

4 | Housing

4.A OVERVIEW

Housing is one of life's necessities, yet safe, affordable housing and the American dream of home ownership are increasingly beyond the reach of many Vermonters, including many local residents. Waitsfield has long recognized the need for a variety of housing alternatives to support a socially diverse and economically viable community.

The 1991 report, *A Future for Affordable Housing in the Mad River Valley*, documented a variety of housing issues, including the need for more affordable, elderly and employee-assisted housing. It also included several recommended policies and strategies to address local needs. Since that time, some of the report's recommendations have been implemented by the town and neighboring communities.

The report has been revisited periodically. The most recent update in June 2006, *Mad River Valley Housing Study*, documented successes but also the fact that, despite all efforts, housing remained unaffordable for many Valley residents and employees of Valley businesses.

4.B CURRENT HOUSING SITUATION

In 2001, the Mad River Valley was beginning to see the effects of escalating house values, which continued to rise through 2006. One of the primary factors driving this sharp increase in prices was the fact that housing development was not keeping pace with population growth and the rate of household formation. Housing prices had also been pushed upward by the in-migration of new year-round and vacation home buyers from outside of The Valley who had the financial resources to outbid would-be buyers dependent on local wages.

Between 1990 and 2000, Waitsfield's year-round population increased by around 24 people per year and the number of households increased by around 16 per year, while the town's housing stock grew by less than eight units per year. Between 2000 and 2010, Waitsfield's year-round population increased by 68 people (around 7 people per year) and the number of households increased by about 4 per year. Following national and statewide trends, the average household size in The Valley has continued to decline

over the years, due to an aging population and changing household composition. Waitsfield continues to have the lowest average household size in The Valley.

The current economic downturn, which began with troubles in the housing market, has halted rapid increases in house values as of the writing of this plan. The sale price of primary homes in Waitsfield declined in 2007 and 2008, along with the number of sales which was 125. The recession has also slowed new construction and made credit more difficult to obtain, particularly for those seeking higher risk mortgages. In 2009-2010, the number of sales of primary homes decreased further with 85 occurring in that two-year span.

However, when the downturn reverses, it is likely that Waitsfield's housing situation will return to conditions similar to those experienced during the early part of this decade, as the underlying causes of limited supply and affordability problems have not been resolved.

Housing Projections and Targets. Projections prepared for Waitsfield in 2007 indicated that the town's year-round housing stock would grow at an average annual rate of 1.5 percent between 2010 and 2030 (approximately 17 dwellings per year). The Central Vermont Regional Planning Commission expects Waitsfield to plan for the construction of 312 additional year-round homes between 2000 and 2020. Between 2000 and 2008, 116 homes were constructed in town. In order to meet this target, the rate of housing development will need to increase over the next decade (to an average of more than 20 dwellings per year).

Policies promoting Irasville growth center development and regional economic expansion, particularly if supported through new infrastructure, could dramatically alter both the rate and pattern of local housing development. However, it seems unlikely that Waitsfield will be able to meet regional expectations for new year-round homes if the status quo is maintained with respect to availability of wastewater infrastructure and the rate of economic expansion.

4.C HOUSING CHARACTERISTICS

At the start of the 2000s, the shortage of year-round housing was spurring both the construction of new homes and the conversion of seasonal units to year-round homes. During the 1990s, around 60 percent of the new homes built in Waitsfield were single-family detached units and 40 percent were attached or multi-family units. The census also showed a decrease in the number of seasonal and vacant homes in town.

Single-family detached homes currently comprise more than two-thirds of the town's housing stock, but Waitsfield does have a relatively higher percentage of attached or multi-family units than the surrounding area. Such units have been developed over the years through new construction, including mixed-use development, the adaptive reuse of historic structures such as the old high school, and the conversion of older single-family homes into multi-family units.

Local permit data indicates that most of the housing built in Waitsfield since 2000 has been single-family detached homes. Waitsfield's 2009 grand list included 649 year-round homes, an increase of 67 dwellings from 2004. There were 27 fewer vacation homes on the grant list in 2009 than in 2004, suggesting continued conversion of seasonal units to year-round occupancy.

The number of mobile homes, generally considered a relatively affordable housing alternative, decreased during the 1990s, and in 2000 they accounted for slightly less than five percent of the town's housing stock. This was a relatively high percentage for the Mad River Valley, but is less than that for the county or state. There were 39 mobile homes listed in the 2012 grand list.

4.D HOUSING AFFORDABILITY GAP

Income and Housing Costs. A tight housing market typically results in escalating housing costs for both buyers and renters. Since the mid-1990s, incomes have not been keeping pace with rising housing costs for many households. During the '90s, median household income in Waitsfield grew by 11 percent after adjusting for inflation. The median sale price of a primary residence increased by approximately 20 percent after adjusting for inflation during the same period. This trend intensified in recent years. Between 2000 and 2006, household income grew by

only six percent and home sale prices rose around 30 percent.

Income levels in Waitsfield have historically been, and continue to be, higher than county and state averages. However, the median reported value of an owner-occupied home in 2000 at \$156,100 was the highest in the Mad River Valley and 40 percent above the state median. In 2010, the median value of owner-occupied homes was \$229,400.

The trend of higher income levels, but even higher housing values continued in the 2000s. According to 2006 data from the Vermont Department of Taxes, the median family adjusted gross income in Waitsfield was 21 percent higher than the state median. The median sale price of a primary residence in Waitsfield in 2006 was 37 percent higher than the median price statewide.

Renters have also experienced challenges in the housing market during the past decade. The 2006 housing study update found that one-bedroom apartments were renting for \$450 to \$800 per month, while two-bedroom apartments and condos were asking \$725 to \$1,000 per month. In addition, the number of units available for rent was limited.

Affordability. A common definition of "affordability" assumes that a household should not pay more than 30 percent of its gross income on housing costs. An affordability "gap" analysis for Waitsfield is presented in Figure 4-5. The analysis suggests that home ownership is not a viable option for many households at or below reported incomes and wage levels, even under current subsidized home ownership programs. Rental units, however, remain affordable for all but the town's lowest income residents, which likely include single wage-earner households, single parents, and retired elderly on fixed incomes.

Another common measure of whether wages are keeping up with the costs of housing is the "housing wage," the hourly wage that a working family has to earn so that it does not pay more than 30 percent of its income for shelter. In 2009, a worker would have needed full-time employment at a wage of \$11 to \$13 dollars per hour to afford a one-bedroom apartment, while the Vermont minimum wage was \$8.06 per hour. The housing wage needed to afford for a two-bedroom apartment was nearly double the minimum wage.

Census data confirmed that the percentage of households in town paying more than 30 percent of their gross income on housing has increased during the 1990s. As reported in 2000, 24 percent of local homeowners, and 37 percent of renters, were paying more than 30 percent of their 1999 household income on housing.

4.E SPECIAL NEEDS HOUSING

While the 1991 report identified the need for more affordable single-family dwellings in the Mad River Valley, some of the included recommendations focused on ensuring that affordable housing was available for residents with special needs, which was defined at that time to include elderly and low-income residents along with seasonal employees of local ski areas. Many of the report's recommendations for accommodating these groups have been implemented.

Evergreen Place. In 1999, Mad River Senior Citizens Inc. acquired and renovated the former Valley Inn in Irasville, creating Evergreen Place, a senior citizens center and 22-unit assisted living facility. As of the writing of this plan, there were no vacancies at Evergreen Place.

Verd-Mont. The 29-unit Verd-Mont Mobile Home Park, formerly considered at risk for sale or closure, was retained when in 1999 the Central Vermont Community Land Trust purchased and upgraded the park. As of the writing of this plan, there was one vacant lot in the Verd-Mont park and lot rent was \$222 per month.

Mad River Meadows. The 24-unit Mad River Meadows, located in Irasville, is the town's only fully subsidized housing project. It has 10 one-bedroom, 8 two-bedroom and 6 three-bedroom units. Two of the units are handicap-accessible and 12 are designated for elderly residents. The privately-owned project operates on a five-year renewal agreement, which is set to expire in 2012. As of the writing of this plan, there are no vacancies in Mad River Meadows.

Seasonal employee housing issues, associated largely with ski area employment, have not affected Waitsfield directly, but may affect the local rental market. Sugarbush and Mad River Glen have both endeavored to provide housing for their seasonal employees.

While independent and assisted living housing is now available locally for elderly residents, there are

no state licensed residential care facilities in town that provide personal care, limited medical care and 24-hour supervision. The nearest facilities of this type are located in Northfield, Montpelier and Waterbury.

4.F HOUSING PRIORITIES

The Mad River Valley 2006 Housing Study outlined a wide range of initiatives that might be considered by towns in The Valley in order to increase the availability of lower cost housing. The recommendations ranged from zoning changes to adoption of various taxes, fees, and other forms of monetary support for affordable housing development. Due to already high property taxes, land costs, and construction costs, these towns have not adopted specific taxes or fees to support affordable housing to date.

Efforts to address affordable housing in The Valley remain ongoing. The Mad River Valley Housing Coalition, a 501 (c) (3) non-profit corporation formed under the auspices of the Planning District, has been actively focused on affordable housing issues in the Mad River Valley. In fall 2009 this group developed *Open a New Door: A Guide to Creating & Renting Accessory Apartments in the Mad River Valley*. This resource guide provides comprehensive information to assist homeowners who may be considering creating an accessory apartment to rent. This group launched a program in February 2012 called the Affordable Land Initiative to help provide very low cost land for affordable housing.

There has been an on-going effort to increase the availability and support for residential development in Irasville and Waitsfield Village but development has been limited by the availability of suitable properties due to the lack of water and wastewater resources in these areas. In 2010 the town began construction of a municipal water system to serve these areas and is continuing to investigate wastewater options. By improving residential options in these central parts of Waitsfield, the town supports development that makes better use of its land resources and is more affordable, and avoids sprawl-type development along its scenic corridors. 48% of respondents to the 2009 town survey by the Planning Commission indicated that they were supportive of municipal wastewater in Irasville and Waitsfield Village but only 14% would support municipal taxes or fees to subsidize affordable housing.

Table 4-1: Waitsfield Subdivisions & Residential Permits

Year	New Lots	New Homes	Year	New Lots	New Homes
1990	18	9	2001	13	7
1991	38	11	2002	14	12
1992	n/a	8	2003		
1993	n/a	6	2004		
1994	32	15	2005		
1995	32	15	2006		
1996	2	21	2007	19	11
1997	18	8	2008	8	3
1998	n/a	12	2009	0	7
1999	9	9	2010	3	3
2000	9	22	2011	2	1

Source: Town Annual Reports

Table 4-2: Waitsfield Housing Characteristics

	1980	1990	2000	2010
Occupancy				
Owner-Occupied	358 52%	385 46%	523 58%	571 57%
Renter-Occupied	163 24%	189 23%	211 23%	205 20%
Seasonal	102 15%	190 23%	159 18%	186 18%
Vacant	61 9%	67 8%	15 2%	49 5%
Structure Type				
Single-Unit Detached	445 65%	535 64%	594 65%	749 72%
Mobile Home	65 10%	52 6%	44 5%	53 5%
Single-Unit Attached	3 0%	13 2%	36 4%	0 0%
Multi-Unit Attached	171 25%	208 25%	227 25%	236 23%
Other	0 -	23 3%	7 1%	0 0%

Source: US Census (2010 Structure Type from American Community Survey)

Table 4-3: Comparison of Housing Units and Average Annual Growth Rates

	1950	1960	1970	1980	1990	2000	2010	1950s	1960s	1970s	1980s	1990s	2000s
Waitsfield	199	226	392	684	831	908	1,011	1.3%	5.7%	5.7%	2.0%	0.9%	1.1%
Mad River Valley	493	542	1,039	2,722	3,567	3,886	4,444	1.0%	6.7%	10.1%	2.7%	0.9%	1.4%
Washington County	12,727	13,994	16,258	22,113	25,328	27,644	29,941	1.0%	1.5%	3.1%	1.4%	0.9%	0.8%
Vermont	121,911	136,307	165,063	223,198	271,214	294,382	322,539	1.1%	1.9%	3.1%	2.0%	0.8%	0.9%

Source: US Census

Table 4-4: Sales of Primary Residences

Year	Waitsfield # of Sales	Median Sale Price (2009\$)		
		Waitsfield	County	State
1988	19	\$158,400	\$140,300	\$153,900
1989	24	\$176,600	\$145,000	\$159,600
1990	11	\$192,800	\$139,300	\$153,100
1991	12	\$134,500	\$134,500	\$148,800
1992	15	\$120,800	\$130,100	\$143,400
1993	15	\$146,500	\$130,400	\$140,600
1994	20	\$146,100	\$125,000	\$138,600
1995	16	\$165,200	\$126,000	\$137,500
1996	13	\$163,300	\$120,100	\$135,000
1997	13	\$164,800	\$121,400	\$139,800
1998	26	\$179,100	\$123,300	\$142,800

Year	Waitsfield # of Sales	Median Sale Price (2009\$)		
		Waitsfield	County	State
1999	20	\$214,000	\$125,600	\$139,700
2000	24	\$159,200	\$116,800	\$146,300
2001	22	\$218,700	\$131,500	\$151,600
2002	35	\$194,100	\$139,400	\$158,800
2003	31	\$218,700	\$151,300	\$172,500
2004	33	\$246,600	\$165,300	\$184,400
2005	24	\$241,200	\$177,000	\$200,500
2006	19	\$281,300	\$186,100	\$205,000
2007	12	\$243,400	\$183,700	\$204,100
2008	14	\$217,900	\$183,700	\$198,600
2009	9	\$225,000	\$170,000	\$190,000

Source: Vermont Department of Taxes

Table 4-5: Housing Affordability

	1-Person	2-Person	3-Person	4-Person	6-Person	8-Person
HUD 2009 Annual Income Limits						
200% of Median	\$95,000	\$108,600	\$122,100	\$135,800	\$157,500	\$179,300
150% of Median	\$71,250	\$81,450	\$91,580	\$101,850	\$118,130	\$134,480
120% of Median	\$57,000	\$65,160	\$73,260	\$81,480	\$94,500	\$107,580
100% of Median	\$47,500	\$54,300	\$61,050	\$67,900	\$78,750	\$89,650
80% of Median	\$38,000	\$43,450	\$48,850	\$54,300	\$63,000	\$71,700
50% of Median	\$23,750	\$27,150	\$30,550	\$33,950	\$39,400	\$44,800
30% of Median	\$14,250	\$16,300	\$18,300	\$20,350	\$23,600	\$26,850
Affordable Home Purchase Price						
200% of Median	\$308,500	\$348,500	\$392,000	\$436,000	\$505,500	\$575,500
150% of Median	\$230,500	\$261,500	\$294,000	\$327,000	\$379,000	\$431,500
120% of Median	\$184,000	\$209,000	\$235,000	\$261,500	\$303,500	\$345,500
100% of Median	\$153,000	\$174,500	\$196,000	\$218,000	\$253,000	\$288,000
80% of Median	\$122,500	\$139,500	\$157,000	\$174,500	\$202,000	\$230,000
50% of Median	\$75,500	\$87,000	\$98,000	\$109,000	\$126,500	\$144,000
30% of Median	\$44,500	\$52,500	\$58,500	\$65,500	\$76,000	\$86,000

Source: HUD, Vermont Housing Data, Waitsfield 2009 Grand List

	1-Person	2-Person	3-Person	4-Person	6-Person	8-Person
Affordable Monthly Housing Costs (30% of 2009 HUD Income Limits)						
200% of Median	\$2,380	\$2,720	\$3,050	\$3,400	\$3,940	\$4,480
150% of Median	\$1,780	\$2,040	\$2,290	\$2,550	\$2,950	\$3,360
120% of Median	\$1,430	\$1,630	\$1,830	\$2,040	\$2,360	\$2,690
100% of Median	\$1,190	\$1,360	\$1,530	\$1,700	\$1,970	\$2,240
80% of Median	\$950	\$1,090	\$1,220	\$1,360	\$1,580	\$1,790
50% of Median	\$590	\$680	\$760	\$850	\$990	\$1,120
30% of Median	\$360	\$410	\$460	\$510	\$590	\$670
Percentage of Primary Homes in Waitsfield Meeting Affordable Purchase Price						
200% of Median	51%	61%	68%	75%	83%	87%
150% of Median	28%	38%	47%	56%	66%	74%
120% of Median	18%	23%	29%	38%	50%	60%
100% of Median	12%	16%	21%	25%	36%	45%
80% of Median	8%	11%	13%	16%	22%	28%
50% of Median	6%	6%	7%	7%	9%	11%
30% of Median	5%	5%	5%	5%	6%	6%

Another way the town might support more development in its town center is via a Tax Incentive Financing District designation by the State. TIF districts allow local communities to keep property tax revenue created by new development in the district in order to finance infrastructure improvements in the area such as water and wastewater systems.

The town supports efforts to increase the energy efficiency of both new and existing housing in the town. The town should encourage efforts that promote the use of renewable energy sources for housing as outlined in greater detail in the Energy Chapter of this plan.

4.G GOAL

4.G-1 The availability of safe and affordable housing for all Waitsfield residents.

4.H POLICIES

4.H-1 Encourage a variety of housing types to meet the needs of a diversity of social and income groups, particularly for Waitsfield residents of low and

moderate income, individuals and families employed by local businesses, and local residents with special needs, including elders. Encourage workforce housing through the support of the Mad River Valley Housing Coalition's Affordable Land Initiative.

4.H-2 Plan for and accommodate Waitsfield's fair share of regional housing growth, including affordable housing development. The rate of residential development, however, shall not exceed that which can be supported by existing and planned municipal facilities and services. Without additional infrastructure capacity, a rate of 10 to 15 dwelling units per year is anticipated.

4.H-3 Target 50% of anticipated housing growth (total dwelling units) to occur in Irasville and in the Waitsfield Village Residential District upon the development of supporting wastewater infrastructure.

4.H-4 Use sewer allocation and phasing policies when a municipal sewer system is developed to ensure that the rate of commercial (non-residential)

development does not significantly exceed the rate of new residential development within the sewer service area(s), and particular consideration shall be given to residential units serving moderate-income residents.

- 4.H-5 Retain the town's existing and new subsidized housing in perpetuity as affordable units. If necessary, ownership and/or long-term management should be transferred to a nonprofit housing corporation to ensure that units remain affordable.
- 4.H-6 Allow siting of manufactured housing in locations similar to those used for conventional single-family dwellings. Manufactured housing will be excluded from zoning districts only upon the same terms and conditions as conventional housing is excluded.
- 4.H-7 Work to assure that new and rehabilitated housing is safe, sanitary, and located conveniently to employment and commercial centers.
- 4.H-8 Encourage upper story residential apartments in both Waitsfield Village districts and in Irasville.
- 4.H-9 Accommodate higher densities of residential development, including multi-family dwellings and infill development, in designated village centers and rural hamlets (clusters) through the town's land use regulations and the development of infrastructure that supports and encourages such development.
- 4.H-10 Allow the conversion of single to multi-family dwellings, including rental units, in designated village districts, given that adequate infrastructure and off-street parking are available, and the character of historic structures is maintained or enhanced.
- 4.H-11 Consider a variety of housing types within planned unit developments. Density bonuses will be provided to encourage the provision of affordable units within these developments.
- 4.H-12 Consider amending zoning regulations to allow accessory dwellings to be as large as the primary dwelling or increase the current 800 square foot

allowance in order to offer more flexibility for accessory dwelling occupancies.

- 4.H-13 Encourage the use of renewable energy sources and energy efficient housing efforts in both existing and new construction.

4.I TASKS

- 4.I-1 Implement a revised master plan for Irasville, including the development of a decentralized wastewater system, to accommodate higher densities of residential and mixed-use development, that includes housing, in appropriate locations within Irasville. [Selectboard, Town Administrator, Planning Commission]
- 4.I-2 Inventory development capacity within the Agricultural-Residential District to determine appropriate sites or areas able to support rural hamlets (clusters), while simultaneously strengthening resource protection standards elsewhere in the district. Update zoning regulations as needed. [Planning Commission, Conservation Commission]
- 4.I-3 Review and update current zoning and subdivision regulations as needed to accommodate higher densities of housing, including affordable housing and in-fill development, within designated village districts. Consider the adoption of inclusionary zoning provisions as appropriate. [Planning Commission]
- 4.I-4 Review and update current zoning and subdivision regulations as needed to impose lower densities of housing outside designated village districts and rural hamlets. This review should examine the use of economic incentives and variable, lower density zoning, at a minimum, to deter housing development determined to be excessive or otherwise inappropriate for areas outside designated village districts and rural hamlets. [Planning Commission]
- 4.I-5 Consider amending the Town's zoning regulations to allow up to four units of multi-family housing in a single building, on a single parcel, within Irasville and designated hamlets as a permitted (as opposed to conditional) use. [Planning Commission]