

## **HUMAN ACTIVITY**

### **IV. RESIDENTIAL PATTERN AND HOUSING**

#### **RESIDENTIAL PATTERN**

Mount Holly sits astride the Green Mountain ridge, land formally glaciated and presently covered primarily with glacial till soils that are singularly unsuitable for usual septic system construction. Many slopes are steep (Map II a 5), while soils are shallow to bedrock or to impermeable soil layers (Map II b 2). Consequently, special measures need to be adopted to handle sewage without contaminating ground water or otherwise creating health hazards.

The Town has adopted Subdivision Regulations that require a permit before an existing tract of land is subdivided. It is estimated that including sites created through the subdivision process, a total of about 1500 new home sites could be constructed in Mount Holly.

As of the 2003 Grand List there were 1197 parcels and 940 housing units in Mount Holly. See Map IV 1 for the pattern of residences in the Town. About ten new residences have been added per year since 1970. According to the 2000 Census the 940 properties in Town are 439 full-time residents, 432 seasonal residents, and 69 resident or non-resident mobile homes.

Of the properties in Mount Holly, 449 are properties of 6 acres or less land while 422 properties have more than 6 acres of land. Of the mobile home units 20 are "unlanded," do not have their own lot, and 49 are on a separate parcel

Based on 1999 data included in the 2000 U.S. Census of Population, there are 62 rental units in the Town. Of that number 12 units or 19.4 % are occupied by renters who pay more than 30 of their income as rent.

#### **VILLAGE AND HAMLETS**

Mount Holly's historic settlement is seen in the village and hamlets that can be identified today.

The Town has identified the Village of Belmont and the following Hamlets as part of the Rutland Regional Planning Commission's long-range land-use planning effort:

**Belmont** is a designated Village Center.

In 2003, the Village of Belmont property owners applied for and were granted a Village Center Designation under the State's Downtown Centers Program, thus getting priority consideration for special project funding that enhances the VCD – such as road improvement, street edges, stone walls, and street trees. The residents identified replacement of street trees and restoration of stone walls as a high priority. During 2006, 35 trees were planted in the village.

The boundaries of the designated Belmont Village Center are more constrained than the Village boundaries defined in the Town Plan: Tiffany Road to Lake and Healdville roads, to the cemetery on Maple Hill Road, and west on Tarbellville Road to the old Museum building. See Map II c 4 for Village and Designated Village Center boundaries.

**Mount Holly:** intersection of Old Turnpike and Hortonville Road.

**Bowlsville:** The area surrounding the intersection of Bowlsville Road and Route 103.

**Healdville:** The area surrounding the intersection of Healdville Road, Shunpike, and Route 103.

**Hortonville:** The area surrounding the intersection of Hortonville Road and Shunpike.

**Tarbellville:** The area surrounding the intersection of Tarbellville Road and Route 155.

**East Wallingford:** The area surrounding the intersections of Routes 155, 140, and 103.

Also Mount Holly Depot (the area around the intersections of Route 103 and Belmont Road to the south and Hortonville Road to the north) - site of the old railroad station/depot and the Mount Holly store - currently includes the Town's public services: Post Office, Town Office, Town garage, Fire Department, Rescue Squad, and Elementary School.

## HOUSING

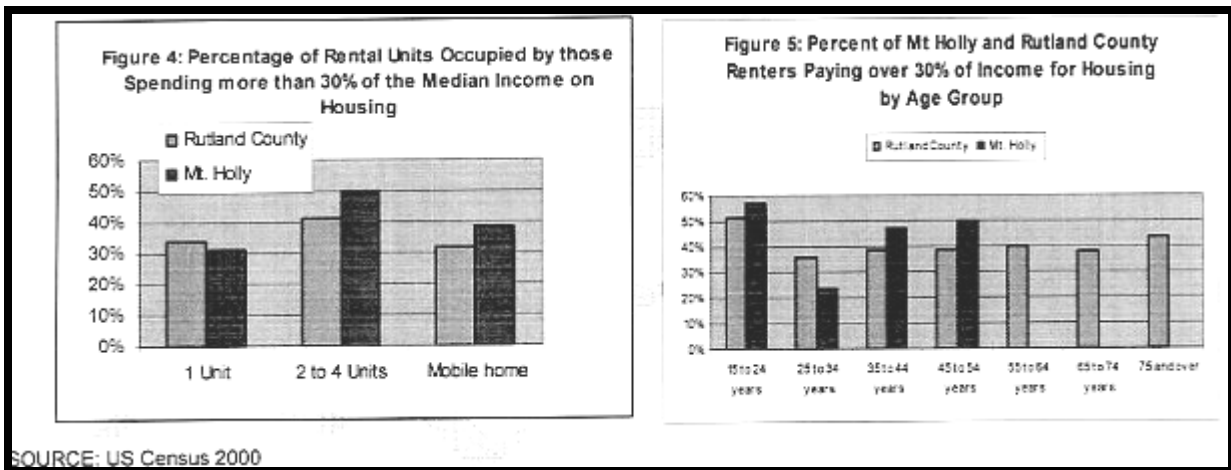
Housing	Mt. Holly	Rutland Co.	Vermont
Total Households, 2000	494	25,678	240,634
Average Household Size, 2000	2.51	2.39	2.44
Total Number of Families, 2000	342	16,740	157,763
Average Family Size, 2000	2.94	2.92	2.96
Total Housing Units, 2000	917	32,311	294,382
...Owner Occupied	427	17,901	169,784
...Renter Occupied	67	7,777	70,850
...Vacant	423	6,633	53,748
...for Seasonal, Recreational, or Occasional Use	382	5,293	43,060
Median Housing Unit Value, 2000	\$105,600	\$97,200	\$111,200
Median Monthly Ownership Costs, 2000			
...with Mortgage	\$882	\$942	\$1,021
...without Mortgage	\$317	\$373	\$378
...as a Percentage of Household Income, 1999	21.30%	20.10%	20.20%
Median Gross Rent, 2000	\$629	\$517	\$553
...as a % of Household Income, 1999	21.70%	27.10%	26.20%
Housing Units by Heat Source, 2000			
...Heated with Utility Gas	0	158	29,234
...Heated with Bottled / Tank / LP Gas	68	3,064	34,715
...Heated with Electricity	9	1,137	11,363
...Heated with Fuel Oil / Kerosene	347	19,271	141,041
...Heated with Coal / Coke	0	57	427
...Heated with Wood	70	1,846	22,616
...Heated with Solar Energy	0	2	90
...Heated with Other Type of Fuel	0	62	817
...That Are not Heated	0	81	331

## HOUSING AFFORDABILITY

### Rental Households

Housing affordability is measured by how much of a household's income is consumed by housing costs. A generally accepted guideline is when a household pays over 30% of their income towards housing costs, the housing is not considered affordable. Housing costs for renters include rent and utilities (except telephone); or for home owners the costs include mortgage, utilities, taxes, and insurance. In Mount Holly, 35% of renter households are paying unaffordable rents, which is slightly below the County average of 39%.

Those renter households most likely to be unable to afford their home earn less than \$35,000 per year, are younger than 25 years old, and live in buildings with two to four rental units. It should be noted that due to the small total number of renters in Mount Holly, these percentages can seem high when the total number of people is relatively small. For example, there are only 7 renter households with householders age 15-24, and 4 of them pay an unaffordable rent. A comparison to the county figures is helpful (see below).



Another strong indicator of renters who cannot afford a home in Mt Holly is, of course, annual income. Sixty-three percent of households earning less than \$20,000 are unable to afford the unit they occupy, which is slightly lower than the County as a whole (70%). More notably, 78% of households earning between \$20,000- \$34,999 pay unaffordable rents, which is significantly higher than the County average of 28%. In total, the number of renter occupied households living in unaffordable rents amount to approximately 26.

### Owner Households

It is not surprising that in Mount Holly, as well as Rutland County as a whole, home owners with lower incomes are more likely to be paying unaffordable housing costs. However, it is noteworthy that in Mount Holly, it is more likely to find a household with an income of \$20,000-\$34,999 to be paying more than 30% of their income on housing costs than any other category. In fact, this is the only income category where Mount Holly shows more housing stress than the rest of the county. A majority of Mount Holly homeowners (58%) with incomes in the \$20,000- \$34,000 category can not afford their homes. This amounts to approximately 64 households in this income category (based on 2000 census data).

A percentage of all homeowners in Mount Holly who are making under \$75,000 are living in homes they cannot afford. Of the Mount Holly households making over the County median income

(\$36,743), 11 of them cannot afford their housing costs. The total number of Mount Holly homeowner households in unaffordable living conditions is 124 units (based on 2000 census data).

Over half of Mount Holly homeowners ages 65-74 are spending more than 30% of their incomes on housing costs. The next largest housing-costs-burdened age group are those between the ages of 35-44. All age groups have some proportion of households paying unaffordable housing costs.

## Housing Sales

The median price of a home in Mount Holly in 2005 was \$25,000 more than the county median price. However, homes in Mount Holly are less expensive than those in neighboring Windsor County and Ludlow, which perhaps explains the attraction of Mount Holly for new vacation home owners.

	2005	2004	2003	2002
Town/ County	Median Price	Median Price	Median Price	Median Price
Rutland County	140,000	126,000	118,000	100,000
Mount Holly	165,000	155,000	140,000	115,000
Wallingford	151,500	149,000	122,500	119,000
Windsor County	183,000	156,500	135,000	125,000
Ludlow	199,250	210,000	155,000	150,725

*Table 15: Annual Median Sales Prices for Residential Property w/ <6 acres. Source: Vt Dept of Taxes*

Summer 2006 MLS listings for the Town of Mount Holly show 13 houses for sale. There were no condominiums, duplexes, or other attached or multifamily-type dwelling units listed. The least expensive home listed was 35% more than the Town's median house price in 2005. Almost 70% of the homes listed were twice as much as the median house price, and two homes were over two million dollars.

Table : Current MLS Listings Mount Holly, Vermont (8/15/06)			
Price	# of bdrms	Price	# of bdrms
\$224,000	5	\$389,000	4
\$225,000	3	\$399,000	7
\$250,000	2	\$425,000	5
\$269,000	2	\$450,000	4
\$339,000	2	\$2,595,000	4
\$349,900	4	\$2,995,000	4
\$374,500	6		

SOURCE: [www.century21rutland.com](http://www.century21rutland.com)

## Poverty Indicators

Examining poverty indicators can also shed some light on who is in need of affordable housing. A person is classified as being in poverty when their income falls below the federal government's official poverty threshold, which is based on family size and is related to food costs. Every municipality in the

County has some percentage of its population in poverty. The US Census 2000 reports that the total Rutland County percentage of individuals in poverty is 11%.

In Mount Holly, there are 120 people, or 10% of the Town population, living below the poverty level. In terms of households, in 2000 there were 19 family households and 21 non-family households below the poverty level.

## Rent Structure

The Rutland County median rent is \$517. However, this does include one outlier - West Haven - at \$225. Mount Holly's median rent is the 4th highest in the County at \$629. This may also be due to the short supply of rental units in Town.

*Table 1: Rutland County Median Gross Rent by Town*

Town	Median Rent	Town	Median Rent
Benson	\$496	Pawlet	\$534
Brandon	\$510	Pittsfield	\$625
Castleton	\$532	Pittsford	\$552
Chittenden	\$613	Poultney	\$479
Clarendon	\$526	Proctor	\$564
Danby	\$528	Rutland City	\$501
Fair Haven	\$501	Rutland Town	\$534
Hubbardton	\$600	Shrewsbury	\$456
Ira	\$456	Sudbury	\$556
Killington	\$598	Tinmouth	\$635
Mendon	\$704	Wallingford	\$517
Middletown Springs	\$644	Wells	\$545
Mount Holly	\$629	West Haven	\$225
Mount Tabor	\$513	West Rutland	\$557
<b>RUTLAND COUNTY</b>	<b>\$517</b>		

Source: US Census 2000

In 2000, Mount Holly had 68 occupied rental units and 8 vacant rental units for a total rental housing stock of 76 units. Most of the occupied units were 2 or 3 bedroom units. The median gross rent of a two bedroom unit was \$563 and the median gross rent for a three bedroom unit was \$810.

Only 13% of Mount Holly's occupied housing stock is rental units, compared to the 30% County average and 29% State average. In fact, Mt Holly has the lowest supply of rental units in Rutland County with the exception of West Haven.

A recent 2006 search through the Rutland Herald classified and several on-line rental housing sites, found zero units for rent in Mount Holly.

Towns in the region that did have units for rent included Poultney, Proctor, Mendon, Rutland, Ludlow, and Castleton. Average monthly rents for these units were \$921 for a three-bedroom apartment, \$681 for a two-bedroom apartment, and \$580 for a one-bedroom apartment. The houses listed for rent were three bedroom houses which averaged \$1,200 per month and there were no mobile home units for rent. These rents are all higher than the HUD Fair Market Rents as discussed below.

## Fair Market Rents

Fair market rent (FMR) is an amount determined by the U.S. Department of Housing and Urban Development to be the cost of modest rental units in a specific market area. They are determined only at the metropolitan and non-metropolitan county levels. Those who participate in federally subsidized housing programs, such as the Section 8 voucher program, cannot rent a unit whose rent exceeds the FMR. These are gross rents and include the costs of all utilities, except telephone. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. This also means that 60% of the rented units in the County cost more than the HUD FMR. The Fair Market Rents for Rutland County in 2005 are listed in the Table below.

**Table 12: HUD Fair Market Rents for Rutland County**

# of Bedrooms	Studio	1	2	3	4
FMR	\$408	\$534	\$621	\$821	\$1,051

## Subsidized Housing Stock & Vacancy

According to the Vermont Directory of Affordable housing, Rutland County has a total of 1,206 units built with federal subsidies. However, 60% of those units are restricted to the elderly. Of the total units, there are 1,075 units that provide residents with rents that are reduced below market rates. Over half of these units are located in Rutland City. Mount Holly has no subsidized housing units.

According to the Vermont Department of Housing and Community Affairs' Housing Needs Assessment for Rutland County (2005), affordable housing built by Rutland County's affordable housing developers (mid 1970s to 2004) provides for about 24% of low-income renter households in 2005 (those earning less than 80% of median income). There is a current "gap" of 749 units in affordable elderly rental housing and 3,060 units in non-elderly in the county.

## Affordable Home Price Gap in Rutland County

By the year 2010, there will be a \$27,480 gap between what low income households are earning and the income that they would need to afford the median priced home in Rutland County. The gap is increasing as home prices are rising much more quickly than incomes.

Table 5 Comparison of "Affordable" Home Prices and Incomes						
Rutland						
	Median Income (Claritas)	Median Home Price (PTT Data)	Affordable home based on median income	Income needed to afford median home	Gap between "affordable" home and median home price	Gap between income needed and median income
2000	\$37,074	\$97,500	\$95,203	\$44,276	(\$2,297)	(\$7,202)
2005	\$41,543	\$138,828	\$118,688	\$52,621	(\$20,140)	(\$11,078)
2010	\$46,634	\$158,140	\$100,383	\$74,094	(\$57,756)	(\$27,460)
Note: Interest rates: 2000 annual average (8.05%); 2005 projected (5.68%); 2010 ten-year average (8.52%)						
Sources: Freddie Mac weekly survey (interest rates); Claritas (median income data); VT Property Transfer Tax data (home prices)						
SOURCE: Vermont Department of Housing and Community Affairs, Rutland County 2005 Housing Needs Assessment						

As of the 2000 Census, 204 households or 41% of all households were earning less the County median income. These families would not be able to afford a median priced home now and are even less

likely to be paying affordable housing costs by 2010. These rising home values can also cause financial problems for households who already own a home

When home values rise and funds are short, homeowners often take out home equity loans to cover expenses. If home prices should fall, many households may have borrowed more than they can reasonably repay. Low income households are especially susceptible to this since many of them are already burdened by housing costs and may be in greater danger of foreclosure in times of financial difficulty.

## Affordable Home Price in Mount Holly

Affordable home purchase prices are calculated for 4 different income categories in Mount Holly (see table below). Monthly incomes are determined by the annual income divided by 12. Affordable housing payments are 30% of this figure. Affordable monthly mortgage payments are determined by removing taxes, insurance and utilities from the monthly payments. An affordable mortgage is based on a 30-year fixed rate mortgage at 6% interest with a 5% down payment. An affordable purchase price for those earning the Mount Holly median income of \$41,364 is \$175,875. If the median sales price of \$165,000, as recorded in property transfer tax data, is accurate then the average priced home is affordable to this income group. Households at 80% of the median would be challenged in buying an affordable home without manipulating some of the variables such as loan terms, or down payment. Households at the 60% and 50% median income level have a gap of \$60,000 to \$80,000 respectively. However, if the median sales price is not accurate and the actual median is closer to what the MLS listing suggests then none of the income groups presented here can afford the average priced home in Mount Holly.

<b>Affordable Housing Market Analysis – Mt. Holly</b>							
<b>Mount Holly Affordability Calculations</b>							
<b>Affordable Home Purchase</b>		<b>100%</b>		<b>80%</b>		<b>60%</b>	
Median household Income		\$ 41,364	\$ 33,091	\$ 24,818	\$ 20,682		
Monthly income		\$ 3,447	\$ 2,758	\$ 2,068	\$ 1,724		
Affordable housing costs		\$ 1,034	\$ 827	\$ 620	\$ 517		
		Year	Month				
			\$				
Insurance		\$350	29.17	\$ 29.17	\$ 29.17	\$ 29.17	\$ 29.17
Tax Rate for median price home							
		2.206	3639.9	303.325	\$ 303	\$ 303	\$ 303
Affordable Mortgage Payments		\$ 702	\$ 495	\$ 288	\$ 185		
Mortgage Rate		6%	6%	6%	6%		
Terms		30years	30	30	30	30	
Affordable Mortgage		\$ 117,000	\$ 82,500	\$ 48,000	\$ 31,000		
downpayment		5%	5%	5%	5%		
Affordable Purchase Price		\$ 122,850	\$ 86,625	\$ 50,400	\$ 32,550		
Estimated Average Sale Price in Mount Holly		\$ 165,000	\$ 165,000	\$ 165,000	\$ 165,000		
		\$					
Housing Price GAP		(42,150)	(78,375)	(114,600)	(132,450)		
		\$					
Housing Price GAP @ \$200,000		(77,150)	(113,375)	(149,600)	(167,450)		
<b>Affordable Rents</b>							
With Utilities		\$ 1,034	\$ 827	\$ 620	\$ 517		
Without Utilities		\$ 931	\$ 745	\$ 558	\$ 465		
Source: Crane Associates							

Based on the above data an **ESTIMATE of TOTAL DEMAND for AFFORDABLE HOUSING** in Mount Holly was calculated:

The lowest estimate is the number of households living in poverty with income below \$11,022 per year = **40** households

The highest estimate is the number of non-senior households earning a median income, spending over 30% of income on housing = **64** households

The estimated demand for affordable housing – rentals and homes for ownership - should be divided into three demographic groups:

<i>Group</i>	<i>Percent</i>	<i>Number of Affordable housing units</i>
Senior renters	10 – 20%	4 – 13
Non-senior renters	50 – 60%	20 – 38
Non-senior owners	25 – 30%	10 – 19
<b>Total estimated units needed (demand)</b>		<b>34 - 70</b>