

East Central Vermont Housing and Transportation Affordability



The morning bus through Ascutney

Housing is not the only major cost for households;

transportation costs can also be very significant. Less expensive housing is often found in rural areas which requires more time spent travelling to work, buying groceries or getting to medical appointments. In 2006, the Center for Neighborhood Technology (CNT) released the first version of its Housing and Transportation (H+T®) Affordability Index. In late 2013, the US Department of Housing and Urban Development (HUD) released their own Location Affordability Index which analyzes housing and transportation costs. The purpose of this report is to summarize an affordability analysis for East Central Vermont of our home and transportation costs. This analysis will help us determine how sustainable our regional land use development pattern is now, and how that may change over time.

The relatively high cost of housing in east central Vermont has been documented for the past couple of decades. As a predominantly rural area, it is also commonly understood that we drive long distances for our daily needs in this area. However, the costs related to our daily transportation needs have not been quantified until recently.

The information on the next few pages shows the affordability of housing and transportation in East Central Vermont based upon a moderate income household¹ with typical transportation costs² based on geographic location. This household income level scenario was chosen because it best represents the definition of affordable housing under State planning law (see the sidebar on the following page). The analysis results are helpful as a snap shot of the region's affordability over the 2006 -2010 period, and the results can be used as a performance benchmark to measure efforts to make the region more affordable over time.

However, determining how affordable housing and transportation costs are, is best done for each individual household or family because so many things differ, such as income levels, size of house, location of job(s),

¹ Moderate household income is 80% of the median income in the HUD-defined Lebanon, NH-VT Core Based Statistical Area, and using the 2006-2010 American Community Survey (ACS) data from the U.S. Census Bureau.

² See following page for a quick summary of what data was used. For more detailed information, see the full HUD methodology at http://locationaffordability.info/About_Data.aspx

and other factors that affect routine household expenses. See [My Transportation Cost Calculator](#) on HUD's Location Affordability Portal to explore your household costs.

How affordable are our homes?

A housing affordability analysis was conducted for east central Vermont in 2010 using HUD's Index as described above. The results are shown on the map on the opposite page. Housing costs in most Census block group areas in this area are above the 30% affordability target. Only a few sections meet the affordability target, including portions of Rochester, Bethel, Wilder (Hartford), Windsor, Weathersfield, Springfield and Chester. For example, this means that Windsor's downtown area (and areas south) is

What went into the model?	
The Location Affordability Index was developed by the U.S. Departments of Transportation and Housing and Urban Development in order to quantify housing and transportation affordability. Their website was launched in late 2013. The main components of the model are:	
Unit	• Household
Income	• 80% of CBSA ⁴ median household income
Area covered	• Census "Block Groups" - so some towns are combined together, while others are in smaller pieces • Areas in Addison County have not yet been included in the HUD model
Housing data	• 2006-2010 American Community Survey (ACS)
Transportation data sources	• 2006-2010 ACS • 2010 Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employment Statistics (LODES) from the US Census Bureau • Consumer Expenditure Survey from the US Bureau of Labor Statistics

What is "affordable"?

Housing is generally considered affordable, regardless of income, when a household pays no more than 30% of its household income on housing¹. Transportation costs are considered affordable when at or below 15% of the household income². When combined, with housing, this means that **a home is considered affordable when transportation and housing costs consume no more than 45% of household income.**

In Vermont, "affordable housing" for regulatory and some grant purposes is "housing that is owned or rented by its inhabitants whose gross annual household income does not exceed **80% of the county median income** [...] and the total annual cost of the housing [...] is not more than 30% of the household's gross annual income"³.

For the HUD analysis, the moderate income household in Windsor and Orange Counties⁴ is characterized by:

- household size is 2.34 people
- household income is \$41,696
- each household has 1.1 commuters

¹ The [US Department of Housing and Urban Development](#) (HUD) considers housing to be affordable when a household pays no more than 30% of its annual income on housing. As explained by HUD, "families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care" Source: *US Dept of Housing and Urban Development. "Affordable Housing". www.hud.gov/offices/cpd/affordablehousing/ Last updated February 16, 2012.*

² Research by the [Center for Neighborhood Technology](#) (CNT) found that getting transportation costs down to 15% of household income is a reasonable goal for affordability. Sources: *Center for Neighborhood Technology (CNT). "FAQs". http://htaindex.cnt.org/faq.php. Accessed February 28, 2012.*

³ Vermont defines "Affordable Housing" in [24 VSA § 4303](#)

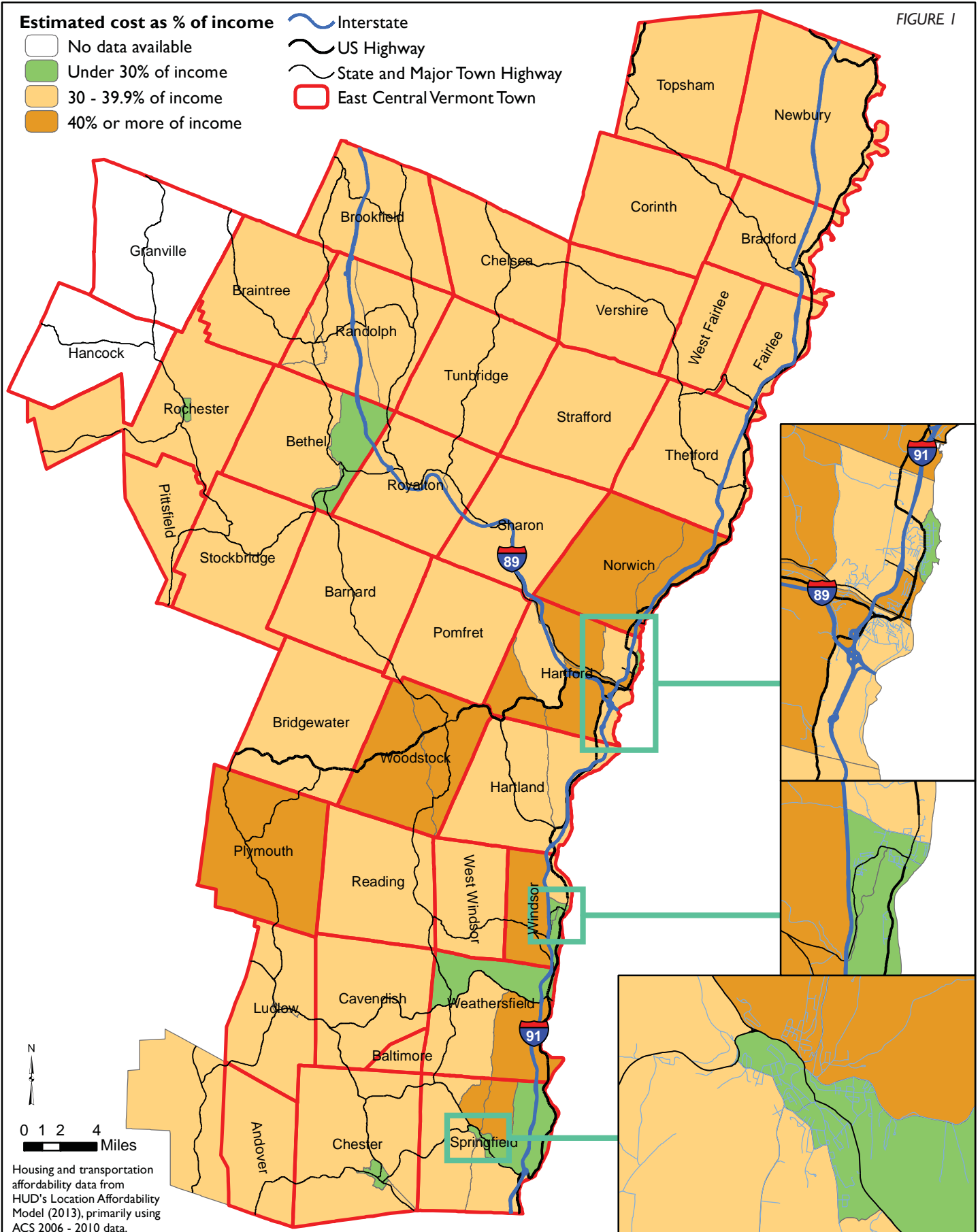
⁴ Windsor and Orange Counties are part of the Lebanon, NH-VT Core Based Statistical Area (CBSA) which includes Orange and Windsor Counties in Vermont, and Grafton County in New Hampshire. Sullivan County (which includes Claremont) is not included in this particular definition of the micropolitan area.

Did you know... you can look at more housing affordability information? As part of the East Central Vermont HUD Sustainable Communities project, Vermont Housing Finance Agency completed a Housing Needs Report - both for homeownership and renting. For more information, visit www.vhfa.org/documents/HousingNeedsinEastCentralVermont2013.pdf



Housing - Estimated household housing costs as a percentage of income for a moderate income household

FIGURE 1



considered affordable because housing costs (at approximately \$11,814) accounts for 28% of the moderate household income level (at \$41,696). According to this index rate, housing costs vary significantly, from the highest level of 56% in Hartford's Quechee area to the lowest level of 27% in Bethel.

How much money do we spend on transportation?

When looking at buying a house, many people seek the most house they can afford, with less focus on the house location. This generally results in buying a larger house in a more rural area, where housing costs tend to be lower than in larger villages or job centers (i.e. Lebanon, NH). However, this resulting rural location may be inefficient for transportation, largely relying on a car to get to many, if not all, destinations.

The results of a transportation cost analysis are shown on the map on the opposite page. According to this analysis, the entire east central Vermont area exceeds the 15% affordable transportation cost target for a moderate income household. In fact, eastern sections of Hartford are the only areas that spend less than 25%. Most towns have over double the 15% target, with the highest percentages of household income spent on transportation 33% in Pittsfield, Plymouth, Vershire, and Newbury (west of I-91).

Combined affordability of housing and transportation

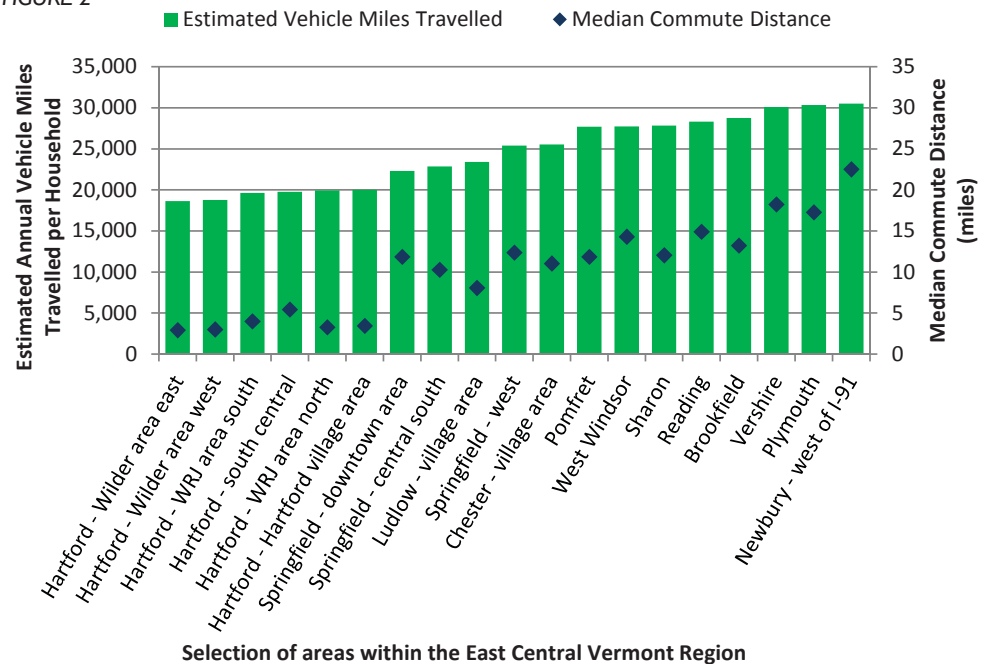
For housing and transportation, the impact of the high percentages of income spent on transportation is seen clearly. For the few areas that were considered affordable when just considering housing costs (i.e. below 30% of income spent on housing) (eg portions of Rochester, Windsor, Springfield and Chester), their transportation costs were sufficiently high to bring them above the guideline for affordability when housing and transportation is considered (i.e. 45% of income).

How far is too far?

The Region's residents are driving considerable distances. HUD's model estimates that moderate income households in the Region can be travelling 18,623 to 30,517 miles in their vehicles per year. That translates to approximately \$9,900 to \$13,600 spent on transportation per year.

The table shows estimated vehicle miles travelled for selected towns in the Region. The lowest vehicle miles travelled are in Hartford, with several areas estimating less than 20,000 miles per year. Several other downtowns and village centers have the next lowest estimated mileages, mostly below 25,000 miles. At the high end, three areas had estimated mileages above 30,000 miles - Newbury west of I-91, Plymouth and Vershire.

FIGURE 2

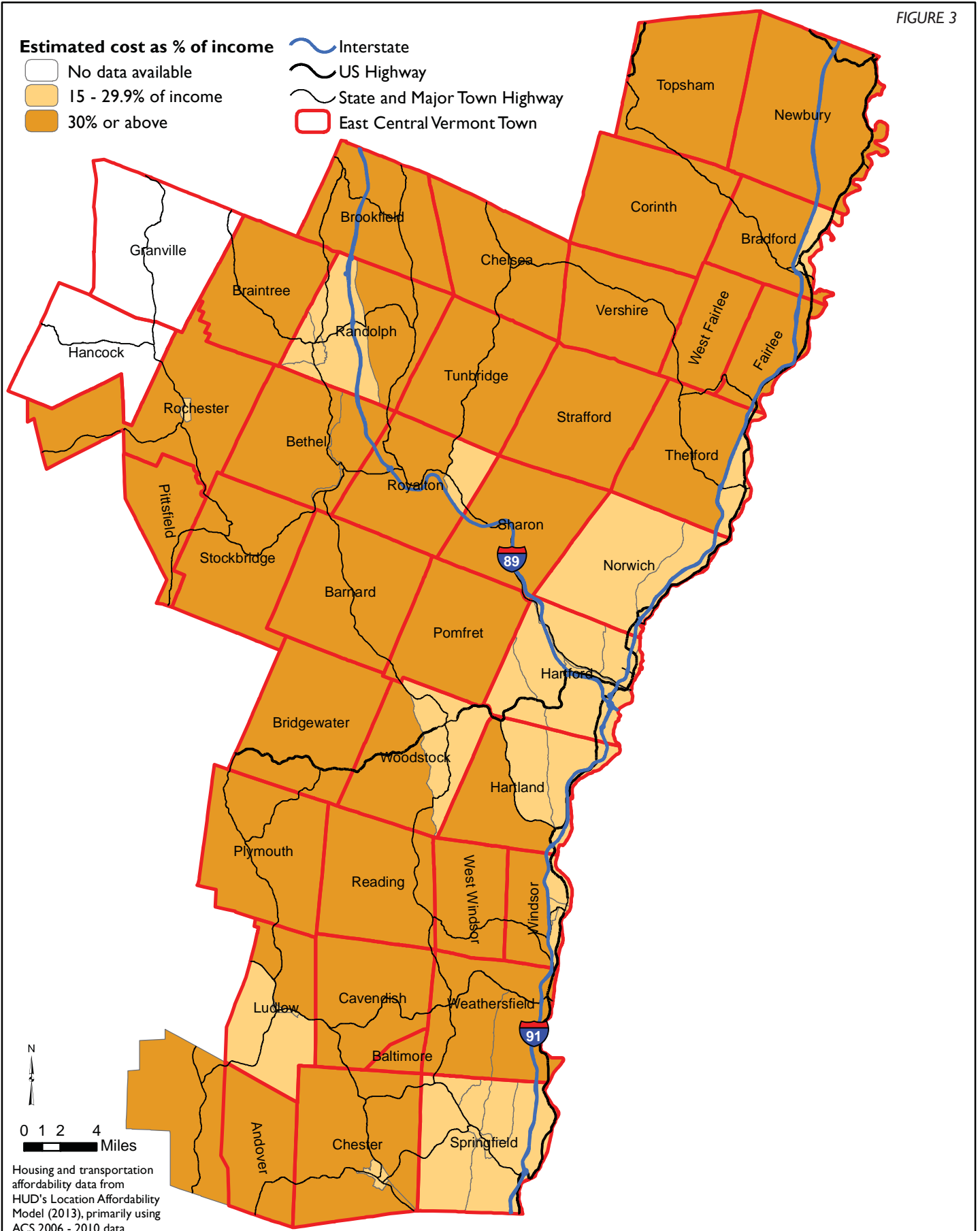


Did you know... you can explore your own transportation costs with HUD's "My Transportation Cost Calculator"? Type in information about where you live, your household and some of your typical costs, and the calculator will show what you spend compared to similar households nearby. Find out more at www.locationaffordability.info/tcc.aspx



Transportation - Estimated household transportation costs as a percentage of income for a moderate income household

FIGURE 3

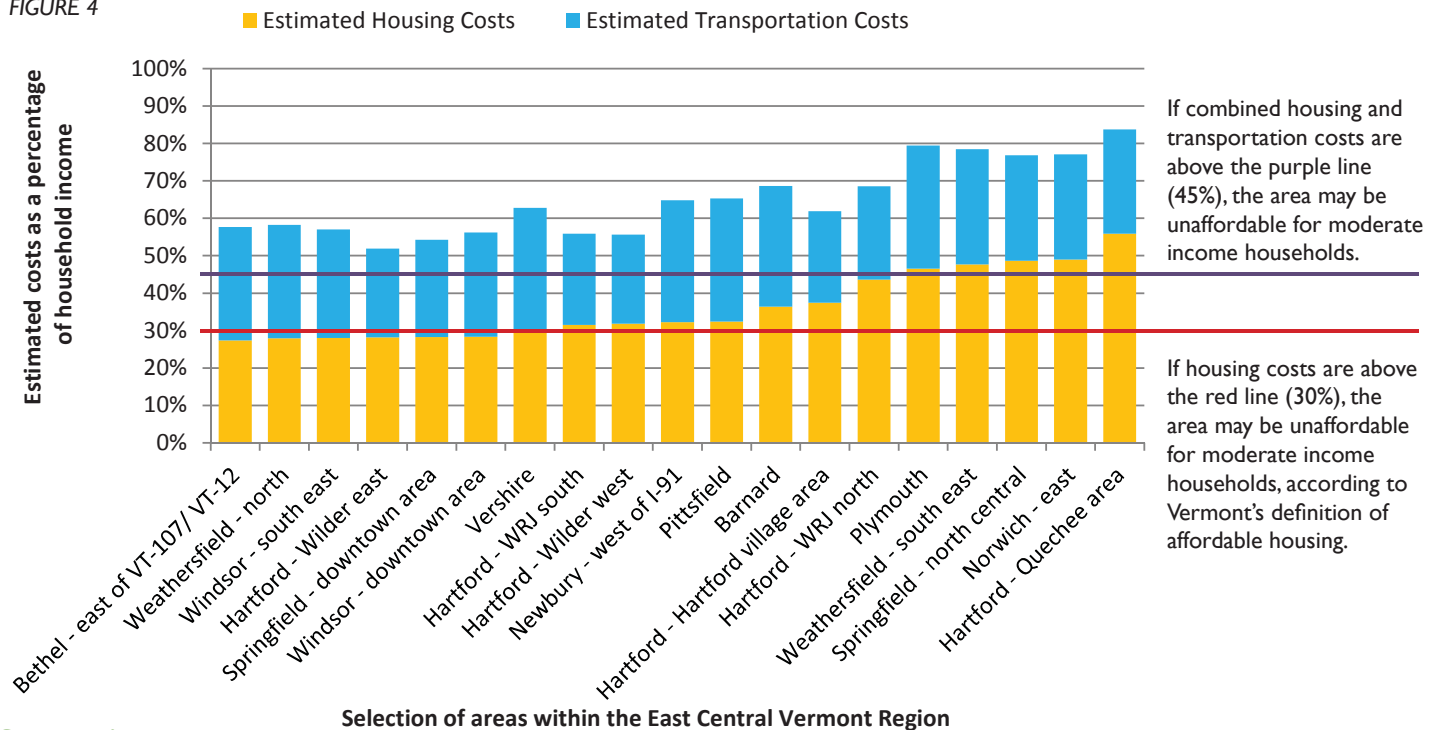


Did you know... there are several other types of households for which this information is available - including different income levels, household size and for retirees? You can also explore some of the information which was used for the model. For more information, see page 8 or visit www.locationaffordability.info/lai.aspx



The table below shows the separate and combined estimated housing and transportation cost for a selection of areas within East Central Vermont. The most affordable areas are in the Region's main hubs - Hartford's Wilder east, Springfield downtown area, Hartford's Wilder west, Hartford's White River Junction south, and Windsor downtown area. However, all are above the combined affordability guideline of 45%. The least affordable areas are Hartford's Quechee area, Plymouth, Weathersfield south east, Norwich east, and Springfield north central.

FIGURE 4



Strategies

There are a number of possible strategies or options to improve the housing and transportation affordability in the East Central Vermont area. However, the HUD Location Affordability Index does not provide the ability to test possible future scenarios. Therefore, the following strategies offered below are simply a range of options that should be considered in more detail:

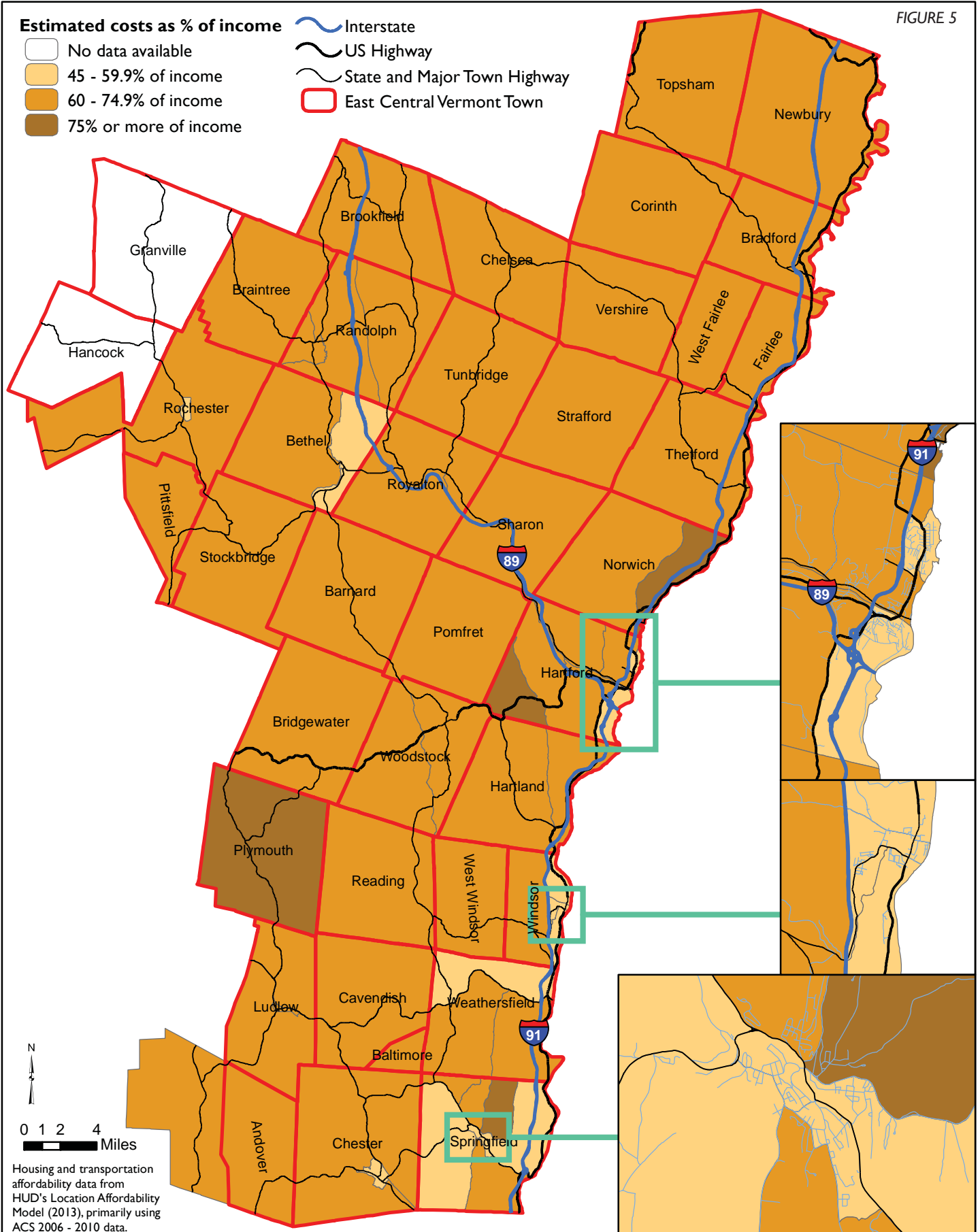
1. Educate potential home buyers, real estate professionals and builders about HUD's Location Affordability Index and its implications for east central Vermont.
2. Encourage potential home buyers to consider both housing *and* transportation costs before selecting a new home or home site.
3. People should consider buying the most fuel-efficient vehicles practicable for their needs.
4. Take the bus or carpool when feasible.
5. Seek a more equitable jobs-to-housing balance in order to reduce daily travel needs and related personal transportation costs (i.e. build more workforce housing in job centers, i.e. Hartford/Lebanon; and create new jobs in larger towns that have lower-priced housing, i.e. Springfield, Windsor, Randolph).

Did you know... you can also explore housing and transportation affordability through the Housing and Transportation (H+T®) Affordability Index? This index is maintained by the Center for Neighborhood Technologies (CNT). The East Central Region is part of the "Lebanon, NH/VT" Region at <http://htaindex.cnt.org/map/>



Housing and transportation - Estimated household housing and transportation costs as a percentage of income for a moderate income household

FIGURE 5

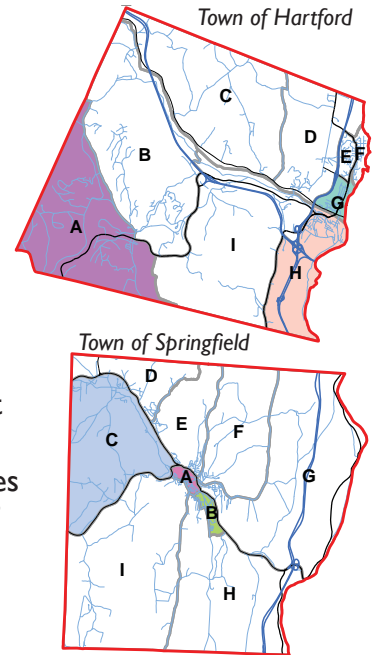


Housing and transportation affordability for other types of households - including retirees and dual income families

While the majority of this report focuses on moderate income households (which shows that no area is affordable), the HUD Housing Affordability Index also considers other types of households - including different income levels, household size and for retirees. The table below considers 3 different household types for different areas of Hartford and Springfield. These few examples clearly show the impact that housing and transportation costs have on people with different situations:

- a dual-income is needed for a four-person household for housing and transportation costs to be below 45% (the guideline for where costs are considered affordable)
- living in the more dense downtown areas or residential neighborhoods adjacent to the downtowns decreases transportation costs significantly
- while being retired reduces the number of miles travelled by 8,000 - 10,000 miles per year, retirees still have to do a considerable amount of driving, particularly if they live outside of downtown areas

To explore additional categories and for more locations, visit www.locationaffordability.info/lai.aspx



Town	Quick description	Map ID	Percentage of income used for housing and transportation costs			Vehicle Miles Travelled per year		
			Regional Moderate Income Household	Dual-Income Family	Retiree Household	Regional Moderate Household	Dual-Income Family	Retiree Household
Hartford	Quechee area	A	84%	57%	82%	24,275	37,038	14,356
Hartford	White River Junction area - north of US-4	G	69%	48%	64%	19,939	31,378	10,848
Hartford	White River Junction area - south of US-4	H	56%	40%	51%	19,639	30,969	10,793
Springfield	Downtown area	A	54%	37%	48%	22,302	33,278	14,511
Springfield	Central area - south of downtown between Clinton St and South St	B	57%	40%	52%	22,858	34,221	14,631
Springfield	West - between VT-106 and VT-11	C	59%	41%	53%	25,383	38,338	15,097
Background info	Household size		2.34	4	2			
	Number of commuters		1.11	2	0			
	Household income		\$41,696	\$78,180	\$41,696			
	Income category		80% of Household Median	150% of Household Median	80% of Household Median			

Color code

- Under 45% of income
- 45 - 60% of income
- 60 - 80% of income
- Over 80% of income

For more information either visit <http://locationaffordability.info/> or contact Katharine Otto, AICP
Southern Windsor County Regional Planning Commission
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