

I. OVERVIEW

According to the U.S. Census Bureau, the Northeast Kingdom's population was 62,438 persons in the year 2000. There were 33,939 total housing units, of which 7,428 (21.9% were for seasonal or occasional use. 18,306 householders owned their homes, while 6,405 households rented homes. In each of the three counties, the rate of housing growth exceeded the rate of population growth for the period 1990-2000. Vermont experienced an 8.5% increase in total housing units during the decade. For the same period, Orleans County experienced a 12.9% growth in housing units (1,676 housing units); Caledonia County had a 7.8% increase (1,055 housing units); and Essex County experienced an 8.2% increase (359 housing units).

A large percentage of housing units in the region are seasonal/vacation homes. For the region, approximately one of every five homes (20%) is a vacation home. Statewide the average is 16%. In Orleans County vacation homes make up 24% of the total number of housing units. In some communities, such as Greensboro, Jay, Morgan, and Westmore, more than one-half of the units are vacation homes. In Essex County, nearly 37% of the total housing units are vacation homes. In towns such as Averill, Lewis, Ferdinand, Maidstone, Avery's Gore, and Warren's Gore, 80% or more of the units are vacation homes. In sharp contrast to this, only fifteen percent of the housing units in Caledonia County are vacation homes.

The median value of owner-occupied housing units ranged from \$70,700 in Essex County to \$85,900 in Caledonia, compared with \$111,200 for Vermont as a whole. The median gross rent (rent plus estimated average monthly costs including utilities) was about \$125 less in the region than the state as a whole. About 22% of homeowners and 36% of renters paid more than 30% of their income for housing. While these statistics account for a regional view of housing costs at the end of the 20th century, recent interest in the Northeast Kingdom for inexpensive second-home properties from the rest of New England has driven up the price of real estate across the region. Because of this, many middle income families can no longer find affordable housing.

Between the years of 1990 and 2000 the population of the region grew by 7.1% (4,134 people), mainly in Orleans and Caledonia Counties (Table 7.0). The state as a whole grew slightly faster, with 8.2% population growth.

Table 7.0: Population Changes, 1990-2000

	1990	2000	Change 90-00	% Change 90-00
Caledonia	27,846	29,702	1,856	6.70%
Essex	6,405	6,459	54	0.80%
Orleans	24,053	26,277	2,224	9.20%
Region	58,304	62,438	4,134	7.10%
Vermont	562,758	608,827	46,069	8.20%
(US Census Bureau, 2000)				

Table 7.1: Housing Unit Changes, 1990-2000

	1990 Units	2000 Units	Change 90-00	% Change 90-00
Caledonia	13,449	14,504	1,055	7.80%
Essex	4,403	4,762	359	8.20%
Orleans	12,997	14,673	1,676	12.90%
Region	30,849	33,939	3,090	10.00%
Vermont	271,214	294,382	23,168	8.50%
(US Census Bureau, 2000)				

In all three Northeast Kingdom counties, the housing growth rate exceeded the rate of the population growth. Region-wide, housing experienced a 10% growth while population experienced a 7.1% growth (Table 7.1). Orleans County grew the most percentage-wise in both population and housing units. Essex County housing alone grew by 8.2%, while its

population grew by less than 1%.

Surprisingly, only a small proportion of the housing unit growth was in seasonal or occasional-use housing. As Table 7.2 shows, only 254 of the region's 3,090 new housing units built between 1990 and 2000 were for seasonal use.

Table 7.2: Seasonal Use Housing Unit Changes, 1990-2000

	1990 Seasonal Use	2000 Seasonal Use	Change 90-00
Caledonia	1,923	2,096	173
Essex	1,833	1,839	6
Orleans	3,418	3,493	75
Region	7,174	7,428	254
(US Census Bureau, 2000)			

The region has a higher rate of owner occupancy than the state (Table 7.3). It is assumed that this is partially due to the lower cost of home ownership in the region (Table 7.7).

Table 7.3: Housing Tenure, 2000

	Occupied Units	Owner Occupied Units	Percent Owner Occupied	Renter Occupied Units	Percent Renter Occupied
Caledonia	11,663	8,499	72.9%	3,164	27.1%
Essex	2,602	2,069	79.5%	533	20.5%
Orleans	10,446	7,738	74.1%	2,708	25.9%
Region	24,711	18,306	74.1%	6,405	25.9%
Vermont	240,634	169,784	70.6%	70,850	29.4%

(US Census Bureau, 2000)

Age of Population

Between 1990 and 2000, the Northeast Kingdom experienced a 62% increase in the number of residents between the age of 45 and 54, as well as growth in the number of residents aged 55 and over (Table 7.4). The region actually saw a decrease in people under the age of 44 between 1990 and 2000. This age group may continue to shrink if more employment opportunities do not become available, particularly opportunities that are attractive to young people.

Age	1980	1990	2000	% Change 80-00	% Change 90-00
Under 25	23,141	21,376	20,644	-10.80%	-3.40%
25 to 44	14,806	17,899	16,673	12.60%	-6.80%
45 to 54	5,318	6,003	9,729	82.90%	62.10%
55 to 64	5,375	5,199	6,209	15.50%	19.40%
65 and over	6,921	7,827	9,183	32.70%	17.30%
Total	55,561	58,304	62,438	12.40%	7.10%
(US Census Bureau, 2000)					

The largest age group of householders (Table 7.5), those from age 25 to 44, own 34.4% of the units. This age group shrank between 1990 and 2000. The second largest class of householders is comprised of residents aged 65 and over, who make up 14.7% of the population, but account for 23.9% of the householders. This group grew by 17.3% between 1990 and 2000. As the baby boomer generation continues to age, this age group is likely to continue growing. Population projections by Woods and Poole Economics estimate an 89% growth in residents age 65 and over by 2020 (Woods and Pole Economics, 2002).

According to the 2000 Census, householders age 65 and over account for more than a third of all households with incomes of less than \$20,000. Available senior housing stock seems close

to meeting demand for subsidized units, but seniors who do not qualify for subsidies or require affordable assisted living facilities are having difficulty finding quality living situations within their means. In some cases, empty nesters and single seniors would like to move from their large homes to smaller apartments that require less maintenance. Finding quality, affordable senior housing situations is a nationwide issue that will likely intensify as baby boomers enter their golden years.

Household Type

The size of the average household in the region continued to decrease, from 2.8 in 1980, to 2.6 in 1990, to 2.5 in 2000. The smaller average household size is due in part to a decrease in married with children households, and an increase in households that are married without children, single parent, non-family, or single person (Table 7.6). Family households still account for most households in the region, at 68% of the total.

Table 7.6: Household Types

	1990	2000	Change	% Change
Family households	15,575	16,861	1,286	8.3%
Married with children	6,236	5,628	-608	-9.7%
Married without children	6,549	7,761	1,212	18.5%
Female with children	1,449	1,667	218	15.0%
Male with children	404	766	362	89.6%
Other family	937	1,039	102	10.9%
Non-family households	6,010	7,850	1,840	30.6%
Single person	4,799	6,248	1,449	30.2%
Total households	21,585	24,711	3,126	14.5%

(US Census Bureau, 2000)

Affordable Housing

In 1999, the median household income in Caledonia County was \$34,800. Essex County was at \$30,490 and Orleans County at \$31,084 (US Census). When a household's housing costs are 30% or less of the household income, its housing is considered affordable. While the 30% rule applies to housing costs for all income brackets, the term "affordable housing" is as a rule reserved for housing that is affordable to those households that have an income below 80% of their county median household income. Conversely then, when households belonging to this segment of the population pay more than 30% of their incomes for housing costs, their housing is not considered affordable. Recent changes to Vermont's planning and development law, VSA 24 §117, has identified affordable housing as a top priority for Vermont communities.

As Table 7.7 shows, residents in this region are generally more likely to find affordable housing than statewide. The exception to this is renters in Orleans County, who have a slightly higher (.2%) proportion that pays more than 30% of their income. Renters are more likely than owners to be paying more than 30% of their income to housing. However, in all counties the median monthly costs for houses with mortgages are higher than median rents.

Table 7.7: Housing Affordability

	Owner Occupied Units	Owner Occupied Households Paying 30% of Income or More on Monthly Owner Costs Including Mortgage	Median Value of Owner Occupied Units	Renter Occupied Units	Renter Occupied Households Paying 30% of Income or More on Gross Rent	Median gross rent
Caledonia	72.9%	22.7%	\$85,900	27.1%	35.8%	\$428
Essex	79.5%	19.6%	\$70,700	20.5%	30.2%	\$420
Orleans	74.1%	21.3%	\$82,400	25.9%	37.7%	\$420
Region	74.1%	21.8%		25.9%	36.1%	
Vermont	70.6%	23.1%	\$111,200	29.4%	37.5%	\$553

(US Census Bureau, 2000)

Not surprisingly, the majority of residents paying more than 30% of their income for housing are lower income residents. Affordable monthly gross rent for a household with a \$20,000 income would be \$500 (gross rent = rent + utilities). As Table 7.8 shows, there are nearly twice as many households with incomes of less than \$20,000 than units with gross rents less than \$500. In all three counties, householders age 65 and over account for more than one-third of all households with incomes of less than \$20,000. As more residents with reduced incomes enter this age group, the issues of quality, affordable senior housing will grow in importance, as well as assistance to seniors wishing to continue living in their current homes.

Table 7.8: Households with Income Less than \$20,000

	Households with income less than \$20,000	Units with gross rent less than \$500	Householders age 65 and over with income less than \$20,000
Caledonia	3,169	1,726	1,307
Essex	836	308	393
Orleans	3,259	1,616	1,286
Region	7,264	3,650	2,986

(US Census, 2000)

Table 7.9 shows the number of subsidized housing units in the region that are assisted by the state and federal governments. Also listed are the numbers of units designated for the elderly and designated handicap accessible.

	Units	Designated for Elderly	Designated Accessible
Caledonia	706	170	61
Essex	88	44	8
Orleans	616	203	65
Region	1410	417	134

(Directory of Affordable Housing in Vermont, 2000)

Gilman Housing Trust is the primary affordable housing provider in the Northeast Kingdom. In addition to developing, holding, renting, and managing subsidized housing, Gilman runs a popular homebuyer assistance program, a housing rehab loan program, rehabilitates housing for resale to private owners, and provides housing

counseling to families with a variety of housing issues.

There are both real and perceived problems associated with large concentrations of subsidized and affordable housing. An effective remedy for this can be mixing various income groups in neighborhoods and housing complexes rather than isolating low-income groups. One approach to creating mixed-income housing is for municipalities to require a certain percentage of affordable units in large, new housing developments. Other approaches are to create accessory apartments or smaller two to four unit buildings interspersed throughout the

community. This avoids isolated concentrations of low-income housing and the stigma that is often attached to large scale subsidized housing.

Gilman Housing Trust purchases and rehabilitates existing sub-standard multi-family and elderly housing that probably would not be acquired by the private sector. They try to improve the “worst on the block”. Apartments are redesigned to provide safe, decent and affordable rental housing. Recently, Gilman Housing Trust has also constructed new elderly housing. Typically the Trust’s rental housing is located in downtowns and village centers, where residents have pedestrian access to basic services.

Mobile Homes

Due to their low cost, mobile homes are seen as an inexpensive alternative to renting or owning a traditional housing unit. Table 7.10 shows the number of mobile homes in the region, and their median value in each county. While the initial investment in a mobile home is usually significantly less than purchasing a traditional unit, resale values of mobile homes decline much faster than traditional units.

	Mobile homes	Median Value
Caledonia	1,458	\$38,700
Essex	511	\$36,000
Orleans	1,518	\$34,800
Region	3,487	

(US Census Bureau, 2000)

Homelessness

An issue often overlooked in the Northeast Kingdom is homelessness. Homeless persons in the region often do not match the common perception of the single adult sleeping in alleys or parks. Some are families that have recently lost their homes or apartments and are temporarily living with friends or family. Finding quarters for homeless families is particularly difficult in this region. The few shelters that exist typically do not have enough space, and breaking up the family is undesirable.

The Veteran's Administration provides transportation for disabled, homeless, and other veterans and their families to access services in White River Junction. Many towns are unaware of this service. It may be effective to combine this service with others provided by mental health and human service programs in the region.

Vacancy

As Table 7.11 shows, the Northeast Kingdom had a vacancy rate 2% higher than the state for year-round use units in 2000. Rental vacancy rates are much higher in the region than homeowner rates. However, due to differences in how the Census reports county and state figures, comparisons could not be made for rental and homeowner vacancy rates between county and state.

Table 7.11: Vacancy Statistics, 2000

	2000 Units	Vacant	Vacant Seasonal Use	Vacant Year-Round Use	Percent Vacant Year-Round Use	Rental Vacancy Rate	Homeowner Vacancy Rate
Caledonia	14,504	2,841	2,096	745	5.1%	7.2%	1.8%
Essex	4,762	2,160	1,839	321	6.7%	10.0%	5.4%
Orleans	14,673	4,227	3,493	734	5.0%	9.4%	2.4%
Region	33,939	9,228	7,428	1,800	5.3%		
Vermont	294,382	53,748	44,006	9,742	3.3%		

(US Census Bureau, 2000)

Housing Quality

Compared to other Vermont regions, the Northeast Kingdom has a good supply of available and affordable housing. However, the housing stock is aged and with the relatively low incomes in the area, maintenance becomes an issue. A lack of quality housing can be a drawback for attracting new employers and employees to the area.

The relatively low cost of homeownership in the Northeast Kingdom has however helped the region to have one of the highest levels of homeownership in the state. It has also lessened the demand for middle and higher priced rental units. This situation makes it difficult for a landlord to justify improvements on properties when rents do not cover renovation expenses and resale values are low. A lack of improvements will hasten the deterioration of aging units, and contributes to fire and safety issues. Combined with the loss of population in some regional hubs and the current market for single-family homes in rural areas, the potential for decay of some town centers and a declined in the appearance of the region could become significant issues.

Housing Safety

According to the Federal Emergency Management Agency (now under the Dept. of Homeland Security), Vermont consistently ranks high on the list of annual per capita fire fatalities. Many older houses still use kerosene heating, propane space heaters, and wood stoves. Wiring is often sub-standard, smoke detectors may not work, and emergency exits may be inadequate, obstructed, or non-existent. In this region, multi-family homes often pose more of a problem than single-family homes regarding safety issues.

In the experience of one local fire chief who inspects homes for fire safety, tenants and landlords share the blame for problems equally. Tenants inadvertently create fire hazards by storing fuels improperly, unplugging smoke detectors, blocking fire exits with personal property, etc. Landlords often do not invest enough in the property to keep it safe. Smoke detectors stop working, old wiring becomes unsafe, etc.

Municipalities can work with the Department of Labor and Industry to address code violations. The Department can be contacted for a more thorough explanation of ways that they can help. They are more focused on code management (rather than using the court system), and have been working to train fire chiefs to do home inspections for fire safety. This approach is effective in addressing serious safety problems and does not make the town liable.

A survey of rental housing stock can help towns to objectively address housing problems and avoid singling out individual property owners. The town then decides who will be responsible for enforcement of findings. The Department of Labor and Industry can be invited if the town does not want the liability of enforcement. However, some entities involved in housing issues feel that towns can deal more effectively with enforcement than the state. Enforcement is clearly easier for municipalities who have adopted their own housing codes, although the Department of Labor and Industry continues to have jurisdiction over rental housing.

In some instances banks, towns, and state agencies are aware of violations on properties but potential buyers are not. Serious violations could be put on deeds so that potential buyers are aware of the risks. One mechanism that follows a deed is a legally binding written order from the Commissioner of Labor and Industry.

Housing and Social Services

Social service providers may often be the first people to notice deteriorating housing conditions. These people might serve as a better first contact for tenants who need housing issues addressed.

Social service groups could potentially assist landlords in addressing problem tenant issues. Northeast Kingdom Community Action has developed a tenant self-sufficiency program that includes education on how to be a good tenant, provides basic living skills, meets with clients almost once a week either on-site or in the office, and develops agreements with landlords.

For landlords, having problem tenants who damage real property, miss rent payments, steal, etc. can be devastating financially, and may discourage the landlord from making necessary investments in real estate. It can also be counter-productive to efforts to help low and moderate-income people to find quality, affordable multi-family homes for owner occupancy.

In some instances it may be difficult for private landlords to compete in the area of affordable housing with nonprofit housing developers, which can offer multi-tenant housing that has been rehabilitated with public funds and rented to eligible tenants at below-market rents.

HOUSING GOALS

- An adequate supply of affordable housing should be available to the region's residents.
- The safety and quality of the existing housing stock in the region should improve.
- Partnerships with regional housing and human service providers should be strengthened, allowing for more effective service provision.

STRATEGIES

- Work with regional housing and human service providers, including Gilman Housing, NEK Enterprise Collaborative, and NEK Community Action to identify housing needs.

- Assist towns to create housing policies that address the affordable housing needs of low-income residents.
 - Assist communities interested in adopting local building codes.
 - Provide incentives for developers to create more rental and ownership housing that is affordable to middle income people.
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