

Housing and Transportation Affordability



Homes on Windsor's Main Street. 2011



Businesses on Springfield's River Street. 2011

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 early 2012, Southern Windsor County Regional Planning Commission developed a model for housing and transportation affordability. This technical bulletin is intended as a quick introduction to new information about housing and transportation affordability in the southern Windsor County Region.

What is “affordable”?

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”¹.

This method of measuring affordability of a home, however, does not recognize the significant impact of transportation costs on a household budget. The [Center for Neighborhood Technology](#) (CNT) recognized this significant cost burden. In its research it found that transportation costs become

unaffordable when they account for more than 15% of household income². When combined, this means that a home is affordable when transportation and housing costs consume no more than 45% of household income.

In Vermont, affordable housing 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.

¹ Source: US Dept of Housing and Urban Development. “Affordable Housing”. www.hud.gov/offices/cpd/affordablehousing/ Last updated February 16, 2012.

² Source: Center for Neighborhood Technology (CNT). “FAQs”. <http://htaindex.cnt.org/faq.php>. Accessed February 28, 2012.

³ Note: Vermont defines “Affordable Housing” in [24 VSA § 4303](#)

Affordability in our region according to SWCRPC's affordability model

In early 2012, the Southern Windsor County Regional Planning Commission began to develop a housing and affordability model. As a rural area, the RPC has long recognized the significant distances that the region's residents travel for essential tasks such as work, buying groceries and medical appointments. The RPC also recognized in their [2009 Regional Plan](#) the significant increases in housing prices in the region over the last few years.

Housing and Transportation Affordability in and around Southern Windsor County

This map shows the estimated affordability of housing and transportation in and around the Southern Windsor County Region in Vermont. The towns were chosen based on their connections to the Southern Windsor County Region - either by geographic proximity by road to the region or by shared community characteristics (for the ski towns of Ludlow, Killington, Dover and Wilmington).

Nearly a third of towns are considered affordable when looking at annual housing costs for a household which is earning 80% of the County median household income or less (\$40,714 for Windsor County) (costs are no more than 30% of income). When estimated transportation costs are also included however, all towns are considered unaffordable for a household which earns 80% of the County median household income or less (housing and transportation costs are more than 45% of income).

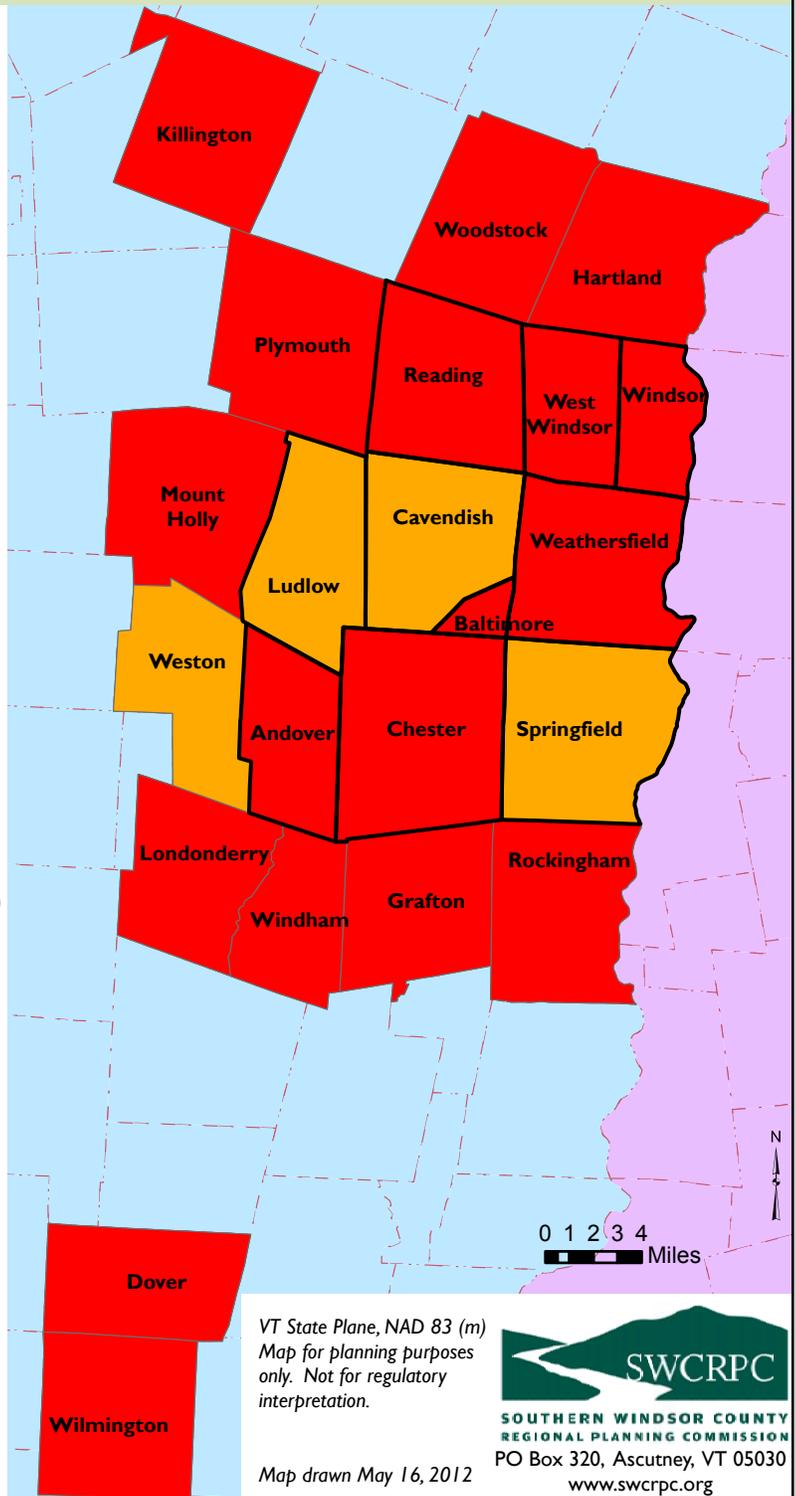
Housing and Transportation Affordability (Estimated costs as % of median household income)

- Affordable (Under 45% of income)
- Unaffordable (45% - 55% of income)
- Very unaffordable (55% or more of income)

- Towns within Southern Windsor County
- Town Boundary (remainder of Vermont)
- Town Boundary (New Hampshire)

Geographic data sources: Road centerline (VTrans 2011, NHDOT 2011) and Town boundary (VCGI 2010, NHGranit 2009).

Housing and transportation affordability data compiled and manipulated by SWCRPC from the 2006-2010 American Community Survey, 2010 Longitudinal Employer-Household Dynamics from the US Census Bureau, 2009 National Household Travel Survey, 2010 AAA (American Automobile Association) costs per mile for cars, and local information about distances to key locations such as healthcare, schools, grocery stores and other essential domestic needs.)



VT State Plane, NAD 83 (m)
Map for planning purposes only. Not for regulatory interpretation.

Map drawn May 16, 2012



SOUTHERN WINDSOR COUNTY
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The map shows that all towns in the Region become unaffordable to live in when housing and transportation costs are considered. This is primarily due to proximity to jobs and high transportation costs in the area.

For the Southern Windsor County Region, the table on the following page shows that the typical household in nearly every town has very unaffordable transportation costs - sometimes over double the recommended goal of 15%. These high transportation costs, combined with the housing costs which are either just above or just below the 30% threshold for affordability, means that towns in the Region have combined housing and transportation costs considerably above the recommended goal of 45%.

Some notes on the findings:

- The very small populations of Baltimore and Windham cause high margins of error in the data which was used to estimate transportation costs. Costs are likely over-estimated in these towns.
- Commuting costs account for a large proportion of transportation costs. Weston, Grafton and Plymouth have favorable transportation costs primarily because they have a low proportion of commuters per household (between 0.6 and 0.8 per household when it is usually around 1.0/ 1.1).

What went into the model?

The main components of the housing and transportation model are:

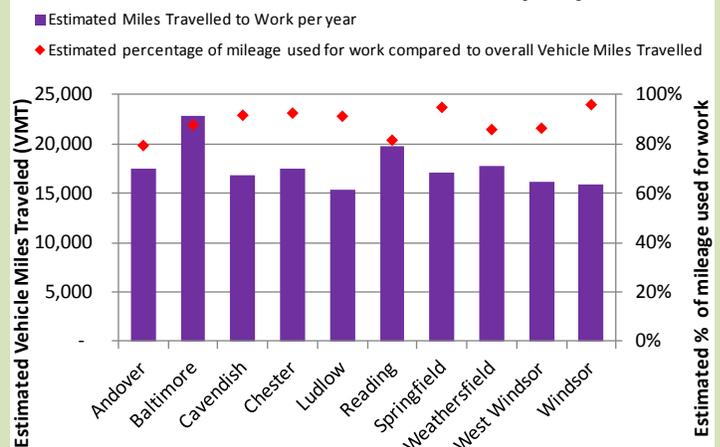
Basic unit	<ul style="list-style-type: none"> • Household
Income	<ul style="list-style-type: none"> • 80% of County median household income
Area covered	<ul style="list-style-type: none"> • Towns within Region • Neighboring Vermont towns with connection to Region by road • Comparable ski towns
Housing data	<ul style="list-style-type: none"> • 2006-2010 American Community Survey
Transportation data sources	<ul style="list-style-type: none"> • 2006-2010 American Community Survey • 2010 Longitudinal Employer-Household Dynamics from the US Census Bureau • 2009 National Household Travel Survey • 2010 AAA costs per per mile for a vehicle (SUV and median size sedan) • Local information about distances to key locations such as healthcare, schools, grocery stores and other essential domestic needs

How far is too far?

The Region's residents are driving considerable distances. According to the 2009 National Household Travel Survey, Vermont's rural residents drive approximately **14,058 miles per year**. In 2010 that translates to nearly **\$8,000** in transportation costs for a year if you drive a sedan and over **\$10,000** if you drive a 4WD SUV (including fuel, car maintenance, insurance, etc).

AAA "Your Driving Costs" 2010 Edition http://www.nne.aaa.com/SiteCollectionDocuments/DrivingResources/Your_Driving_Costs.pdf

Estimated vehicle miles traveled per year



Did you know? The Center for Neighborhood Technology (CNT) released the first version of its Housing and Transportation (H+T®) Affordability Index in 2006. The Southern Windsor County Region is now included as part of the "Lebanon, NH/VT" Region at <http://htaindex.cnt.org/map/>



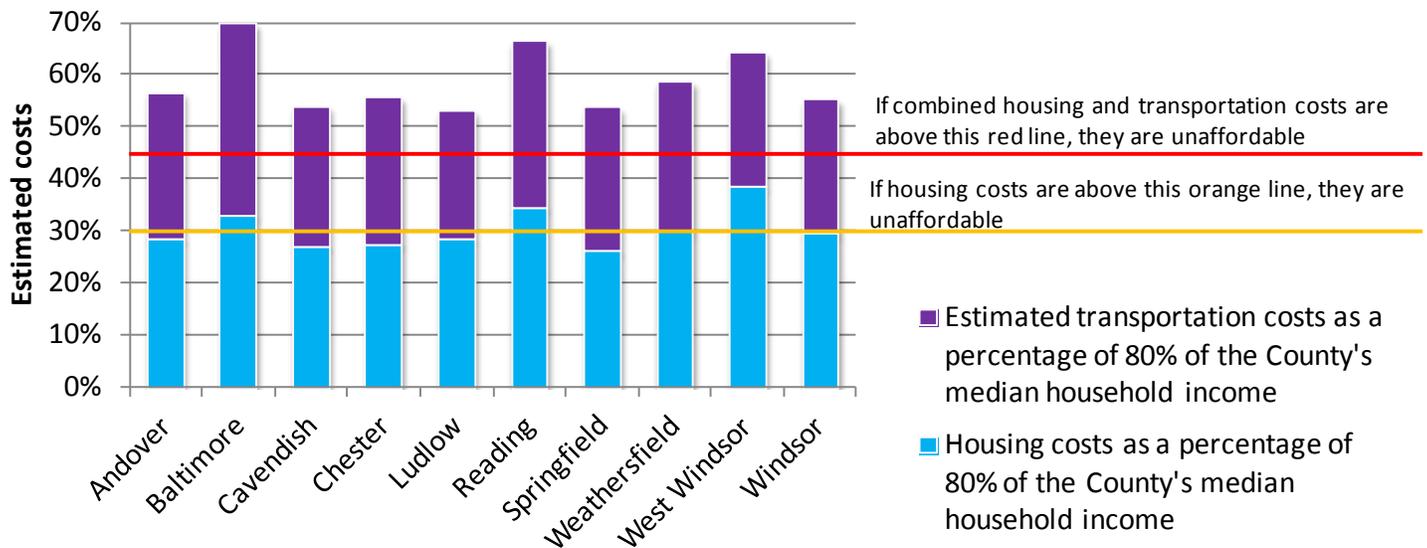
The Numbers - Income, Costs and Affordability

				Housing		Transportation			Housing and Transportation	
		Population	Commuters (16 or over) per household	Housing costs per year	Housing costs as a percentage of 80% of the County's median household income	Estimated vehicle miles traveled per household	Estimated annual transportation cost	Estimated transportation costs as a percentage of 80% of the County's median household income	Estimated housing and transportation costs	H & T costs as a percentage of 80% of the County's median household income
Within Region	Andover	456	0.9	\$11,640	29%	17,511	\$11,391	28%	\$23,031	57%
	Baltimore	233	1.2	\$13,500	33%	22,909	\$14,902	37%	\$28,402	70%
	Cavendish	1,294	0.9	\$11,076	27%	16,770	\$10,909	27%	\$21,985	54%
	Chester	3,146	1.1	\$11,268	28%	17,501	\$11,385	28%	\$22,653	56%
	Ludlow	2,061	1.1	\$11,628	29%	15,410	\$10,024	25%	\$21,652	53%
	Reading	669	1.2	\$14,136	35%	19,807	\$12,885	32%	\$27,021	66%
	Springfield	9,337	1.1	\$10,752	26%	17,072	\$11,105	27%	\$21,857	54%
	Weathersfield	2,827	1.0	\$12,300	30%	17,802	\$11,580	28%	\$23,880	59%
	West Windsor	972	0.9	\$15,660	38%	16,128	\$10,491	26%	\$26,151	64%
	Windsor	3,593	1.0	\$12,108	30%	15,913	\$10,351	25%	\$22,459	55%
Benchmark for towns in Windsor Co.				\$12,214	30%		\$6,107	15%	\$18,321	45%

Color code:

Affordable - Below benchmark %

Unaffordable - Above benchmark %



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