Montgomery Planning Commission Minutes

Regular Meeting

Public Safety Building

January 10, 2023, 6:00 p.m.

Present: Kenny Miller, Alissa Hardy, Peter Locher, Joe Sherman, Barry Kade & Gwen S.

Guests: Tosca Smith, Emily Klofft & Gretta Brunswick (Remote)

Meeting called to order at 6:10pm

1. Additions / Deletions to the Agenda

Barry noted the significance of our getting to discuss short term rentals this meeting.

2. Approval of the December 13th 2022 Regular Meeting Minutes

Motion to approve December 13th meeting minutes, with one edit.
Alissa suggested we include, under Regional Planning section, to note that Montgomery housing needs assessment would be presented by Emily Klofft at the next meeting.

Motion made by Alissa, second by Kenny - all in favor 5-0.

3. By-Law Modernization Grant Review w/ Regional Planning representative(s)

> **Part 1: By-Law Modernization Project: Understanding & Reducing Regulatory Barriers at the Local Level** - Powerpoint presentation by Regional Planning representative Gretta Brunswick
>
> Note: Powerpoint Presentation shall be included as an attachment at the end of these minutes.
>
> **Main presentation talking points/ slide notes:**

a. Phases of Regional Planning project: Currently reviewing regional & local audits. Next Month meet with us to discuss individual housing needs
b. After review of local audits - Regional Planning shall provide assistance in developing by-law wording through 2023. Project shall be wrapped up by early 2024.
c. Numbers & statistics provided in audits come from data of various sources such as ACS, Census data, Department of Taxes Data.
d. Pandemic related changes are largely not included or represented in the data provided, thus also not reflected in the audit.
e. Franklin County wide growth projections show:
    i. Continuous need for senior housing
    ii. By 2040 average head of household ages will recover to represent younger adults
    iii. Low quantities of multi-unit housing
    iv. Household sizes continue to decline
    v. 82% of households are non-family homes
    vi. 18% of households are family

   Commission question to Gretta : Are family households those with children?

   Answer: Family households follow the Census definition - therefore married couples, without children also count as a family household.

f. Percent of year round rental units is low, exact % not noted
g. Cost of housing sales prices & median monthly rental rates are high and rising county wide. Especially in I89 corridor. Montgomery increases not as significant as other areas in Franklin County.
h. Affordable housing is low. Affordable housing is defined as a mortgage or annual rent which equates to 30% or less of income.
i. 48% of those living in Franklin county are paying more than 30% of their income each month on housing.
j. Quantifying Housing Needs: 7600 households have unmet housing needs in Franklin County. Unmet housing needs included, the unhoused (homeless), Underhoused (housing is rundown, not ADA compliant etc.) & Cost Burdened (paying over 30% of their budget)
k. County wide recommendations include:
    i. Construction
    ii. Subsidization Programs

iii. Workforce development programs to increase incomes
iv. Focusing on specific minorities, ages and affected demographics within each of our unique communities

Commission question to Gretta : Will the presented data be made available online?

Answer: Hopefully by the end of the month it will be made available online & a link can be provided.

Part 2: Review of Montgomery Housing Needs Assessment - Presented by Regional Planning representative Emily Klofft

Note: Montgomery Housing Needs Assessment was kindly recapped by a two page PDF developed by Emily. PDF to be included as an attachment at the end of these minutes.

Main Housing Needs Assessment talking points/notes:

a. Large disclaimer regarding the data: Due to the small demographics of Montgomery, there is a large margin of error in the numbers provided. For instance in the area of average annual income for residents in Montgomery, the margin of error is between $15,000 and $20,000.
b. Montgomery population has decreased slightly since last census.
c. Meanwhile average Household growth is still rising within ~0.5% (decrease from ~2.5%)
d. ~1.7% of Montgomery's population lives with non-relatives.
e. ~2.6% of Montgomery's population are individuals over 21 years of age living at home.
f. Montgomery currently has ~770 housing units.
g. Number of housing units has increased since last Census by ~225 units.
h. Most of these additional housing units have been newly constructed single family homes.
i. Montgomery is a significant outlier in the quantity of seasonal units and short-term rentals. Regional Planning had difficulty quantifying these two numbers as Mongomery has such a high demand for nightly units as compared to the other towns in Franklin County.
j. It is clear that over one third of the available housing units in Montgomery are being used as seasonal units and more still are being used as short-term/ seasonal rentals. Regional planning estimated 39.2% of units

are seasonal, and 8.4% are short-term rentals - however these estimates are not necessarily accurate.

k. **Regional Planning recommends for housing needs in Montgomery to be accurately addressed - the actual quantity of seasonal & short-term rentals needs to be defined. As short-term and seasonal rentals take away from the available housing inventory, it is recommended that at a town level, such as by use of survey or registry an accurate count of these units be established.**

   Group discussion at this point regarding:

   i. The significance of Mongomery developing a short term housing ordinance
   ii. The potential benefit of Mongomery hiring a short term housing administrator/ compliance officer to keep a registry of all short term housing units in the town
   iii. A survey to determine the difference between a seasonal unit and short-term housing unit. As to better define how each type is taking away from the available housing stock.

      Tosca volunteered to conduct a survey if provided with a template of questions.

l. Although home prices are not as high as they are in other areas of Franklin County, Mongomery suffers from the highest home price to income ratio in the County.
m. The number of renters has increased slightly since last Census, estimated as ~24% of Montgomery residents.
n. Age groups most affected by rising rent and house prices in Montgomery:
   40% of those under the age of 35 are cost-burdened
   70% of those between the ages of 35-64 are cost-burdened
   35% of those over the age of 65 are cost-burdened
o. Pre-pandemic: The median household income needed to afford home ownership in Montgomery was ~$60,000, the average annual income was ~$38,000.
p. Recommendations by Regional Planning: Determine ideal method(s) for Montgomery to increase the quantity of “Missing Middle Units.” Examples of Missing Middle Units would be:
   i. Single family homes with accessory dwelling units

ii. Duplexes
iii. Triplexes
iv. Fourplexes
v. Cottage Courts (development of several small ~700sf homes in a cluster
vi. Suggested these units are in villages, close to the schools and walking distances to town centers

Commission noted: with the current development of a town waste water system - multi-family unit planning in the town center may be of issue

Emily noted the Working Communities Project - the goal of this project is to prevent future zoning barriers for developing these “Missing Middle Unit” in towns throughout Vermont.

There will also be a Housing for All Housing Project coming soon. This project is not yet rolled out but details will be released State wide in the next few months.

Commission noted: For rental units, many shift to AirBnB or similar, because of bad tennant experiences. Getting bad tenants out has scared people away from offering rental spaces, and they get more $ and support when shifting to AirBnB type platforms.

Regional Planning team noted this is a common point made by many towns, and is a strong community talking point. Hopefully in the future there will be more support for landlords at a State level.

Next meeting - Regional planning will discuss with us ways to look at the zoning by-laws specific to Montgomery. Suggesting changes that will allow for future development of the needed “Missing Middle Units” in a way that matches the character of the area. Items for discussion such as: Street standards, setbacks, street widths, parking spaces, ADUs, allowable uses, development review standards ect.

Gretta suggested we take the opportunity to watch the recorded video of the 11/17/22 Community Conversation on Housing.

Youtube Link: https://www.youtube.com/watch?v=5ruqGMVrfW4

Gretta signed off at 7:17pm

4. Discussion on Short Term Rentals

- It was made clear by Regional Planning, short term rentals in Montgomery need to be better understood & exact quantity needs to be made clear.

- For adequate town planning, the number of units, guests, wastewater demand, traffic, potential safety concerns, ect. need to be quantified.

- Suggested we plan to arrange a joint meeting with the Development Review Board (DRB) to discuss. Joint meeting is also ideal opportunity to create community survey questions.

- After joint meeting with the DRB, a short Survey as Tosca noted would be ideal

7. Public comment
None

8. Other Business
None

9. Items for next meeting agenda
- Regional Planning Zoning Audit: Review of our existing by-laws
- Discussion of Joint meeting with DRB

Meeting adjourned 8:01 P.M All in favor 5-0

Attachments

a. By-Law Modernization Project: Understanding & Reducing Regulatory Barriers at the Local Level - Powerpoint Presentation Slides in PDF

b. Montgomery Housing Needs Assessment - PDF

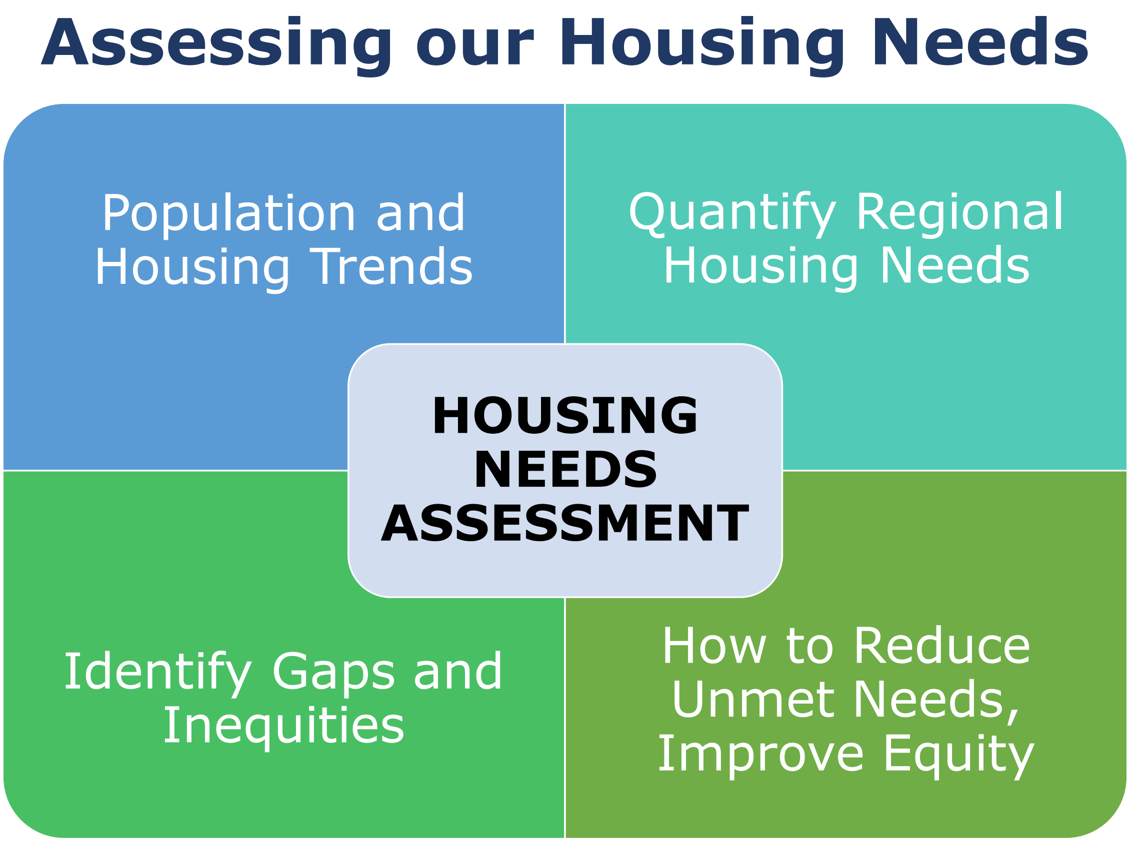
Bylaw Modernization Project: Understanding and Reducing Regulatory Barriers at the Local Level

Funded by Consortium ***Bylaw Modernization*** Grant from the Department of Housing and Community Development to St. Albans Town (lead), Highgate, Sheldon, Enosburgh and Montgomery

Project Components and Schedule

- ***Assess***. Communicate the results of a regional housing needs analysis.
- ***Audit***. Audit zoning regulations and identify potential changes that will allow for gentle infill and new housing opportunities.
- ***Educate***. Educate local planners and other community members on how to allow for new housing options that integrate with the existing built fabric.
- ***Engage***. Engage communities in discussions on housing needs and solutions.
- ***Implement***. Develop zoning bylaw language that allows for new housing opportunities and is responsive to each community's unique context and needs

2022 → → 2023 → → 2024


Assessing our Housing Needs
Population and Housing Trends
Quantify Regional Housing Needs
HOUSING NEEDS ASSESSMENT
Identify Gaps and Inequities
How to Reduce Unmet Needs, Improve Equity

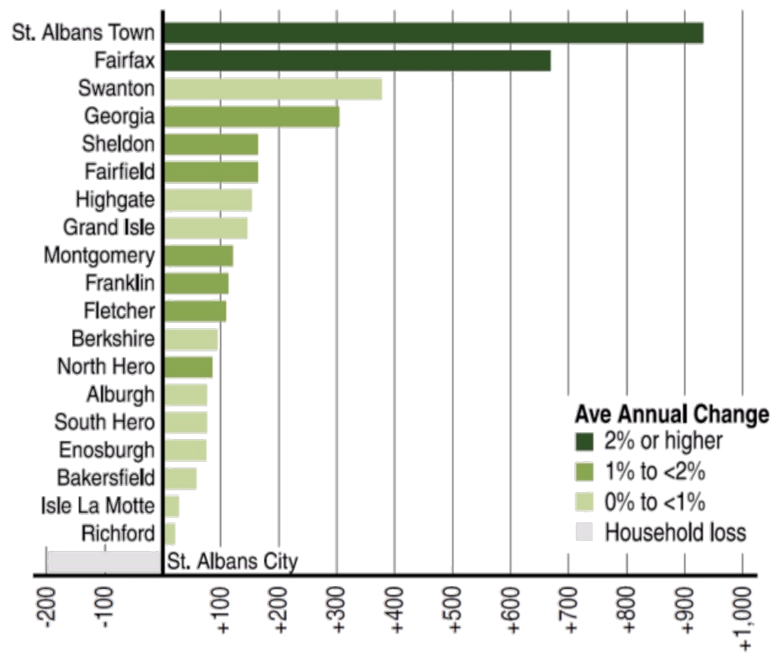
Current Housing Landscape and Trends

Household Growth

- Overall, growth is happing at slower rates
- Household growth outstripping population growth (18% vs 9% from 2000-2020)
- Household growth is not distributed evenly in region
- 45% of new households in St. Albans Town and Fairfax

**St. Albans City glitch in census count*

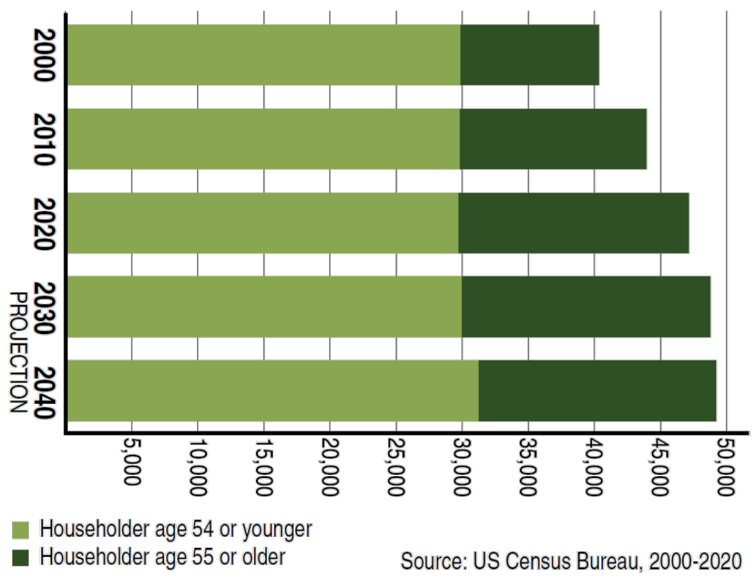
FIGURE 1: CHANGE IN NUMBER OF HOUSEHOLDS, 2000 - 2020



Source: Decennial Census, US Census Bureau

Household Growth Projections

- Continued growth at slower rates
- Continued need for senior housing
- By 2040, recovery of households headed by younger individuals

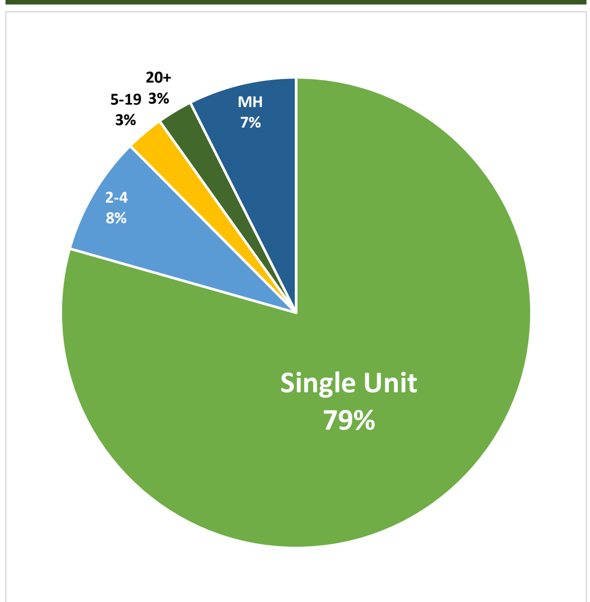


Current Housing Landscape and Trends

Housing Stock

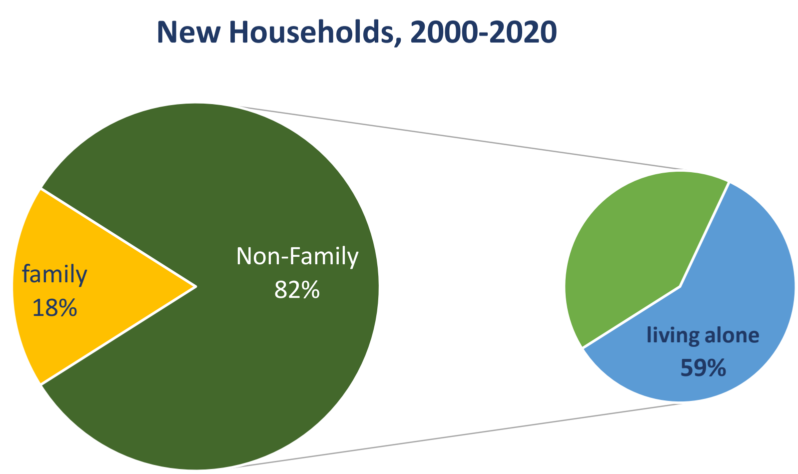
- Homogeneous stock – 79% single unit
- Low quantities of "missing middle" and multi-unit housing
- Diversity may be declining[1]

Housing Stock by Units in Structure



Household Characteristics

- Median Age rising as boomers continue to age (40.5 in FC and 48.7 in GIC).
- Household size continues to decline.
- As living arrangements change - rise in proportion of non-family households and single person households.

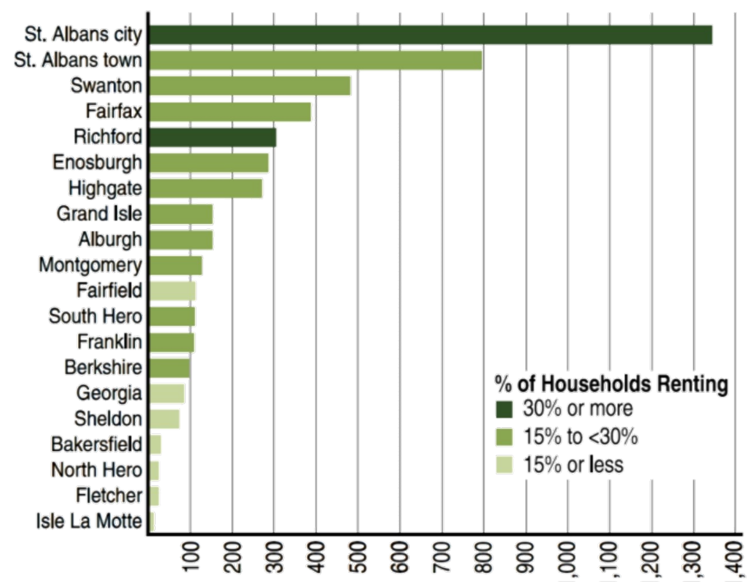


Household Characteristics

Tenure–Owning vs. Renting

- Renting households concentrated in St. Albans City and Town.
- Richford and St. Albans City have high percentage of renting households.
- % of renting households is lower than MSA and state

FIGURE 6: RENTING HOUSEHOLDS BY LOCATION



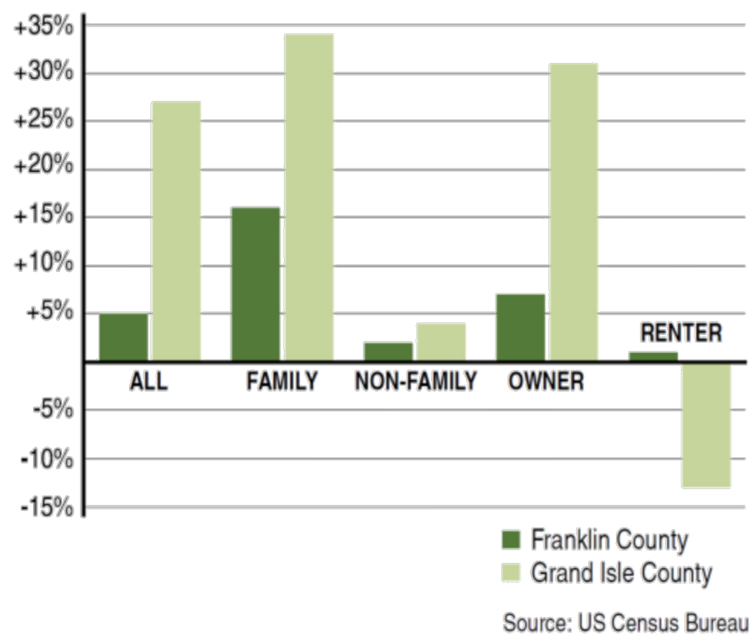
Source: American Community Survey, US Census Bureau

Household Characteristics

Median Income

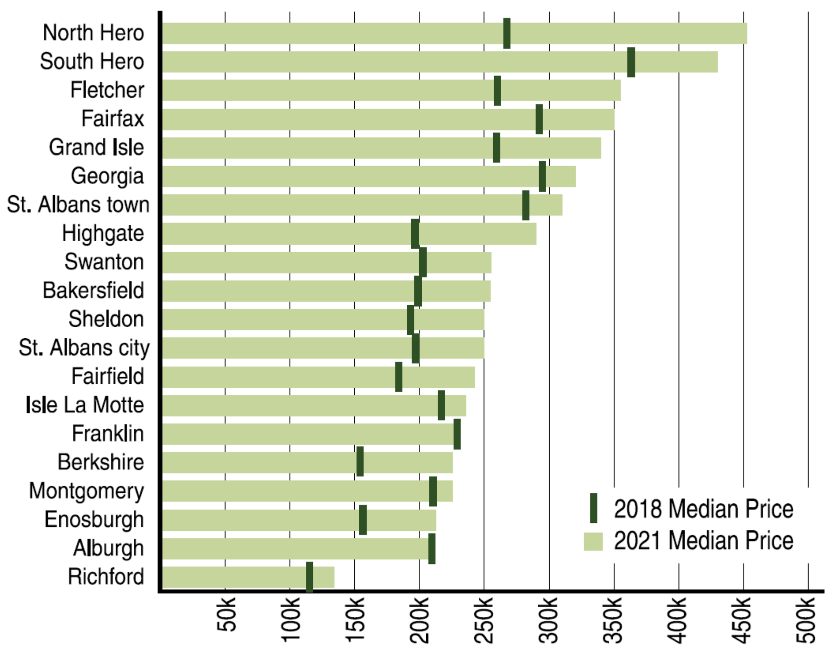
- Renter and non-family households did not experience equal income growth
- Median incomes for homeowners was ~twice that of renting households

FIGURE 7: MEDIAN INCOME GROWTH



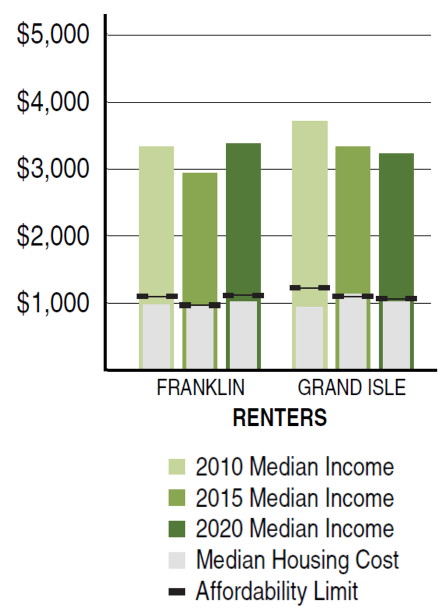
Cost of Housing

Median Sale Prices by Town



Source: VT Department of Taxes

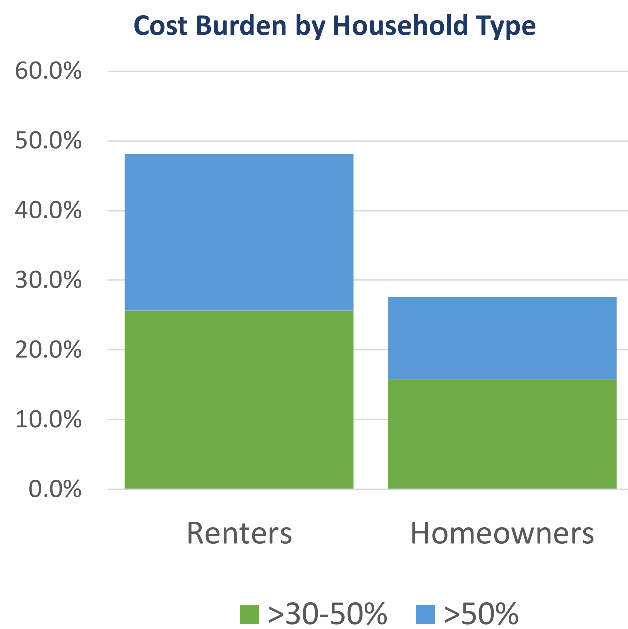
Median Rental Housing Costs by County



Source: American Community Survey, US Census Bureau

Affordability

- Housing is considered affordable when a household uses no more than 30% of their income to pay for it.
- 1 in 3 households spending more than 30% of income on housing.
- A home remains unaffordable for 48% of **renters** in the region.



Cost Burden Greater for Vulnerable and Marginalized Populations

Quantifying Unmet Housing Needs

TABLE 1: UNMET HOUSING NEEDS	
Unhoused	80 new units
Underhoused	3,350 new or improved units
Cost Burdened	6620 low-income households
Total	7,600 households
Source: 2022 Northwest Region Housing Needs Assessment	

All unhoused (point in time count, data)

Underhoused = Too small or large, undesired living arrangement, poor quality, not ADA compliant for seniors and those with disabilities

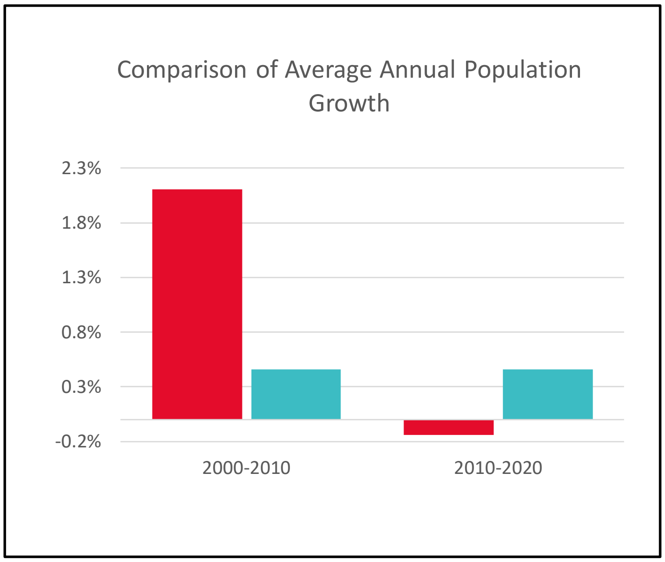
Recommendations to Better Meet Needs

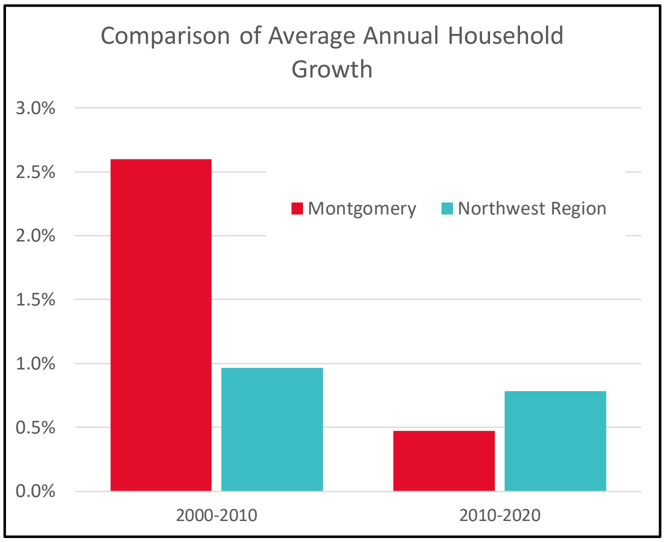
1. Develop new affordable housing units, especially “missing middle”
2. Expand programs that address both housing costs and household income
3. Focus efforts on those experiencing disproportional impacts:
    - Severely cost-burdened households
    - Households currently living in substandard housing
    - BIPOC households
    - Seniors facing difficulties with aging in place
    - Young adults seeking to move into or form a household within the region

Montgomery Housing Assessment

PREPARED BY THE NORTHWEST REGIONAL PLANNING COMMISSION

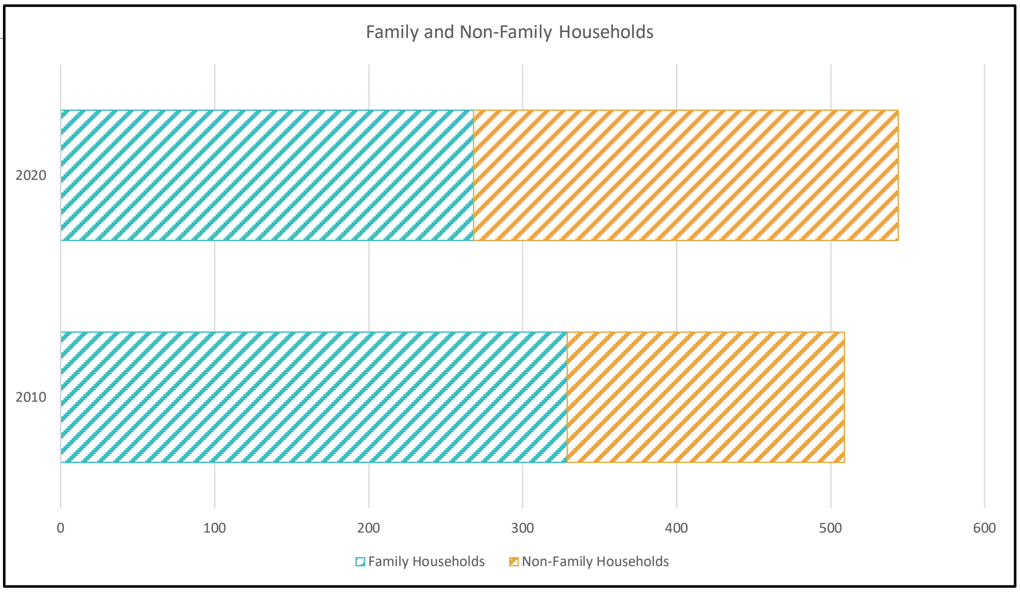
Population and Household Growth





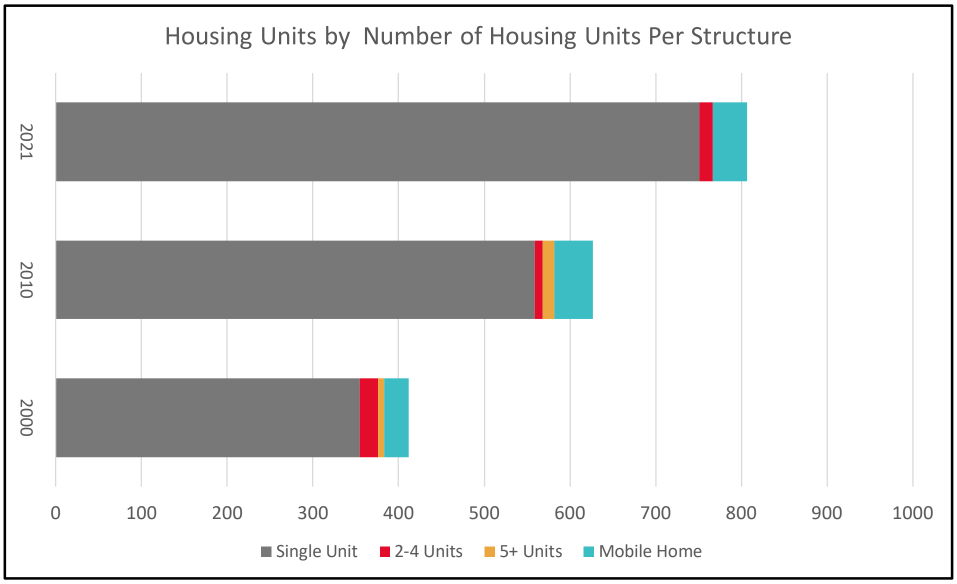
There has been growth in both family and non-family households.

Non-Family Households:
Households not related by marriage, adoption, or birth.



Housing Units

770 Housing Units

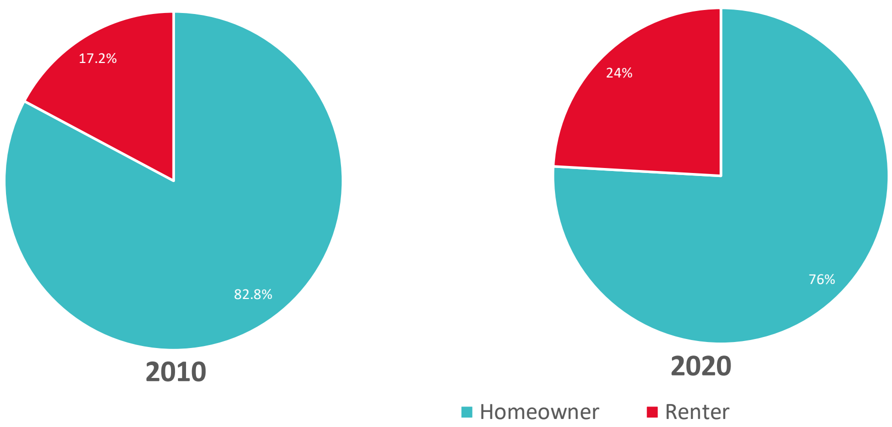


Seasonal & Short-Term Rentals

39.2 % Seasonal Units

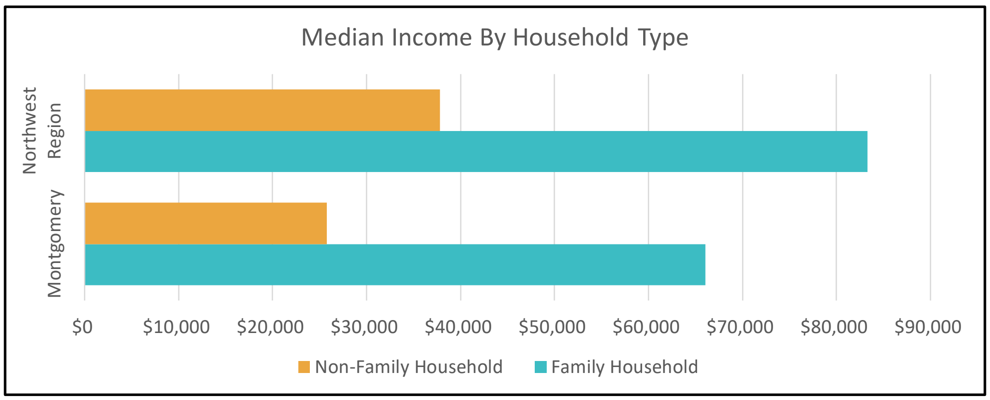
8.4% Short-Term Rentals

Homeownership & Renter Households

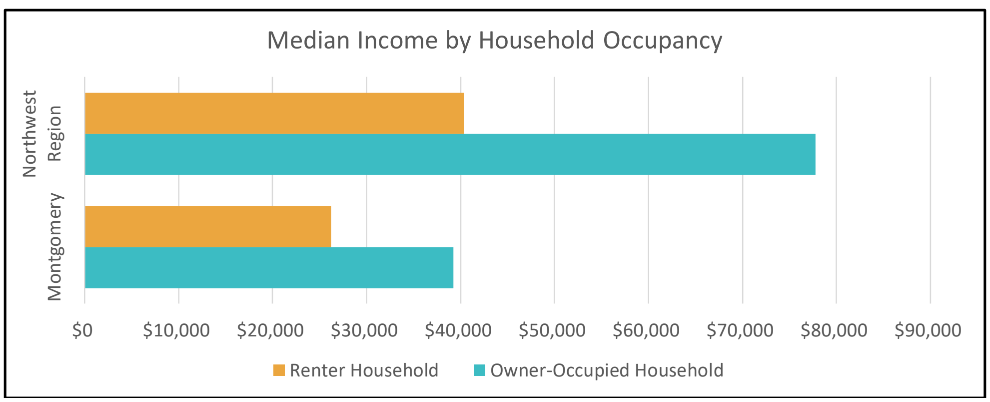


There has been a in increase in proportion of rental households in Montgomery.

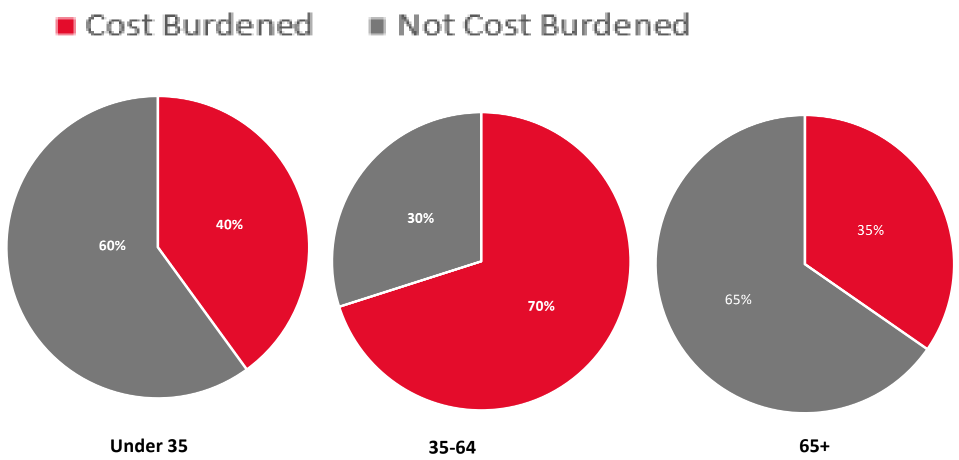
Median incomes for family households are *higher* than non-family households.



Median incomes for homeowner households are *higher* than for renter households.

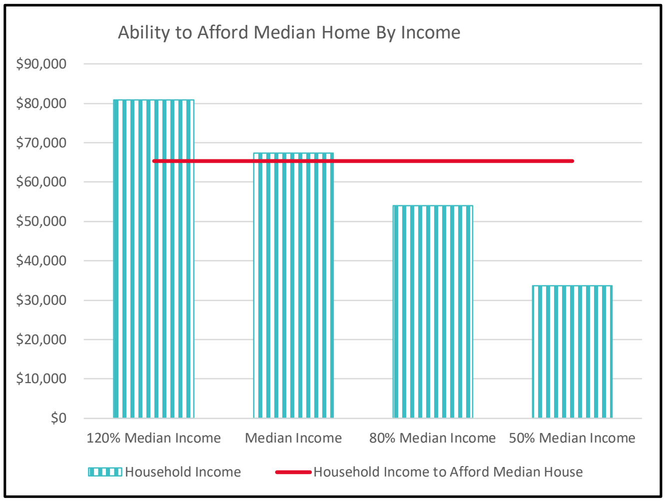


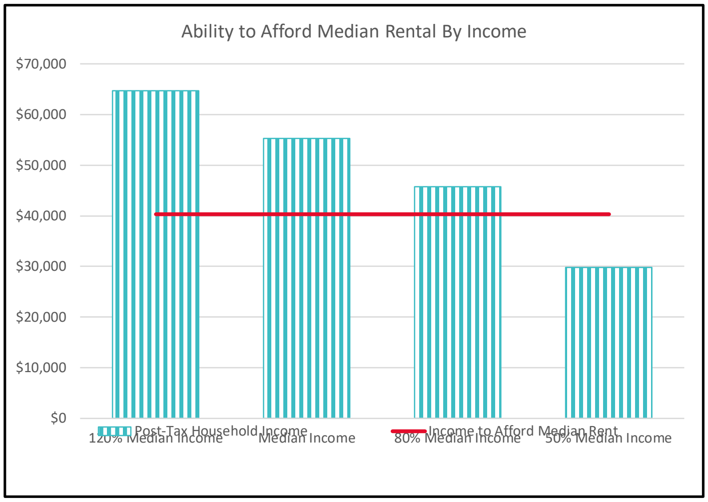
Cost Burden



Data unclear due to high margins of error, but all groups have significant cost burden.

Affordability





Conclusions

- Montgomery is experiencing some growth in households.
- While Montgomery tends to be more affordable by regional standards, lower incomes of renters in Town cannot afford homeownership.
- Seasonal & short-term rentals appear to be having in effect on affordability in Montgomery.
- There is a need for a diverse range of affordable housing types in Montgomery, including missing middle units.

6 Key Topics- from Enabling Better Places Guide

- Dimensional Standards
- Parking Standards
- Allowable Uses
- Street Standards
- Accessory Dwelling Units (ADU)
- Development Review Process

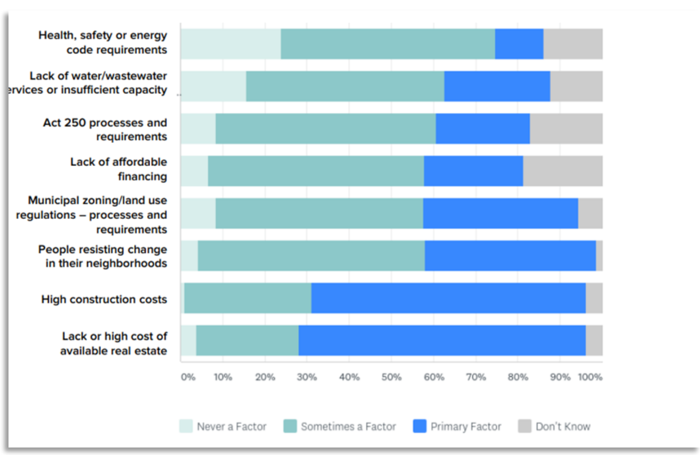
Areas of Review

Dimensional Standards
Building Height Restriction
Front Setback
Yard Setback
Setback Measured From
Frontage Requirement
Lot Coverage Standard
Minimum Lot Size
Duplex Minimum Lot Size
3+ Unit Minimum Lot Size
Lot Size is Regulated Seperately from Density
Parking Standards
Parking Minimums for Multi-Household Dwellings
Parking Minimums for ADUs
Parking Minimums for Single Household Dwellings
Allows On-Street Parking to Count Towards Minimun
Parking Lot Location Regulated

Allowable Uses
Largest Conditional Multi-Unit Building (Including C/S)
Largest Allowed By Right Multi-Unit Building (P)
Largest Permitted/Site Plan Review Multi-Unit Building (P/S)
Multiple Principal Uses Allowed
Unit Description Used
Street Standards
Has Connectivity Standards in PUD/Subdivision Regulations
Requires Sidewalks in PUD/Subdivision Regulation
Private Road Minimum Required Lane Width
ADUs
Maximum Size of ADU
Number of ADUs Allowed on Parcel
Development Review Standards
Setback Waiver Provisions for Permitted Uses (List Conditions in Notes)
Administrative Review Provisions (See Notes)

Municipal Zoning-
Just One Piece of the Puzzle

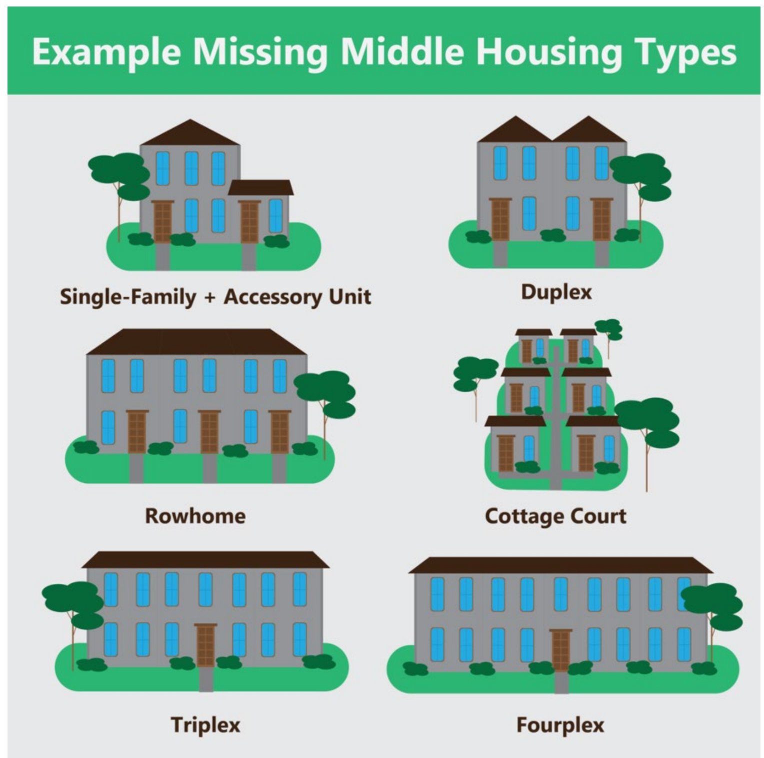
What factors make it difficult to achieve those housing needs in walkable places (downtowns, village and surrounding neighborhoods)?



ACCD Barriers to Housing Survey
https://accd.vermont.gov/sites/accdnew/files/documents/CD/CPR/CPR%20Z4GNSurveyResultsPresentation_190722.pdf

Missing Middle

- Affordable by design
- Walkable
- Accessible to services, employment
- Efficient use of land
- Fits into existing neighborhoods
- Adds demand for more services
- Supports equity and justice - neighborhoods made up of different type's of households

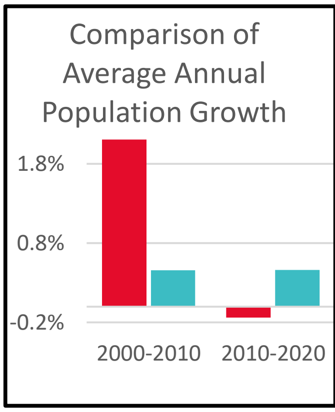


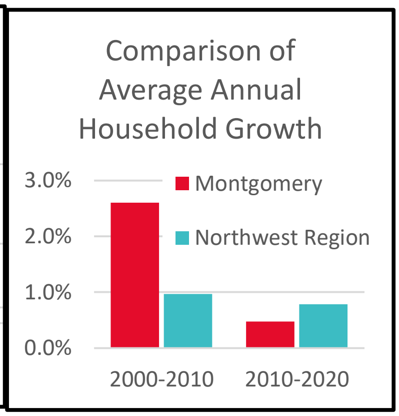
Zoning for more housing can be gentle!!

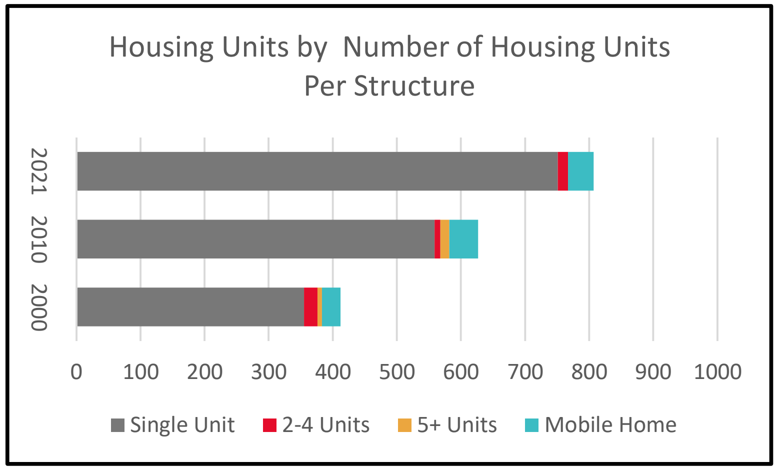
- 7 new lots,
- 24 new units,
- 1 new business

Montgomery Housing Needs Assessment

A project funded by the Agency of Commerce and Community Development's Bylaw Modernization Grant Program

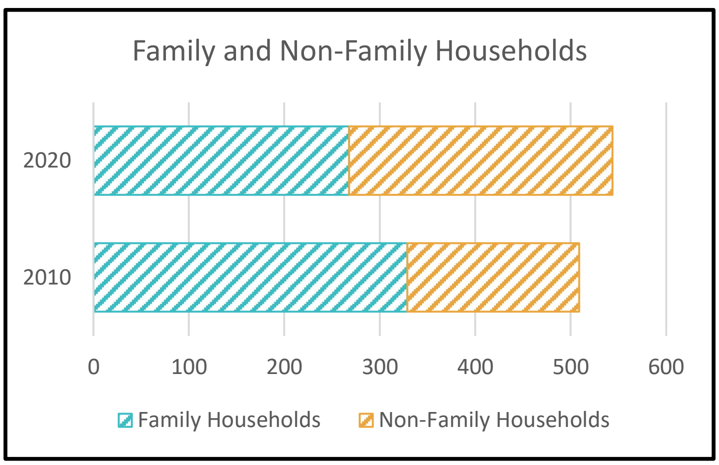






While Montgomery had high population growth from 2000-2010, since 2010 population has decreased somewhat, despite continued regional growth. Despite population loss, the number of households has grown somewhat due to smaller household sizes. The growth in household units has been driven by growth in both family and non-family households.

Non-family households refers to any household where members are not related by birth, adoption or marriage. Roughly 1.7% of Montgomery's population lives with nonrelatives excluding unmarried partners and 2.6% of those over 21 are living with their parents. It is likely that some of these residents would prefer to form their own households. There is no evidence of crowding in housing units in Montgomery.



770 Housing Units

Household, Family and Total Housing Units: US. Census

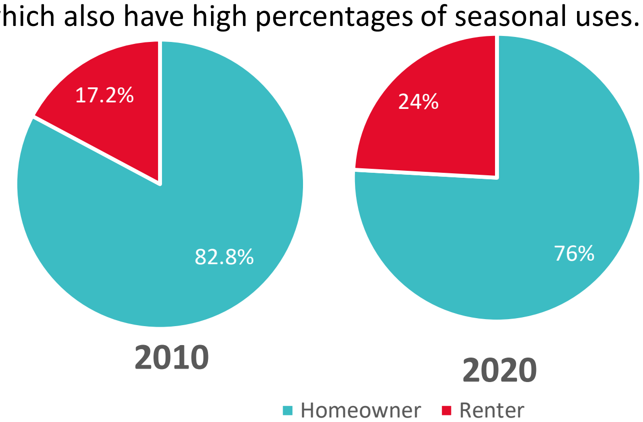
According to the 2020 Census, there are 770 housing units in Montgomery. The number of housing units in Montgomery has grown almost entirely due to new single unit homes. This is similar to the regional trend.

39.2 % Seasonal Units

8.4% Short-Term Rentals

Short-term rental data: AirDNA via Housingdata.org.

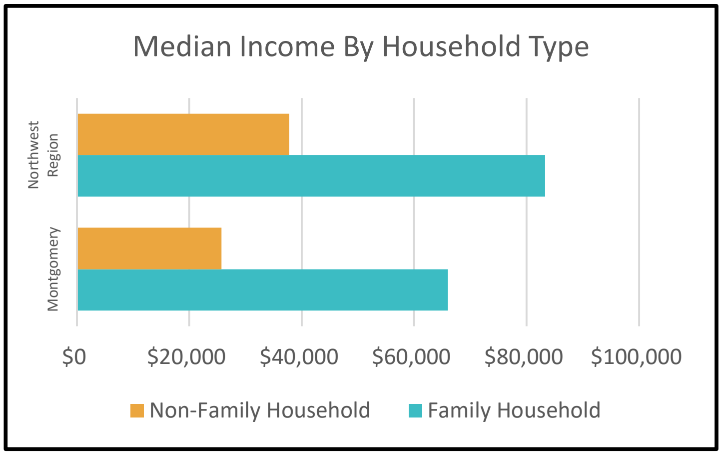
Over 1/3 of units in Montgomery are used as seasonal units and 8.4% are short-term rentals (categories may be overlapping). The high level of demand for seasonal & short-term rentals can have an impact on the availability and cost of year-round housing. Compared to its surrounding communities, Montgomery has the highest home price to income ratio, with the next two highest being Jay & Lowell which also have high percentages of seasonal uses.



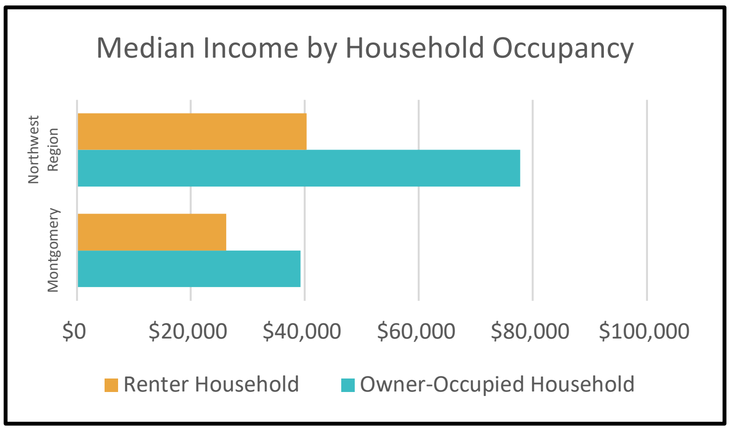
The number of renters in Montgomery has increased somewhat in the last 10 years, however the high margin of error makes this difficult to interpret.

All data from 2020 US American Community Survey except where otherwise noted.

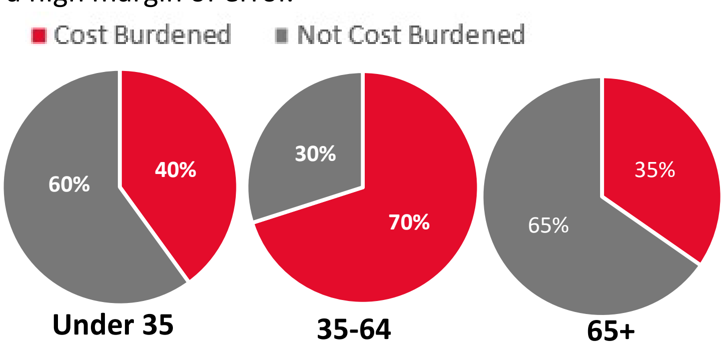
Montgomery Housing Needs Assessment



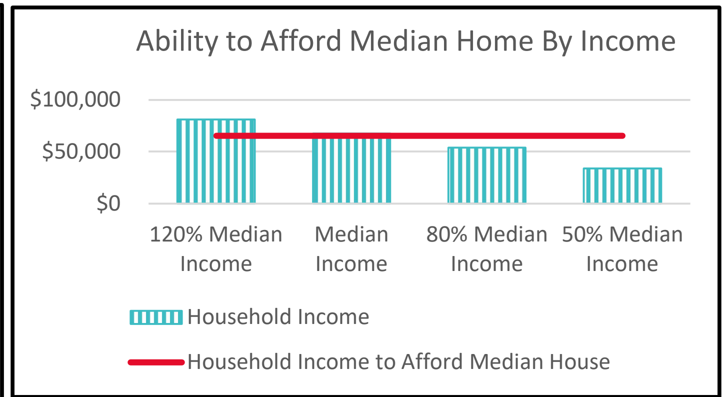
Family households have higher average median income than non-family households in Montgomery, however this similar to the region average. Since some of the growth in Montgomery is in non-family households, this points to the need for more



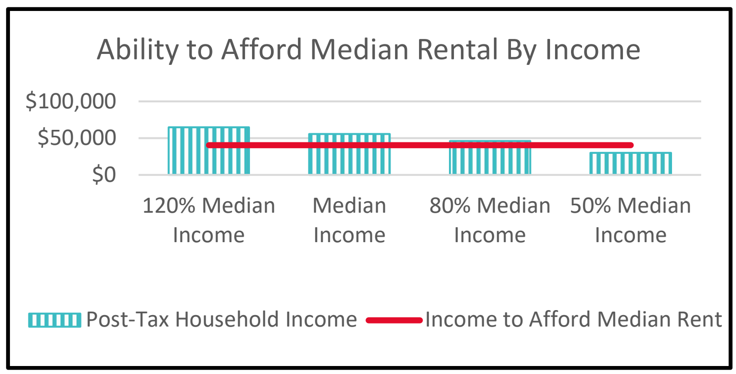
Renter households have somewhat lower incomes than owner-occupied households in Montgomery. Montgomery's median incomes are lower than regional averages as a whole, although this data has a high margin of error.



Residents of all age groups have high cost burdens in Montgomery. High margins of error make this data difficult to further interpret. Region-wide, residents identifying as not white-only are more likely to be cost-burdened at all income levels.



Homeownership is generally affordable to regional median income households in Montgomery. However, while homeownership is affordable by regional standards, the average income of a Montgomery employee is only $38,605, so a household with one working adult could not afford the median home. Homeownership is also likely not affordable to the median rental household.



Rental units are more affordable option in Montgomery with rental units being affordable to median and low-income regional residents. However, as demonstrated by the cost-burden data, these rentals are not affordable to many existing residents.

Conclusions

Household growth has slowed in Montgomery compared to the region overall. The majority of new homes constructed are single-unit. The housing market in Montgomery is greatly impacted by its proximity to Jay Peak, which has led to a significant amount of seasonal and short-term rentals. Homeownership and rentals are affordable to regional median residents but may be less affordable to those making average incomes in the immediate surrounding area. There is a need a diversity of affordable housing options in Montgomery.