accessory apartments should be designated as an allowable use in all districts allowing residential uses. An administrative review process will be established which allows the Zoning Administrator to issue a Certificate of Appropriateness and a Zoning Permit for the creation of an Accessory Apartment of specified conditions are met. One question which may arise is whether or not currently non-complying structures should be eligible for conversion under this Accessory Apartment provision.

What follows is a proposed definition and a set of standards for Accessory Apartments.

1. **Definition:** An accessory apartment is a dwelling unit which is located entirely within a structure which has all outward appearances of a detached single family dwelling. The accessory apartment shall be distinctly subordinate to the primary dwelling in the structure.
2. **Standards:**
 - a) The accessory apartment shall be small, containing not more than 25 percent of the total floor space of the structure, and not more than 600 square feet of floor area.
 - b) The accessory apartment shall not contain more than two bedrooms.
 - c) The accessory apartment shall be created out of floor space originally included in the structure prior to the creation of the accessory apartment. No new enclosed floor space shall be created as part of the conversion of the structure.
 - d) The creation of the accessory apartment shall not involve the creation of additional bedrooms in the structure. The total number of bedrooms in the accessory apartment and the principal dwelling must not be greater than the number of bedrooms prior to the creation of the accessory apartment.

- e) The structure shall be owner occupied. The owner must reside in either the accessory apartment or the principal dwelling in the structure.
- f) The septic system shall be capable of accommodating anticipated flows from both the principal dwelling and the accessory apartment. If the existing system functioned successfully when all bedrooms were fully occupied, the system should be adequate when the accessory apartment is created, provided that standard "C", above is met. In other cases, a new system may be necessary for the accessory apartment.
- g) Off-street parking shall be provided as follows:

Two spaces for the principal dwelling plus one space per bedroom in the accessory apartment (up to a maximum of two spaces for the accessory apartment).

Off-street parking shall not be located between the front lot line and the front facade of the structure.

- h) Other requirements such as lot size, setback and yard requirements, building height, etc., shall be as provided for single family residences in the district in which the structure is located.
- i) A Certificate of Appropriateness shall be issued by the Zoning Administrator upon determination that the proposed accessory apartment satisfies all of the above requirements and that site improvements will provide appropriate access, privacy and screening.

3. **Flexibility:** New single family dwellings may be designed and approved with the anticipation of the creation of an accessory apartment at some future time. In such instances, standards "A" through "E" and "H" shall be met prior to issuance of the initial building permit, and standards "F" "G" and "I" shall be satisfied prior to issuance of a permit for the creation of the accessory apartment. No permit shall be required for an accessory apartment to be absorbed back into the principal dwelling, but the Administrator shall be notified when that occurs.

B. ELDERLY AFFORDABLE HOUSING:

There appears to be a strong consensus that it would be desirable to provide living situations for elderly Charlotte residents other than traditional single family dwellings. Recent anti-

discrimination legislation makes it difficult to simply build housing and restrict its occupancy to those over some specified age (ie. 62 years). On the other hand, housing which is designed around or contains unique facilities or services needed by elderly residents can be built, and self selection will bring elderly residents to it. The dilemma for the Town of Charlotte is that the investment in these facilities and services requires that they serve a number of elderly households or persons or persons in fairly close proximity. This, in turn, requires a site with soil conditions capable of accommodating a septic system designed for more than a single family dwelling, and such sites are rare in the Town.

In order to achieve the creation of elderly housing, it may become necessary to encourage the allocation of suitable sites to this use rather than for other uses, and some type of incentives must be developed. Finally, some mechanism must be established to ensure that the elderly housing is "affordable". What follows is a proposed set of zoning revisions designed to create incentives for using suitable sites for clusters of elderly housing. The recommendation is to treat elderly affordable housing projects as Planned Residential Developments (PRD). As such, it may be appropriate to establish a minimum PRD size and minimum open space requirements for such developments.

First the use "Elderly Affordable Housing" must be defined in the zoning regulations. Then a section in the General Regulations Article should be created which establishes all of the relevant standards and conditions. Then elderly housing must be designated as either an allowable or conditional use in those districts where it is appropriate (perhaps all districts allowing residential development).

1. **Definition:** Elderly Housing is housing that is designed around and to include those facilities and services needed to provide support and care for resident over the age of 62 years. Elderly housing may range from private sleeping rooms with community baths, sitting rooms, dining rooms and activity rooms, in addition to the special support facilities and services, to small private dwellings with kitchens and baths clustered around the special support facilities and services.

Elderly Affordable Housing is elderly housing which is made available at costs which are affordable to elderly households with incomes at or below the median for the Town.

2. **Standards:**

- a) The site for a proposed elderly affordable housing development must be able to accommodate a septic system designed for the flows anticipated from the

number of elderly units or rooms to be constructed, plus the support services and facilities.

- b) An elderly affordable housing development may be treated as a Planned Residential Development in accordance with Section ___ of the Town's Zoning Regulations. As such, the lot and dimensional requirements may be modified by the Planning Commission.
- c) An elderly affordable housing development must include specific facilities and services intended for the support and care of elderly persons. Such facilities and services may include but are not limited to health care and therapy, special activities and instruction, meals, dining and cooking facilities, internal transportation, wheelchair and walker accessibility, or off-site transportation.
- d) Depending on the ability of the site to accommodate septic waste, the density of elderly affordable housing projects may be as high as five units per acre, where a unit is defined as a sleeping room designed to accommodate no more than two persons. However, when the Planning Commission approves an elderly housing development at a density higher than that normally allowed in the zoning district where the project is located, the Commission shall also require a mechanism to ensure that the elderly housing is provided at "affordable" costs (ie. at monthly rates, excluding meals and special services, not to exceed 0.025 times median household income for the Town).
- e) An elderly affordable housing development with densities established under provision "D" above shall not have direct access onto U.S. Route 7. Access shall be onto a suitable secondary road.
- f) Site Plan approval for elderly affordable housing projects shall be obtained from the Planning Commission in accordance with Section ___ of the Town's Zoning Regulations.

C. AFFORDABLE SINGLE FAMILY DWELLINGS

In order to stimulate the creation of new affordable single family dwellings, the most difficult task is the creation of suitable building lots. It was suggested above that affordable dwellings could be built if lots at suitable prices were made available. What follows is a proposal to amend the Town Zoning regulations to

establish a density bonus provision as incentive to create such lots. The proposed density bonus provision will operate within the Planned Residential Development approval process in the current zoning regulations.

1. Definitions

- a) Affordable Single Family Dwelling: An affordable single family dwelling is a single family dwelling that has a purchase price of no more than 2.7 times the estimate of the median income for a for person household in Chittenden County, as established by the U.S. Department of Housing and Urban Development, and which has mechanisms in place to ensure that its selling price does not appreciate faster than the normal rate of inflation.
- b) Affordable Building Lot: An affordable building lot is a lot created in a Planned Residential Development designated as an affordable lot, to be sold to a qualified non-profit housing organization at a pre-agreed upon price for their use in constructing an affordable single family dwelling.
- c) Bonus Lots: Bonus lots are lots granted to a planned residential development beyond what are typically allowed by the zoning regulations in exchange for creating one or more affordable building lots. Bonus lots include both affordable lots and market lots.
- d) Density Bonus Ratio: The Density Bonus Ratio is the ratio of the total number of bonus lots granted to a specific planned residential development to the number of bonus lots specifically designated as affordable building lots.

The second step is to insert a new subsection into the present Planned Residential Development Section of the zoning Regulations establishing the Affordable Housing Density Bonus.

2. Affordable Housing Density Bonus

- a) At the applicant's request, a Planned Residential Development may be granted a density bonus in exchange for including one or more designated affordable lots. The bonus will take the form of a specified number of bonus lots which may be included in the development in addition to the number which would be otherwise allowed.
- b) With the exception of the number of lots allowed, all other provisions of the Planned Residential Development Section of these regulations shall apply.

- c) The Affordable Housing Density Bonus shall be granted in accordance with the following:
1. The density bonus ratio shall not exceed 1.50;
 2. The applicant shall provide, prior to approval, an agreement with a qualified non-profit housing organization for the purchase of the designated affordable lots at a specified, pre-agreed price;
 3. The applicant shall provide, prior to approval, a statement from the qualified non-profit housing organization that the lots to be purchased will be used for the construction of affordable single family dwelling units which will be offered for sale with provisions to ensure their perpetual affordability;
 4. The total number of bonus lots shall not exceed number of bonus lots shall not exceed thirty (30) percent of the total number of lots which would be permitted in the development without the bonus;
 5. As an alternative to b and c, above, the applicant may provide an agreement with a qualified non-profit housing organization to purchase completed dwellings at a specified price and to make them available on the market with provisions to ensure their perpetual affordability.
 6. If the development plan does not include a phasing plan, the affordable lots are to be conveyed to the non-profit housing organization when half of the market rate lots have been sold.
 7. If the development plan does include phasing, at least one affordable lot must be conveyed to the non-profit housing organization in each phase until all such lots have been conveyed.

APPENDIX A.

TABULATION OF SURVEY RESULTS

Dear Charlotte Resident:

The Charlotte Housing Committee is currently working on the development of a policy for affordable housing in the Town. Affordable housing is broadly defined as housing for households with incomes below the county median. This includes households with annual incomes of \$38,600 or less which can afford a dwelling costing up to approximately \$100,000, or renting for up to \$900 per month.

We would appreciate your assistance by completing and returning this questionnaire. Your answers will provide the Committee with essential information on your opinions about a variety of affordable housing issues, and will be important input to the affordable housing study.

Please return the questionnaires to drop boxes located at the churches, stores, Community Library book return, school and Town offices, and other locations. They may also be mailed to the Town Offices, RR1, Box 1549, Charlotte, Vermont 05445.

Watch for survey results in future issues of the Charlotte News.

PLEASE RETURN THE QUESTIONNAIRE BY SEPTEMBER 7, 1990

Thanks for your input.

A TOTAL OF 135 SURVEYS WERE RETURNED
1,276 WERE DISTRIBUTED, ACCORDING TO THE DUK
MAILING TALLY.
THUS, WE RECEIVED A 10.6% RESPONSE RATE WHICH
IS SATISFACTORY.

THE FOLLOWING PAGES SUMMARIZE RESPONSES FROM
THE TOTAL SAMPLE

ALSO ATTACHED IS A SUMMARY OF GENERAL COMMENTS
AND RESPONSES TO OPEN ENDED QUESTIONS.

NOTE: PERCENTAGES ARE OF THE TOTAL RESPONDENTS WHO ANSWERED THE QUESTION.

1. Is there a need for affordable housing in Charlotte?
 Yes 112 (87.5%) No 16 (12.5%) N.R.* 7
2. Could you afford to move into Charlotte today if you didn't already live here? Yes 61 (47.7%) No 67 (52.3%) N.R. 7
3. Are there members of your family who would like to live in Charlotte but cannot find a home that they can afford here? Yes 40 (30.3%) No 90 (69.7%) N.R. 5
4. If so, in what price range are they seeking a home?

\$50,000 to \$70,000	<u>14</u>
\$70,000 to \$85,000	<u>15</u>
\$85,000 to \$100,000	<u>14</u>
\$100,000 to \$115,000	<u>2</u>
\$115,000 to \$130,000	<u>0</u>
\$130,000 or more	<u>1</u>

MORE RESPONDENTS ANSWERED THIS QUESTION THAN SAID "YES" ON QUESTION 3.

5. What types of affordable housing do you feel are needed and what types would you like to see in the Town?

	Needed?			Would like to see?		N.R.
	Yes	No	N.R.	Yes	No	
Apartments	<u>57</u>	<u>27</u>	<u>51</u>	<u>46</u>	<u>42</u>	<u>47</u>
Condominiums	<u>31</u>	<u>40</u>	<u>64</u>	<u>27</u>	<u>56</u>	<u>57</u>
Single family dwellings	<u>94</u>	<u>9</u>	<u>32</u>	<u>89</u>	<u>15</u>	<u>31</u>
Mobile homes	<u>38</u>	<u>43</u>	<u>54</u>	<u>26</u>	<u>57</u>	<u>57</u>
Small apartments in existing homes	<u>87</u>	<u>10</u>	<u>38</u>	<u>89</u>	<u>13</u>	<u>33</u>
Conversions of existing homes	<u>77</u>	<u>18</u>	<u>40</u>	<u>74</u>	<u>12</u>	<u>37</u>
Other _____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

* N.R. = NO RESPONSE TO QUESTION

6.	Who needs new affordable housing?			Who would you like to see have new affordable housing in Town?		
	Yes	No	N.R.	Yes	No	N.R.
Present residents	<u>60</u>	<u>25</u>	<u>50</u>	<u>66</u>	<u>16</u>	<u>57</u>
Elderly	<u>104</u>	<u>8</u>	<u>23</u>	<u>97</u>	<u>8</u>	<u>30</u>
First time buyers	<u>95</u>	<u>11</u>	<u>29</u>	<u>81</u>	<u>13</u>	<u>41</u>
Farm workers	<u>75</u>	<u>15</u>	<u>45</u>	<u>74</u>	<u>12</u>	<u>49</u>
Low income households	<u>85</u>	<u>10</u>	<u>40</u>	<u>68</u>	<u>15</u>	<u>52</u>
Moderate income households	<u>79</u>	<u>15</u>	<u>41</u>	<u>73</u>	<u>16</u>	<u>46</u>
Second generation residents looking for first home	<u>91</u>	<u>11</u>	<u>33</u>	<u>89</u>	<u>13</u>	<u>33</u>
People working in the Town	<u>69</u>	<u>21</u>	<u>45</u>	<u>66</u>	<u>16</u>	<u>53</u>
Single parent households	<u>86</u>	<u>12</u>	<u>37</u>	<u>75</u>	<u>14</u>	<u>44</u>
Other _____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

7. Should the Town provide for a reasonable share of the region's need for affordable housing? Yes 30 (65%) No 43 (35%) N.R. 1

8. Where do you feel that affordable housing should be located within the town?

Single units scattered within existing villages	Yes <u>82</u> 77.4%	No <u>24</u> 22.6%	N.R. <u>29</u>
Single units scattered on outlying lands	Yes <u>69</u> 68.3%	No <u>32</u> 31.7%	N.R. <u>34</u>
In groups of affordable dwelling units	Yes <u>56</u> 54.7%	No <u>46</u> 45.1%	N.R. <u>33</u>
In small multiple unit structures	Yes <u>54</u> 54.0%	No <u>46</u> 46.0%	N.R. <u>35</u>
Small apartments in existing buildings	Yes <u>87</u> 79.8%	No <u>22</u> 20.2%	N.R. <u>26</u>
Other _____	Yes _____	No _____	N.R. _____
_____	_____	_____	_____
_____	_____	_____	_____

9. Are there special facilities in Charlotte around which affordable housing should be located such as library, general store, school, etc.? Yes 45 No 65 N.R. 25
 40.9% 57.1%

If so, what are they? _____

10. What do you feel are the reasons for the lack of affordable housing in Charlotte?

Minimum lot size (5 acres)	Yes <u>84</u>	No <u>24</u>	NR <u>23</u>
Land values	Yes <u>111</u>	No <u>7</u>	NR <u>17</u>
Price of building lots	Yes <u>113</u>	No <u>6</u>	NR <u>16</u>
Lack of sewer and water	Yes <u>73</u>	No <u>28</u>	NR <u>34</u>
Poor soil conditions	Yes <u>65</u>	No <u>31</u>	NR <u>39</u>
Costs of regulations	Yes <u>64</u>	No <u>30</u>	NR <u>41</u>
Higher profit margins on more expensive dwellings	Yes <u>75</u>	No <u>22</u>	NR <u>38</u>
Lack of a town center	Yes <u>42</u>	No <u>51</u>	NR <u>42</u>
Lack of public transportation	Yes <u>55</u>	No <u>44</u>	NR <u>36</u>
Distance to commercial/job centers	Yes <u>53</u>	No <u>42</u>	NR <u>35</u>
Other _____	Yes _____	No _____	NR _____

11. What should the Town be willing to do to encourage the creation of additional affordable housing?

Density bonuses	Yes <u>48</u>	No <u>38</u>	NR <u>49</u>
Land purchase/donation	Yes <u>42</u>	No <u>47</u>	NR <u>46</u>
Waive permit fees	Yes <u>47</u>	No <u>43</u>	NR <u>45</u>
Require affordable units within each subdivision	Yes <u>48</u>	No <u>52</u>	NR <u>35</u>
Other _____	Yes _____	No _____	NR _____

12. Should the Town establish a fund to assist in the creation of affordable housing units? Yes 46 No 76 NR 1
 (27.7%) (62.5%)

13. Should the Town act as a partner in joint ventures with private or non-profit developers to create new affordable housing units? Yes 41 No 67 NR 17
 (41.5%) (58.5%)

14. Should the Town support joint efforts with neighboring towns to create affordable housing? Yes 73 No 41 NR 21
 (64.0%) (26.0%)

15. Finally, for analytic purposes we would like a few characteristics of your household.

SEE NEXT PAGE

- A. Age of household head _____
- B. Number of persons in household _____
- C. Length of time in present dwelling _____
- D. Length of time in Charlotte _____
- E. Year round _____ or seasonal _____ resident _____
- F. Type of present housing
 - Owned single family dwelling _____
 - Rented single family dwelling _____
 - Apartment _____
 - Mobile home _____
 - Duplex _____
 - Other _____

SEE NEXT PAGE

G. Household Income Range

\$0,000 to \$7,000	4
\$7,000 to \$10,000	1
\$10,000 to \$15,000	3
\$15,000 to \$20,000	7
\$20,000 to \$25,000	5
\$25,000 to \$30,000	7
\$30,000 to \$40,000	11
\$40,000 to \$50,000	17
\$50,000 to \$60,000	16
\$60,000 to \$70,000	6
Over \$70,000	38
NO RESPONSE	10

MEDIAN: 48,500

H. Approximate present monthly housing costs.

Ownership costs including mortgage, insurance and taxes?

Rental costs excluding utilities?

\$000 to \$100	0	\$000 to \$100	2
\$100 to \$200	3	\$100 to \$200	1
\$200 to \$300	3	\$200 to \$300	1
\$300 to \$400	5	\$300 to \$400	3
\$400 to \$500	10	\$400 to \$500	2
\$500 to \$600	4	\$500 to \$600	0
\$600 to \$700	12	\$600 to \$700	1
\$700 to \$800	8	\$700 to \$800	0
\$800 to \$900	7	\$800 to \$900	3
\$900 to \$1,000	12	\$900 to \$1,000	1
Over \$1,000	47	Over \$1,000	0

NO RESPONSE 8

DISTRIBUTION OF RESPONSES TO QUESTION 15

A. AGE OF HEAD OF HOUSEHOLD

LESS THAN 40	<u>35</u>	(27.5%)
40-49	<u>41</u>	(32.3%)
50-59	<u>24</u>	(19.1%)
60-64	<u>9</u>	(7.1%)
65+	<u>18</u>	(14.2%)
NO RESPONSE	<u>8</u>	

B. Household Size

1	<u>16</u>	(12.5%)
2	<u>43</u>	(33.6%)
3	<u>28</u>	(21.9%)
4	<u>34</u>	(26.5%)
5	<u>6</u>	(4.7%)
6+	<u>1</u>	0.8%
NO RESPONSE	<u>7</u>	

C. YEARS IN DWELLING

0-4	<u>37</u>	(29.1%)
5-9	<u>23</u>	(18.1%)
10-19	<u>41</u>	(32.3%)
20-29	<u>17</u>	(13.4%)
30+	<u>9</u>	7.1%
NO RESPONSE	<u>8</u>	

D. YEARS IN CINCINNATI

0-4	<u>23</u>	(18.4%)
5-9	<u>17</u>	(15.2%)
10-19	<u>40</u>	(32.0%)
20-29	<u>21</u>	(16.8%)
30+	<u>22</u>	(17.6%)
NO RESPONSE	<u>10</u>	

E. YEAR ROUND RESIDENT 122 , SEASONAL RESIDENT 5 , NO RESPONSE 8

F. TYPE OF DWELLING

OWNERS SINGLE FAMILY	<u>112</u>	(88.9%)
RENTED SINGLE FAMILY	<u>5</u>	(4.0%)
APARTMENT	<u>6</u>	(4.7%)
MOD. HOME	<u>1</u>	(0.8%)
DUPLEX	<u>2</u>	(1.5%)
NO RESPONSE/OTHER	<u>7</u>	

I. Approximate present dwelling value range		
\$00,000 to \$50,000	<u>2</u>	(1.7%)
\$50,000 to \$70,000	<u>1</u>	(0.8%)
\$70,000 to \$85,000	<u>3</u>	(2.6%)
\$85,000 to \$100,000	<u>4</u>	12.4%
\$100,000 to \$125,000	<u>7</u>	(6.0%)
\$125,000 to \$150,000	<u>14</u>	(12.0%)
\$150,000 to \$175,000	<u>14</u>	(12.0%)
\$175,000 to \$200,000	<u>13</u>	(11.1%)
Over \$200,000	<u>59</u>	(50.0%)
	<u>18</u>	

MEGIAN = 200,000

NO RESPONSE

Thank you very much for assisting us. We will share the findings of this survey as soon as we have an opportunity to tabulate and analyze the returns.

RESPONSES TO OPEN ENDED PORTIONS OF THE SURVEY

General Comments (usually at the end of the questionnaire, but sometimes in the margins.)

When the town addresses affordable housing, that means different things to different people. I feel that we need to address low income housing. Charlotte is becoming an elitist community without a healthy income mix.

There should be some way to convert existing larger homes into multi family dwellings in areas where septic could adequately service them, even if "land" requirements didn't meet the standards. Perhaps development rights on adjacent property could be purchased to prevent future density problems. I'm not too well versed in this but we should be able to find a solution that will not burden town residents. It would be a shame for resentment to be present towards any affordable housing proposal when all we are trying to do is provide a place for people to live.

Affordable housing should and would be created by the free market. Town/government involvement only hinders development of affordable housing. eg. high taxes, overly burdensome planning process, unreasonable zoning regulations.

My opinion is that the State takes 7.5% and the Federal 28% of my "excess" money above tax breaks. That is where money for welfare, income redistribution, etc. should come from. The Town is trying to do everything it can and should with its property tax base. It should resist state efforts to justify montpelier civil service jobs which make the towns use their resources for low cost housing. The town job is to provide good schools and roads.

I do not feel that the Town should subsidize housing on a long term bases, but perhaps could waive a percentage of the fees to builders who build, convert or remodel dwellings suitable for lower income families. these properties could be sold at market rates after an agreed upon time.

Why should we have affordable housing? You want to help buy the house--how about the car, insurance, etc. Where does it stop. We have enough trouble affording our own house, much less pay for someone else's. If we keep dish out money here there and everywhere, pretty soon we'll be the ones needing affordable housing. Taxes in this town are bad enough, don't add to the problem. People who need help with affordable housing certainly won't help pay taxes in this town. It just doesn't make good sense.

A principal reason why low and middle income families cannot locate in Charlotte is the excessive real estate tax rate, particularly for schools. Families might be able to afford purchase but cannot make tax payments. If you are considering raising money for affordable housing, don't think about using real estate taxes. The best approach may be to eliminate or dramatically reform the real estate tax.

There are three areas in town that are gravel and sand deposits which can accommodate septic of 65 bedrooms at 150 gpd per bedroom. One contains at least 2 acres and possible 6 acres of such soil. This 27.5 acre site with frontage on route 7 would be good for a senior center.

Recreation fees and impact fees drive up costs of housing by 5 times the fees.

Affordable housing is more a problem for big cities, not small towns like Charlotte. Building low income housing will encourage an influx of low income families putting an added strain on the school budget without providing corresponding tax revenues. This will place an unfair burden on current tax paying residents.

Allow minimal use of town beach and landfill before imposing impact fees. This is more suitable to low income, low impact households.

Rents are so high that it is impossible to save for a down payment. The "American dream" of ownership is unreachable.

Need convenient access to services which are not really available now.

Let free market conditions provide affordable housing where it is most efficiently created.

New housing at \$200,000 + is ridiculous.

Affordable housing in Charlotte is not appropriate. Should be where there is easy access to shopping, medical care and places of employment.

Affordable house lots,, upgrade existing homes, weatherization.

Planning where the impact of septic systems on aquifers without planning for municipal sewage disposal is height of folly.

Elderly may be able to stay in their homes if they could have an apt for themselves or as a rental income. There is probably a lot of "room" in existing houses that could

be divided up without increased taxation.

I believe in keeping a rural setting.

I don't want to see Charlotte look like Shelburne, So.
Burlington, Essex or Milton.

Question 5, What types of affordable housing do you feel are needed
and what types would you like to see in town? "OTHER"

<u>Answer</u>	<u>Number of mentions</u>
Elderly housing	6
Rental housing for less than \$600 per month.	1
Adding apartments to existing homes for family members	2
Duplexes	5
Conversion of existing non-res. buildings (barns, garden way) to housing	2
Affordable houses (\$80,000)	2
Doesn't matter as long as its affordable	2
Small apartment houses	1
What requires the least amount of land accommodate the required number of dwellings	1
Town houses	1
Conversion of existing homes or small lots with purchase of development rights.	1
A 10 story building with 40 families with one or two floors of parking under, surrounded by 40 to 160 acres of fields and woods. They've done this in Sweden and its surprisingly cheap and very fuel efficient.	1
NONE	1
I don't know	2
Multi-family (4-8 units) structures	1

Question 6. Who needs affordable housing and who would you like
to see have new affordable housing in Charlotte?

<u>Answer</u>	<u>Number of mentions</u>
All of the above.	2
Doesn't look like low income households could afford Charlotte or any other Chittenden County property based on median income.	1
Everyone who needs it. \$1,000 or \$900 per month is not affordable	2
Don't know who needs it.	4
Elderly relatives of residents	1
Single people, period	1
NONE	1
Everyone needs affordable housing	1
Retired (not always elderly)	1

Question 7. Should the Town provide for a reasonable share of the region's need for affordable housing?

<u>Answer</u>	<u>Number of mentions</u>
State taxes should provide for low rate mortgages and/or affordable public housing in appropriate areas.	1
This is a state and federal function	1

Question 8. Where do you feel that affordable housing should be located within the Town?

<u>Answer</u>	<u>Number of mentions</u>
No reason to change guidelines recently established by Town plan	1
NONE	1
Not in specified areas but throughout the area	1
Anywhere someone chose to build it	1
Mother-in-law apartments in or connected to existing building on small lots	1

Renovation of existing older structures	1
Mobile homes	1
In Burlington	1
Planned Sr. Citizen community	2
Certain areas with less than 5 acres	1
Not Mobile homes	1
Duplexes	2
Multiple unit structures with a range of prices	2

Question 9. Are there special facilities in Charlotte around which affordable housing should be located?

<u>Answer</u>	<u>Number of mentions</u>
All of the above	1
There is lack of foresight planning for a town center. As it is, facilities are scattered. there are no suitable sites in existing villages.	1
Don't know	1
Accessible shopping, stores	27
Near schools	16
Post Office	10
Existing Villages	7
Should be distributed	1
Outlying areas	1
As close to town centers as possible	3
No areas in town should be deemed exclusive	1
Retirement homes	1
Day care	1
Park	2

Churches	4
In Burlington	1
Library	2
Don't know	1
Where septic and water capabilities allow	1

Question 10 What are reasons for lack of affordable housing in Charlotte?

<u>Answer</u>	<u>Number of mentions</u>
Yuppie syndrome thrives in Charlotte	1
New residents (out of staters) with higher incomes	4
No shopping or medical	3
Greedy contractors	1
People don't want "low life" living here who don't pay massive taxes and keep property value down	2
Natural beauty of town	1
Property taxes	5
Not profitable to provide affordable homes	2
Cost of building materials	1
Character of town	3
Construction costs	1
Lack of public and private support for affordable housing	1
Local and state regulations	4
Lack of need	1

Question 11: What should the Town be willing to do to encourage the creation of additional affordable housing?

Answer

All of these should be looked into.

These are all interesting ideas but I don't know much about them. Is it possible to have them discussed at public meeting?

More flexible zoning, relax codes for affordable housing.

Obtain subsidies from those who define "need".

Encourage apartments in large houses and sharing houses.

Ease taxes on those that are trying to help in this.

Support (subsidize) present apartment owners so we won't have to raise our rents

No one helped us buy our house.

Transferable development rights

Off-site mitigation

Absolutely nothing

Land purchase/donation if purchased by rich/sliding scale.

Inclusionary zoning--maybe if tied to density bonus.
Where soil conditions are good, allow 1 acre lots

Make conversions easier so more than one family can live together

Provide info at town meeting about existing supply of affordable housing so we can make intelligent decisions

Allow business to come to town to support tax base,
Allow current structures to put in apt without the 5 acres.

Depends on how its financed--who pays.

Let us subdivide the land.

Transferable development rights to allow density in villages

Use some common sense

Probably can't counter market forces.

Tax incentives for building small, truly affordable dwellings and duplexes.

Density allowances

Incentives such as permitting extra density on small lots by purchase of development rights from resource lands. Special

provisions to prevent unlimited expansion once the affordable unit is built.

Property tax abatement for affordable housing projects.

Repairs, weatherization to existing sub-standard units.

This would negatively impact tax base and property values.

Water

How can there be density with 5 acre minimums?

Question 12: Should the Town establish a fund to assist in the creation of affordable housing units?

Answers

The economic climate should allow private builders to provide affordable housing.

Depends on financing mechanism.

Would this increase the tax burden on current residents?

Fund could be established and continued through various grants and donations.

Funded by a sliding scale income tax.

Let the State do it

If they can afford to.

State and Federal taxes should do this.

No developer will take risk if a project if there is not profit to be made.

Only to the extent of purchasing development rights so units can be put on smaller lots.

Question 13: Should the Town act as partner in joint ventures with private or non-profit developers to create new affordable housing units?

Answers

By purchase of development rights and special zoning provisions to control size and materials so that by their very nature they would remain affordable.

Where will money come from for partnership?

What can town do as partner?

Encourage individuals by not requiring 5 acre lots.

Question 14: Should the Town support joint efforts with neighboring towns to create affordable housing?

Answers

Keep Charlotte unique

Chittenden County needs to address this issue as a whole, not just Burlington.

Encourage yes, fiscal support no.

Include the state in this.

And get water, especially for farmers.

Find out what other towns are doing and adapt it to our rural setting.

What does support mean? If it means taxes, no.

Question 15-f: Type of present housing

Answers

Small apartment in a home, duplex

Rent free quarters

Owned single family dwelling which will be shared with roommates.

Mobile home on owned land.