

Market Assessment

St. Albans City Targeted Area Wide Planning Study

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I. Introduction

This market assessment has been prepared in support of the St. Albans City Targeted Area Wide Planning Study (the “Area Wide Study”) commissioned by the Northwest Regional Planning Commission. The specific area being targeted for study of redevelopment potential and revitalization strategies consists of 16 identified properties in the Catherine Street, Market Street and Stebbins Street area of downtown St. Albans (the “Project Study Area”). The goal of this Area Wide Study is to develop specific revitalization strategies in the Project Study Area which will support the City’s continued economic development efforts.

The findings and conclusions contained in this market assessment report are intended to provide a basis of understanding of general market conditions in the City of St. Albans. This information will be used to assess the economic viability of potential redevelopment opportunities in the Project Study Area. It is understood that any potential development project must be market driven and provide an attractive return on investment in order to entice developers, property owners and businesses to invest. This market assessment presents a basis for determining whether sufficient market demand exists to support any such project(s), or whether other strategies may need to be pursued in order to see a redevelopment project come to fruition.

In conducting this market assessment, the following was pursued:

- Research and analysis of readily available demographic, employment and other economic indicator data to assess ongoing economic and market trends and potential for application to the Project Study Area;
- Review of recent studies and reports related to economic activity and market conditions in the City of St. Albans and Franklin County, including the City of St. Albans 2014-2015 Housing Study and Needs Analysis, dated July, 2015;
- Interviews with local and regional real estate and economic development professionals including commercial and residential real estate brokers, real estate appraisers, developers, owners of investment real estate, business owners and economic development specialists, and;
- Visits to the Project Study Area and surrounding market.

Disclaimer

This market assessment has been prepared for the sole use of the Northwest Regional Planning Commission (the “client”) to provide said client with an overview of market factors which may influence future development opportunities in the Project Study Area, and for no other purposes whatsoever. Information contained in this report is based primarily on White + Burke’s (“W+B’s”) limited review of readily available information relative to background market trends, the subject Project Study Area and interviews with local real estate experts. Further research may reveal additional information or lead to a different understanding of known information which could substantially alter the analysis and conclusions herein. A comprehensive market analysis and development feasibility study is far greater in scope and depth than this overview and assessment. Substantial additional research and analysis would be required before judgments could be made with confidence about the feasibility of any specific contemplated development project.

This market overview and assessment has been based upon various assumptions relating to the general economy, competition and other factors beyond W+B’s reasonable control, and therefore, is subject to material variation. W+B strongly recommends that the client conduct further research before significant financial or other commitments are made relative to the subject Project Study Area.

Market and Project Study Area Description

The Project Study Area is located in downtown St. Albans (see Exhibit 1.1). St. Albans serves as the regional hub for Franklin and Grand Isle Counties. Its position relative to Burlington and Canada has played an important role in the City’s economic and cultural development. St. Albans’ location along active rail lines and Interstate 89 provides for convenient distribution of products as well as easy access for commuters traveling to and from Chittenden County. In recent years, St. Albans’ popularity as a bedroom community to Greater Burlington has grown as more people who work in Chittenden County seek out less costly housing opportunities in St. Albans and Franklin County. This unique relationship to Chittenden County and Canada presents opportunity for continued growth and investment in St. Albans City.

The Project Study Area is located immediately south of what is known as the “core block” of downtown St. Albans. The core block is bounded by Main Street to the east, Lake Street to the south, Federal Street to the west, and Kingman Street to the north. The core and Main Street blocks in downtown have experienced significant revitalization in recent years with the construction of a new municipal parking garage, new State office building, streetscape improvements along Main Street, building façade enhancements, and a new downtown hardware store. Currently, a new hotel in the core block is under construction and streetscape improvements along Lake Street are being installed.

**Exhibit 1.1
Project Study Area**



The Project Study Area encompasses approximately 9 acres and contains 16 separate properties. Existing uses range from medical, governmental and professional service offices to auto service, miscellaneous storage and several vacant structures. Residential use is also present with 2 single family residential buildings and several 2nd floor apartment units. The existing buildings vary in degree of condition with several well maintained brick buildings to lower quality structures in need of repair. For the most part, sidewalks exist on only one side of Catherine and Stebbins Street, are in poor condition, and in the case of Catherine Street are interrupted by utility poles. The City has plans to reconstruct Market and Catherine Streets with Historic District slated to begin in spring/summer 2017. While the Project Study Area faces several challenges, its location in proximity to the core block and Main Street properties provides an opportunity for expansion of the City's revitalization efforts.

II. Background Market Trends

In order to assess market demand at the local or sub-regional level, it is important to understand “macro-economic” trends affecting the region and State as a whole. Such trends often influence market events at the local level.

Employment and Workforce

Employment is a key barometer to the health of the local economy. Employment and wage trends over the last 10 years (2006 – 2015) for St. Albans City, Franklin County and Vermont are presented in Table 2.1. Since feeling the effects of the recession, employment has steadily increased at the City, County and State levels. Interestingly, the rate of increase experienced by both the City and County has generally outpaced the rate of increase at the State level. Between 2006 – 2015, Franklin County’s employment increased almost 11% (1,678 new jobs) compared to less than 2% for the City and State. In the last few years (2011 – 2015), St. Albans City’s employment grew almost 14% (926 new jobs) and the County 8% (1,284 new jobs), compared to only 4% for the State. Of the 1,284 new jobs added to the County during that time, 72% were in the City. This reinforces the role of St. Albans as the employment hub of Franklin County. The higher rate of employment growth in St. Albans and Franklin County as compared to the State points to an improving economy and is a positive sign for potential expansion in prominent industry sectors.

Average wages at all geographic levels has also continued to improve. Between 2006 – 2015, average wage growth in the City and County outpaced average wage growth at the State level. In the last few years (2011 – 2015), however, average wage growth has been about the same for all geographic levels.

**Table 2.1
Employment and Wage Trends (2006 – 2015)**

Year	St. Albans City		Franklin County		Vermont	
	Employment	Average Wage	Employment	Average Wage	Employment	Average Wage
2015	7,566	48,180	17,400	43,132	307,114	44,223
2014	7,263	48,010	17,080	42,366	304,554	43,017
2013	6,933	46,603	16,763	41,126	301,614	42,039
2012	6,650	44,376	16,215	39,962	299,530	40,965
2011	6,640	44,108	16,116	39,277	295,540	40,284
2010	6,967	42,174	16,338	37,967	293,088	39,425
2009	6,880	42,446	16,206	37,622	292,370	38,767
2008	7,064	39,864	16,488	36,132	302,648	38,326
2007	7,606	37,355	16,052	34,411	303,438	36,949
2006	7,446	36,913	15,722	33,640	302,969	35,585
% Change 2006 - 2015	1.6%	30.5%	10.7%	28.2%	1.4%	24.3%
% Change 2011 - 2015	13.9%	9.2%	8.0%	9.8%	3.9%	9.8%

Source: Vermont Dept. of Labor

Trends in employment by industry for Franklin County are shown in Tables 2.2 and 2.3. In 2015, the top employment industries included trade-transportation-utilities, manufacturing, health care, and local government. Many of the health care jobs are located in St. Albans City including Northwest Medical Center hospital and its off-campus clinics and medical services, and private practice health services. Having these institutions and services already in St. Albans bodes well for the downtown.

Table 2.2
Employment by Industry – Franklin County

Industry	2000		2010		2015	
	Employment	% of Total	Employment	% of Total	Employment	% of Total
Total Covered Employment	14,852		16,338		17,400	
Private Sector	11,879	80.0%	12,267	75.1%	12,988	74.6%
Natural Resources and Mining	244	1.6%	395	2.4%	542	3.1%
Agriculture and Forestry	216	1.5%	(c)	N/A	515	3.0%
Construction	454	3.1%	419	2.6%	535	3.1%
Manufacturing	2,943	19.8%	2,662	16.3%	2,665	15.3%
Trade, Transportation, and Utilities	3,345	22.5%	3,257	19.9%	3,546	20.4%
Information	589	4.0%	474	2.9%	107	0.6%
Financial Activities	430	2.9%	376	2.3%	346	2.0%
Professional and Business Services	410	2.8%	953	5.8%	1,410	8.1%
Administrative	(c)	N/A	617	3.8%	1,092	6.3%
Education and Health Services	1,985	13.4%	2,402	14.7%	2,490	14.3%
Educational Services	(c)	N/A	19	0.1%	32	0.2%
Health Care	(c)	N/A	2,384	14.6%	2,457	14.1%
Leisure and Hospitality	1,008	6.8%	1,029	6.3%	1,008	5.8%
Other Services	473	3.2%	300	1.8%	341	2.0%
Public Sector	2,972	20.0%	4,071	24.9%	4,411	25.4%
Federal Government	759	5.1%	1,142	7.0%	1,470	8.4%
State government	391	2.6%	427	2.6%	450	2.6%
Local Government	1,822	12.3%	2,502	15.3%	2,491	14.3%

Source: Vermont Department of Labor

(c) = Data cannot be released, does not meet confidentiality standards

In the last five years, industry sectors that experienced notable increases in employment included professional and businesses services, federal government, trade-transportation-utilities, and natural resources and mining (includes crop and animal production) as shown in Table 2.3. The high increases in professional/business services and federal government jobs could be seen as a potential contributor of demand for office space, particularly in a downtown setting which is close to other services and amenities.

Table 2.3
Change in Employment by Industry – Franklin County

Industry	Change 2000 -2015		Change 2010 -2015	
	Employment	Percent	Employment	Percent
Total Covered Employment	2,548	17.2%	1,062	6.5%
Private Sector	1,109	9.3%	721	5.9%
Natural Resources and Mining	298	122.1%	147	37.2%
Agriculture and Forestry	299	138.4%	N/A	N/A
Construction	81	17.8%	116	27.7%
Manufacturing	-278	-9.4%	3	0.1%
Trade, Transportation, and Utilities	201	6.0%	289	8.9%
Information	-482	-81.8%	-367	-77.4%
Financial Activities	-84	-19.5%	-30	-8.0%
Professional and Business Services	1,000	243.9%	457	48.0%
Administrative	N/A	N/A	475	77.0%
Education and Health Services	505	25.4%	88	3.7%
Educational Services	N/A	N/A	13	68.4%
Health Care	N/A	N/A	73	3.1%
Leisure and Hospitality	0	0.0%	-21	-2.0%
Other Services	-132	-27.9%	41	13.7%
Public Sector	1,439	48.4%	340	8.4%
Federal Government	711	93.7%	328	28.7%
State government	59	15.1%	23	5.4%
Local Government	669	36.7%	-11	-0.4%

Source: Vermont Department of Labor

Short term and long term employment projections for the U.S. and State of Vermont are depicted in Tables 2.4 and 2.5. The employment forecast for Vermont is generally positive with modest growth projected for the foreseeable future.

Table 2.4
Employment Projections Short Term – U.S. & Vermont

Place	Employment (Annual Percent Change)			
	Recent		Forecast	
	2014	2015	2016	2017
U.S.	1.9%	2.1%	2.0%	2.0%
Vermont	1.0%	1.6%	1.7%	1.8%

Source: Vermont Economic Review and Revenue Forecast Update, January 2016

Table 2.5
Employment Projections Long Term – U.S. & Vermont (2014 – 2024)

Place	2014	2024	% Change 2014 - 2024	Average Annual % Change
U.S.	155,922,000	163,770,000	5.0%	0.5%
Vermont	367,704	384,228	4.5%	0.4%

Source: Vermont Dept. of Labor; U.S. Dept. of Labor, Bureau of Labor Statistics

Historical labor force employment and unemployment rates for St. Albans City, Franklin County and Vermont are presented in Table 2.6. After peaking in 2009, the unemployment rate in the City, County and State gradually declined to under 5%. The unemployment rate in St. Albans City declined 6 points from a high of 10.7% in 2009 to 4.6% in 2015. While the workforce has remained relatively stable over the last few years, a declining unemployment rate can be viewed as a positive sign for the local economy. A stable workforce will continue to spend income on housing, food and other daily goods and services.

Table 2.6
Workforce Employment & Unemployment Rate

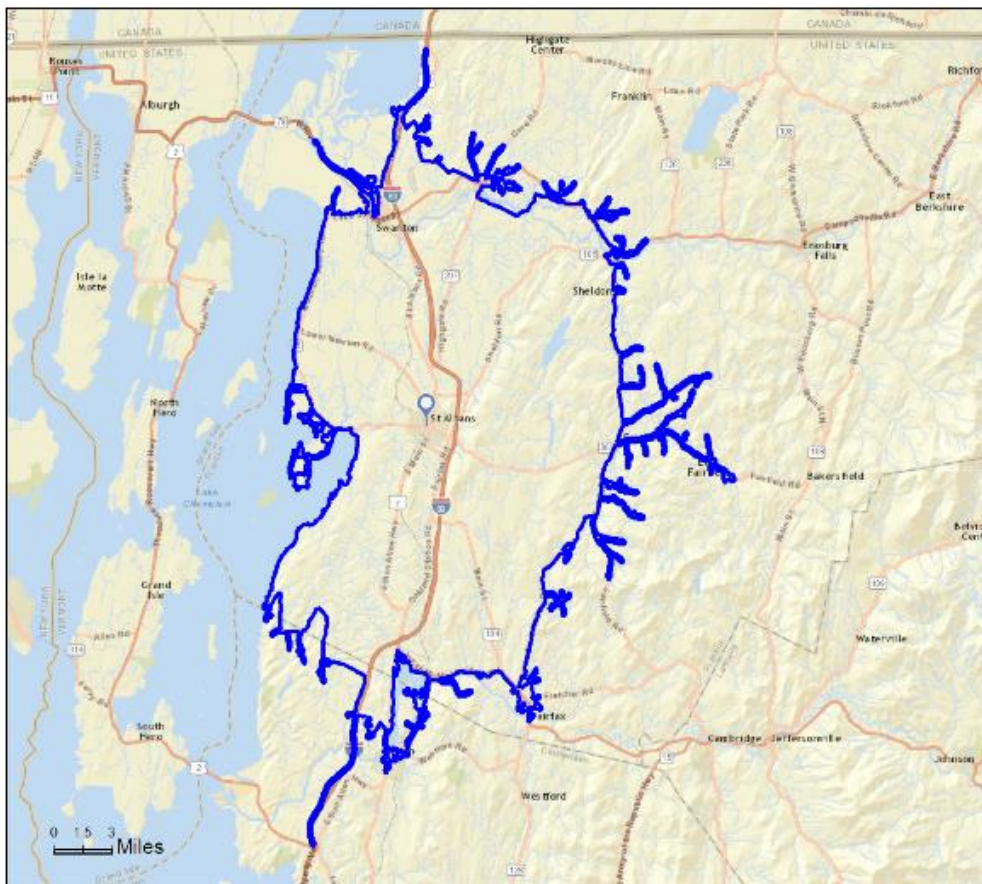
Year	St. Albans City		Franklin County		Vermont	
	Employment	Unemployment Rate	Employment	Unemployment Rate	Employment	Unemployment Rate
2015	3,810	4.6%	26,400	3.7%	331,800	3.7%
2014	3,810	6.3%	26,450	4.0%	334,050	4.0%
2013	3,810	7.0%	26,400	4.2%	335,850	4.4%
2012	3,860	7.8%	26,600	4.6%	337,250	5.0%
2011	3,860	9.3%	26,450	5.3%	338,450	5.5%
2010	3,820	9.9%	26,100	5.7%	337,500	6.1%
2009	3,740	10.7%	24,900	6.5%	336,100	6.6%
2008	3,740	7.1%	24,700	4.9%	338,250	4.7%
2007	3,790	6.0%	24,850	4.3%	339,550	4.0%
2006	3,900	6.0%	25,350	4.2%	343,850	3.7%
% Change 2006 - 2015	-2.3%		4.1%		-3.5%	
% Change 2011 - 2015	-1.3%		-0.2%		-2.0%	

Source: Vermont Department of Labor

Demographic Characteristics

Similar to employment, understanding demographic trends is important when performing a market assessment since changes in such characteristics as population, income, age and households can have a dramatic impact on the local economy. This section analyzes trends and projections for several demographic and income characteristics at the St. Albans City, St. Albans Primary Market (i.e., 20-minute drive time), Franklin County and State of Vermont levels. The St. Albans Primary Market area is depicted in Exhibit 2.1.

Exhibit 2.1
St. Albans Primary Market Area (20 Minute Drive Time)



Source: ESRI

Table 2.7 presents population growth trends and projections for St. Albans City, St. Albans Primary Market, Franklin County and Vermont. At the City level, populations have remained stable over the last 6 years, and minimal growth is projected over the next five years. On a bright note, the rate of population growth for the St. Albans Market and County have outpaced

population growth at the State level, and this trend is projected to continue for the foreseeable future. This characteristic highlights St. Albans’ proper as a growing bedroom community for Chittenden County.

Table 2.7
Population Trends and Projections

<i>Location</i>	<i>Year</i>			
	2000	2010	2016	2021
<i>St. Albans City</i>	7,650	6,918	6,961	7,045
<i>Change</i>		-732	43	84
<i>% Change</i>		-9.6%	0.6%	1.2%
<i>Primary Market Area</i>	28,374	29,158	30,500	31,612
<i>Change</i>		784	1,342	1,112
<i>% Change</i>		2.8%	4.6%	3.6%
<i>Franklin County</i>	45,417	47,746	49,855	51,653
<i>Change</i>		2,329	2,109	1,798
<i>% Change</i>		5.1%	4.4%	3.6%
<i>Vermont</i>	608,827	625,741	644,944	658,856
<i>Change</i>		16,914	19,203	13,912
<i>% Change</i>		2.8%	3.1%	2.2%

Source: ESRI

The growing populations in the St. Albans Primary Market area and County are also aging. Table 2.8 shows projected changes over the next five years in population by age group. Significant increases are anticipated in the 65+ age cohorts. This will likely have an impact on housing as an aging population looks to downsize or move into elderly specific housing. A growing need for such services as health care and other elderly service programs can also be expected. There is also notable growth projected in the 25-34 age cohort. This can also have an impact on housing as young professionals tend to rent at a higher rate, and desire living in downtown settings in close proximity to restaurants, shops, entertainment and other services.

Table 2.8
Current and Projected Population by Age (2016 – 2021)

Age Group	St. Albans Primary Market				Franklin County			
	Total Persons		Change	% Change	Total Persons		Change	% Change
	2016	2021			2016	2021		
0 – 14	5,691	5,679	(12)	-0.2%	9,369	9,451	82	0.9%
15 – 24	3,694	3,591	(103)	-2.8%	5,990	5,757	(233)	-3.9%
25 – 34	3,654	3,857	203	5.6%	5,832	6,149	317	5.4%
35 – 44	4,066	4,166	100	2.5%	6,610	6,746	136	2.1%
45 – 54	4,628	4,341	(287)	-6.2%	7,535	7,056	(479)	-6.4%
55 – 64	4,349	4,606	257	5.9%	7,257	7,589	332	4.6%
65 – 74	2,627	3,292	665	25.3%	4,446	5,545	1,099	24.7%
75 – 84	1,239	1,505	266	21.5%	1,991	2,480	489	24.6%
85 +	549	576	27	4.9%	825	880	55	6.7%
Total Population	30,497	31,613	1,116	3.7%	49,855	51,653	1,798	3.6%
Median Age	40.6	41.1			39.5	41.7		

Source: ESRI

Households are an important indicator related to consumer spending and housing demand. Table 2.9 presents trends and projections for number of households, average household size and median household incomes at the City, Primary Market and County levels. St. Albans City experienced a decline in number of households between 2000 – 2010, but has seen modest growth in the last few years (2010 – 2016). This modest rate of growth is expected to continue over the next five years. The St. Albans Primary Market Area and Franklin County on the other hand have experienced steady growth in number of households, and this growth is projected to continue. Again, this reflects the popularity of St. Albans proper as a growing bedroom community for Chittenden County.

Table 2.9
Household Trends and Projections (2000 – 2021)

Year	St. Albans City			St. Albans Primary Market			Franklin County		
	Households	Average Household Size	Median Household Income	Households	Average Household Size	Median Household Income	Households	Average Household Size	Median Household Income
2000	3,235	2.35		10,510	2.66		16,765	2.67	
2010	2,977	2.29		11,351	2.53		18,513	2.55	
2016	3,017	2.28	\$42,088	11,969	2.52	\$59,332	19,485	2.53	\$57,435
2021	3,066	2.27	\$43,048	12,460	2.51	\$68,578	20,274	2.52	\$64,884
% Change 2010 - 2016	1.3%	-0.4%		5.4%	-0.4%		5.3%	-0.8%	
% Change 2016 - 2021	1.6%	-0.4%		4.1%	-0.4%		4.0%	-0.4%	

Source: ESRI

Average Household size is expected to continue to decline at all market levels. This declining trend of household size could have an impact on the number and size of housing units needed to serve the population, especially in the City of St. Albans where average household size is smaller than the St. Albans Primary Market and Franklin County. Median household income is lower in St. Albans City compared to the Primary Market and County.

Housing Market

The Northwest Regional Planning Commission recently prepared a housing needs study for the City of St. Albans entitled “City of St. Albans 2014-2015 Housing Study and Needs Analysis, dated July, 2015”. This comprehensive study involved in depth review and analysis of available housing and demographic data (i.e. Federal, State and Local data sources), a tenant and landlord survey, and focus group/stakeholder interviews. Considering the comprehensiveness and timeliness of this housing needs analysis, this market assessment report incorporates by reference many of the key findings contained in the housing study. Where possible, we have confirmed continued relevance of certain findings through review of more recent published data and interviews with real estate and economic development professionals. Section III. “Housing Need Analysis” of the Housing Study and Needs Analysis is included as Appendix A.

Key findings from the Housing Study and Needs Analysis include:

Housing Vacancy Rate

- There is a total of 3,166 housing units in the City, of which 1,296 (44%) are renter occupied.

- The rental vacancy rate in St. Albans City is approximately 3.9%, which is lower than the 5% vacancy rate cited by the VHFA as a “healthy vacancy rate”. According to VHFA, a vacancy rate of less than 5% indicates that there is additional room in the market for rental housing.

Workforce Commuting Patterns

- Approximately 22% of City’s labor force lives and works within the City, while about 78% of local jobs are filled by workers commuting to the City for employment but living elsewhere.
- Almost 39% of the City labor force works in Chittenden County. 26% of City’s labor force works in other Franklin County municipalities.
- In Franklin County, under half (44%) of the county’s labor force lives and works within the County. This means that 56% of the County workforce leaves the County for employment.

Senior Housing

- St. Albans City (along with the County and State) can expect demand for senior housing to increase substantially over the next 10 years.
- Seniors are more interested in senior specific rental options over homeownership as they age.
- There is a common understanding that subsidized senior specific rental housing units are in high demand and that the market has seemingly unlimited demand for additional such units.

Housing for Young Professionals

- Data shows a demand for small units for young professionals without families, in addition to larger units more suited to families with children (both rental and ownership opportunities).

Affordable Housing

- Affordable housing opportunities are in demand in St. Albans City.

- The income statistics for St. Albans City clearly indicate that there is a market for subsidized housing, especially subsidized rental housing options.
- For the Burlington-South Burlington MSA median household income, City of St. Albans median household income, and County median household income, there is no affordability gap until one assesses very low (50%) and extremely low (30%) incomes. Therefore, rental housing in the City can generally be considered affordable in St. Albans according to the statutory definition of “affordable housing”.
- Households earning a single income at the average wage rate from the Federal Government, manufacturing, or private education and health services do not show an affordability gap for the median rent in the City.

Conclusion: Based on the study findings discussed above, there appears to be strong demand for new rental housing in downtown St. Albans, both subsidized and unsubsidized, particularly senior housing.

III. Interviews - Real Estate and Economic Development Professionals

The preparation of this market assessment included interviews with local and regional real estate and economic development professionals. Their work in the local marketplace on a daily basis provides valuable insight related to market demand and economic activity in downtown St. Albans. Key findings from these interviews include:

- *Residential:* There appears to be strong demand for good quality, multi-family rental housing, both subsidized and unsubsidized. This observation is consistent with the findings of the City of St. Albans 2014-2015 Housing Study and Needs Analysis.
- *Retail:* Demand for downtown retail space has been relatively soft. While there are currently only a few ground floor vacancies on Main Street, it often takes several months to lease an available space. Rents appear to have risen only slightly in recent years.
- *Office/Professional Service:* Demand for downtown office/professional service space has been relatively soft. Of the tepid demand that exists, it appears to be dominated by governmental, non-profit and medical related entities. This observation is consistent with the data presented earlier in this report that shows a higher percentage of added jobs in recent years have been in the Federal government and business services sectors.

Real estate professionals also report notable interest from 1 – 2 person businesses looking to lease smaller sized office space, however, they typically require lower rents. These types of users are prime candidates for co-working office space.

- *Warehouse/Manufacturing:* There is demand for small warehouse/manufacturing space (4,000 – 10,000 sf). There is currently low supply of this type of space in St. Albans and Franklin County.
- *Food Producers:* A large proportion of manufacturers in Franklin County are food producers. There may be an opportunity to attract a small food producer to the Project Study Area, perhaps with a small retail component. This type of operation will require loading dock access, which could be a challenge in this area.
- *Workforce Training:* There is demand for workforce training space – VTC, CCV, Franklin-Grand Isle Workforce Investment Board, High School Tech Center. These types of users, however, are likely to be rent sensitive.
- *Parking:* Properties with on-site parking are in most demand.

IV. Market Rents

Based on our research, including interviews with local landlords, current market rents in St. Albans City are shown in Table 4.1.

Table 4.1
Market Rents in St. Albans City

Type	Rent*		Tenant Expenses
	Low	High	
Retail	\$8.00	\$11.50	Varies. For most properties, Tenant pays heat and electricity
Office/Service	\$8.00	\$14.00	Varies. For most properties, Tenant pays heat and electricity. Higher end rents typically include Landlord fit-up
Warehouse/Manufacturing (< 10,000 sf)	\$4.00	\$4.50	Tenant pays utilities plus common area maintenance (CAM), taxes and insurance
Residential - 1 Bedroom	\$650	\$950	Varies. For most properties, Tenant pays heat and electricity
Residential - 2 Bedroom	\$800	\$1,200	Varies. For most properties, Tenant pays heat and electricity; Higher end rents are typically gross where all expenses are included in rent
Residential - 3 Bedroom	\$900	\$1,500	Varies. For most properties, Tenant pays heat and electricity; Higher end rents are typically gross where all expenses are included in rent

* Commercial/Industrial rents are per square foot; Residential rents are per month

V. Project Study Area – Market Role

To assess market potential in the Project Study Area, it is important to understand how the area compares to other sub-markets in the region. With limited demand in the region, new development projects or businesses considering the St. Albans market area will be very selective when making a decision on where to locate. Depending on the type of use or business, important considerations typically include accessibility, visibility, traffic volumes, parking availability, rents, quality of space, and proximity to amenities.

Location of Project Study Area in Marketplace

For certain uses, the Project Study Area is well positioned in relation to Main Street and the core of downtown St. Albans. With its location immediately south of the core block and west of Main Street, the Project Study Area offers certain advantages, namely convenient walking distance to nearby shops, restaurants, the downtown parking garage, Taylor Park and other

amenities. The Project Study Area is also conveniently located within easy walking or driving distance to several major employers including Mylan Technologies, Northeast Central Railroad, Homeland Security/Immigration, the State Office Building, County District Court House and Northwest Medical Center hospital. Such a location would be particularly appealing to new multi-family housing or office/professional services uses.

The Project Study Area would not be favorable to retail due to its lack of exposure to the main travel corridors through downtown St. Albans (e.g., Main Street, Lake Street and Federal Street). Most retailers are highly dependent on traffic volumes (vehicular or pedestrian) and good visibility. Stebbins and Catherine Streets do not carry high volumes of vehicular or pedestrian traffic, and therefore would not be attractive to most retailers. Once the Federal Street Extension project is completed all the way to Route 7 below Exit 19, increased traffic may enhance the attractiveness of study area for various uses, possibly including retail.

With relatively good access to I-89 via Exit 19, the existing inventory of warehouse type buildings in the Project Study Area may be desirable to certain small warehouse/manufacturing users. These properties are relatively small in size and therefore would be more conducive to uses that utilize smaller trucks for distribution as opposed to larger tractor trailer trucks.

Condition and Aesthetics of Project Study Area

As described earlier in this market assessment report, the Project Study Area consists of a wide mix of uses including medical, governmental and professional service offices, auto service, storage, residential and several vacant buildings. The current uses of the 16 identified properties in the Project Study Area are described in Table 5.1. The buildings vary in degree of condition including several that appear to be relatively low quality and in need of repair or replacement. Photographs of several properties are provided in Appendix B.

Table 5.1
Project Study Area – Property Inventory

Property Address	Building Description	Parcel Size (Acres)	Current Use
Market Street ROW Area	Private Street; City currently negotiating to take back ownership and convert portion of ROW to on-street parking as part of road construction project	4.3895	Private Street and parking
10-18 Catherine St.	2 story, shopfront ground floor, historic Giroux	0.394	Ground floor facing Lake/Market vacant, Ground floor in rear facing Catherine occupied by NWMC clinic, Residential apartments 2nd floor
13-25 Catherine St.	2 story, shopfront ground floor, flat roof	0.165	Katie's Pet Grooming 1st floor, Residential apartments 2nd floor
17-37 Catherine St.	One story, pitched roof, brick, office	0.876	Multiple businesses - Northwestern Comprehensive Pain, salon, medical practice
26-34 Catherine St.	Building 1: One story, low angle pitched roof, office; Building 2: One story garage, flat roof	0.563	Supervisory Union offices, Xfinity/Comcast. Storage use in Building 2
36 Catherine Street	One story, pitched roof	0.131	Vacant
8 Stebbins Street	2 1/2 Story, pitched roof	0.103	Residential - single family
10 Stebbins Street	2 1/2 Story, pitched roof	0.101	Residential - single family
12 Stebbins Street	Vacant, parking	0.099	Private parking
13 Stebbins Street	2 story, shopfront ground floor, flat roof, brick	0.1734	1st floor street front office Paragon Systems; 1st floor rear auto detailing; 2nd floor residential apartment(s)
14 Stebbins Street	Large building, 2-3 spaces on each end, large garage bay, flat roof, pitched roof on western end	0.503	Vacant; property currently in foreclosure
15-17 Stebbins St.	2 story, flat roof, duplex	0.195	1st floor Law Office and residential; 2nd floor residential apartment(s)
21 Stebbins Street	One story, pitched roof, 2 garages, 1 car wash drive through garage	0.165	Vacant
22 Stebbins Street	Building 1: One story, slanted shed style roof; Building 2: One story, pitched roof, attached garage	0.083	Building 1: vacant or misc. storage; Building 2: auto repair (no sign)
23 Stebbins Street	One story, slanted shed style roof, attached garage	0.038	Vacant
25 Stebbins Street	Vacant, slab	0.183	Vacant

The aesthetics of the Project Study Area are generally low quality. Most of the buildings are not particularly attractive architecturally and there are few trees and very little green space. The street/sidewalk infrastructure is in poor condition with inadequate lighting, sidewalks on only

one side of the street, and no street trees. In its current condition, the Project Study Area is not conducive to pedestrians and completely lacks open space areas, such as pocket parks or plazas, where residents or employees of businesses would want to congregate. The City is planning to reconstruct Catherine and Market Streets and a portion of Stebbins Street in 2017. However, the plans do not include any significant pedestrian enhancements such as wider sidewalks, street trees or attractive lighting.

Until such time as investment is made to improve existing properties and upgrade the public infrastructure, the condition and aesthetics of the Project Study Area may deter some businesses and uses from locating in the area.

Market Rents in Project Study Area

Our discussions with a limited number of landlords indicate that market rents in the Project Study Area for office/professional service and residential appear to be consistent with other areas of downtown. Most of the properties in the Project Study Area have on-site parking for employees and customers, which according to the owners helps to keep rents in the competitive range. It can be assumed that a new development or redevelopment with good quality construction and on-site parking could demand the mid to higher end of the market rents depicted in Table 4.1. However, with the exception of multi-family residential, these rents may not be sufficiently high enough to support a reasonable rate of return for new construction or even substantial renovation.

VI. Conclusions

This market assessment presents an overview of general market conditions in the City of St. Albans. The information and analysis contained in previous chapters helps to form a basis of understanding for determining whether sufficient market demand exists, both currently and in the near term, to support potential redevelopment projects in the Project Study Area.

A review of broad economic indicators reveals generally positive trends in employment, population and household growth in the St. Albans market area. The extent of this growth, however, has been modest resulting in differing levels of demand for various types of uses and industry sectors. Demand for new retail and office space in downtown St. Albans has been generally soft and is expected to remain so for the foreseeable future. Demand for new multi-family housing, on the other hand, appears to be strong. This includes both subsidized and unsubsidized housing, particularly senior housing. Local economic development officials have also indicated notable demand for smaller warehouse/manufacturing space in the St. Albans market area.

In addition to market demand, attributes of the Project Study Area and market rents will also have an impact on development feasibility. For certain uses, the location of the Project Study Area is well positioned in close proximity to the downtown core and Main Street blocks. The location is particularly attractive to multi-family residential development and office use, which can take advantage of convenient walking distance to downtown shops, restaurants, entertainment, employment centers, and other downtown amenities. The area is not conducive to most retail use due its lack of exposure to high traffic volumes, including both vehicular and pedestrian.

The existing inventory of warehouse type buildings in the Project Study Area may be appealing to certain smaller warehouse/manufacturing users looking for lower cost rental options near the downtown core.

With the exception of multi-family housing, existing demand and market rents may not be sufficiently high enough to support new, speculative development. This appears to be the case for new office or warehouse/manufacturing development. This reality may suggest a longer term redevelopment strategy that focuses on incremental upgrades and retrofits to existing commercial buildings to attract entrepreneurs and creative business opportunities.

The existing condition and aesthetics of the Project Study Area is generally low quality which may deter certain businesses and uses from locating in the area. Many of the existing buildings are vacant and in need of substantial renovation or replacement. Sidewalks are in poor condition, lighting is inadequate, and there are very few trees or green space.

It is apparent that significant investment in public infrastructure, such as streetscape improvements and pedestrian enhancements, may be necessary to induce more substantial private investment in the area. The public sector may also consider helping finance private development in the area to close the gap between the cost of projects and what market rents will support. Over time such measures could gradually change market demand and pricing characteristics in the area to make new development more feasible without public assistance.

With limited market demand in the St. Albans market area, redevelopment of the Project Study Area will likely require a long term view and creative, coordinated efforts by both the public and private sectors.

APPENDIX A

Section III. Housing Needs Analysis

from

**City of St. Albans
2014 – 2015 Housing Study and Needs Analysis
July, 2015**

typically has higher household incomes than both Franklin County and City of St. Albans. For this reason, when conducting affordability analysis NRPC uses the MSA median household income in addition to the county median household income.

Notwithstanding the statutory definition above, there are programs that define affordable housing based on different income levels and housing cost limits. When discussing programs that use a different definition of affordable housing, the differences will be explained.

“Subsidized housing” in the context of this study can be divided into project based subsidies and tenant based subsidies. Project-based subsidies stay with a particular housing development either through rent assistance to income eligible tenants or through development subsidies that provide funding for construction, such as through a tax credit, in exchange for the units being affordable through covenant. Affordable housing covenants typically have rent ceilings and income limits.

Tenant based subsidies on the other hand consist of rent assistance issued to the tenant that can be used at any housing unit. The most common form of tenant rent assistance is the Section 8 Voucher (commonly known as a Housing Choice Voucher). See Appendix D and E for more information.

III. Housing Needs Analysis

In this Section, NRPC collected and analyzed available data to assess housing demand and future needs in the City of St. Albans. First, we performed a demographic overview and made conclusions on housing demand in the City. Second, we conducted an inventory of housing to understand the current makeup of housing in the City. Lastly, we evaluated the availability of housing in demand and defined specific future needs.

A. Demographic Overview and Housing Demand

1) Population

Saint Albans City is located in the northern Champlain Valley, approximately 30 miles north of Burlington and 70 miles south of Montreal with a current population of 6,919 (Figure 3.1). The regional relationship of Saint Albans to Burlington and Canada has played an important role in the City’s economic and cultural development and therefore has impacted housing demand and needs. As a regional employment center for Franklin and Grand Isle Counties, local employees seek out convenient and affordable housing in the City. Further, being in the commuter shed of Burlington and neighboring Chittenden County job centers, the Chittenden County workforce seeks out less costly housing in St. Albans City and Franklin County.

St. Albans City	6,919
Burlington	42,331
Newport	4,564
Rutland City	16,345
Franklin County	48,019
Vermont	625,904
Source: 2009-2013 ACS	

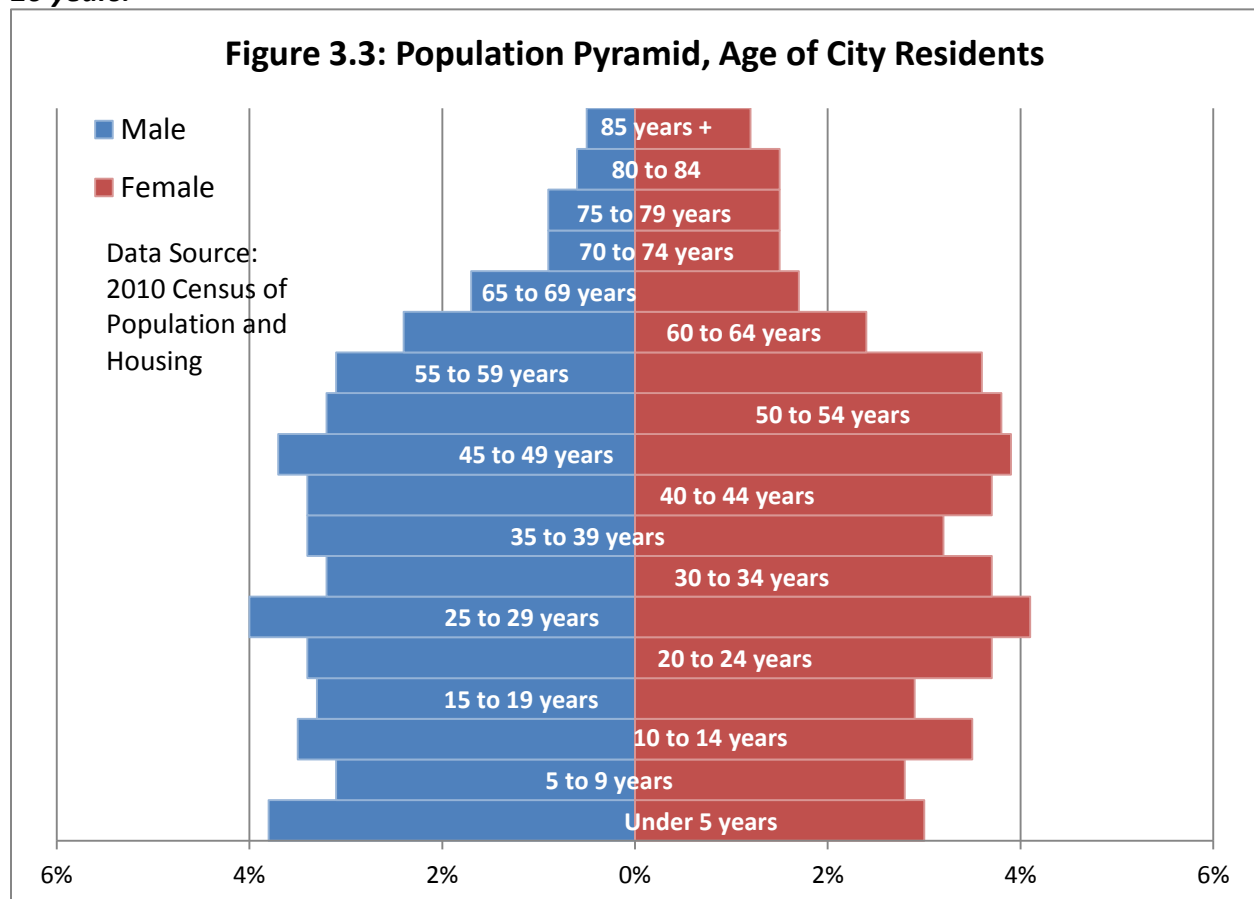
2) Population Age

Age is one of the key characteristics in analyzing demand within a housing market. The age of a population provides insight on the size, tenure and other characteristics of housing demand within a community.

The available data shows that while median age is lower in St. Albans City than in the County and State, the population in the City is still aging (Figure 3.2). There are a great

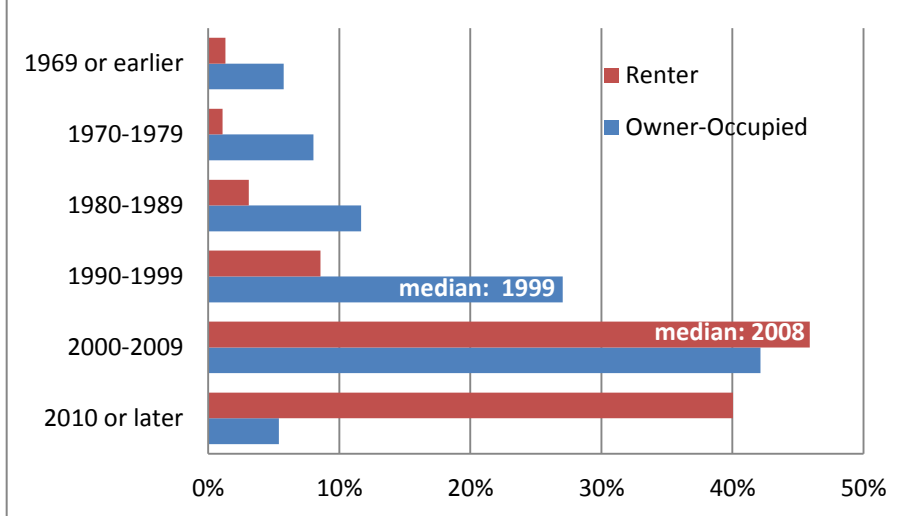
Figure 3.2: Median Age			
	2000 Census	2010 Census	2009-2013 ACS 5 Yr Estimate
St. Albans City	35.2	36.3	37.6
Franklin County	35.7	39.6	39.7
Vermont	37.7	41.5	42.0

number of residents in age cohorts between 45 and 64 years of age (Figure 3.3). These residents, most of them members of the baby boom generation (born between 1946 and 1964), will have an effect on the City housing market over the next several decades. This is part of a trend of growing senior populations across the nation. The first baby boomers began turning 65 in 2011, but the peak year of the baby boom generation will not start turning 65 until 2022. The Vermont Housing Needs Assessment notes that “between 2015 and 2020, the greatest growth in households by age is projected to continue to occur amount households between the ages of 65 and 74.” ***It is anticipated that St. Albans City (along with the County and State) can expect demand for senior housing to increase substantially over the next 10 to 20 years.***



Based on current occupancy trends it can be assumed that both ownership and rental opportunities are in demand (the 2009-2013 ACS reports that 48% of senior households own while 52% rent). Although, given the full occupancy at designated subsidized senior rental housing with a variety of services and activities provided geared towards seniors, **it can be postulated that seniors are more interested in senior specific rental options over homeownership as they age.**

Figure 3.4: Occupied Housing Units by Tenure by Year Householder Moved into Unit Data Source: 2009-2013 ACS 5-Yr Estimates



As a population ages, the possibility of disability increases. This is important to note as the percentage of seniors in the City is anticipated to grow over the next 20 years. Currently, ACS 2009-2013 estimates that 51% (379) individual seniors have a disability and therefore **there will be demand for handicap accessible senior housing units.**

Figure 3.5: Households >1 Year in Renter Occupied Dwellings in Different Place 1 Year Ago

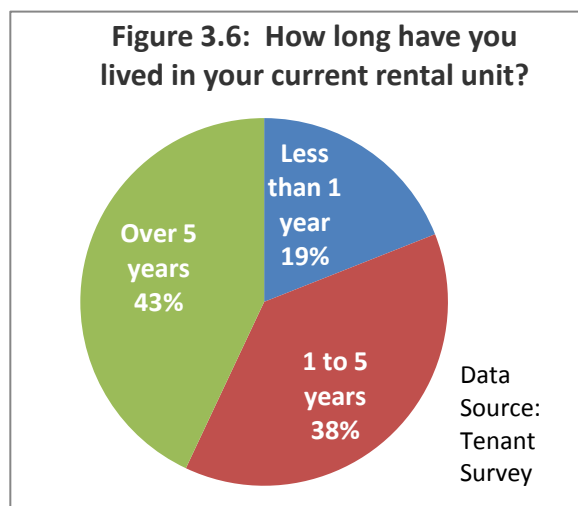
	St. Albans City	Newport	Rutland	VT
Same house 1 year ago	61.05%	72.65%	73.44%	69.46%
Moved within same cnty	29.52%	22.84%	19.07%	19.00%
Moved from different VT cnty	1.06%	2.75%	1.47%	4.05%
Moved from different state	8.36%	1.00%	5.23%	6.80%
Moved from abroad	0.00%	0.75%	0.79%	0.68%
Data Source: 2009-2013 ACS 5-Yr Estimates				

Figure 3.3 also shows that there is a large population in their 20s, 30s and early 40's in St. Albans City. This age group is commonly known as the baby boom echo or the baby boomers children. The group incorporates single, young professionals new to the labor force to young and growing family households. **This shows a demand for small units for young professionals without families, in addition to larger units more suited to families with children (both rental and ownership opportunities).**

3) Mobility Rates and Turnover

The term mobility rate refers to where a population was living one year ago and how long a householder has been living in a particular dwelling, both of which can indicate the stability of a population. The population in owner-occupied dwellings is more stable than the population in renter-occupied dwellings (Figure 3.4). The population in renter-occupied dwellings is reported to be less stable in St. Albans City than in two other similar Vermont cities (Newport and Rutland) and the State, as reported by the ACS (Figure 3.5). The 2009-2013 ACS reports that 30% of renter households moved to St. Albans City from within Franklin County within the last year (approx. 389 households).

This contrasts with mobility trends for renter occupied units reported by the Tenant Survey. Approximately 81% of survey respondents indicated that they had lived in their current rental unit for more than one year. This includes 43% of respondents that indicated that they had been living in their current rental unit for more than 5 years (see Figure 3.6). The low rental mobility rate reported by the survey is likely skewed due to the high proportion of Tenant Survey respondents living in senior housing units as such tenants may be less likely to move.



4) Income

The 2009-2013 estimated median household income of \$45,712 is less than the same figures for the county and the state, but higher than the comparison cities of Rutland and Newport (Figure 3.7). St. Albans City has a relatively high median household income for owner-occupied dwellings and a relatively low median household income for renter-occupied dwellings.

Figure 3.7: Median Household Income in Past 12 Month in 2013 Inflation Adjusted Dollars

	Occupied Housing Units	Owner Occupied	Renter Occupied
Saint Albans City	\$45,712	\$70,506	\$22,163
Newport City	\$31,408	\$45,719	\$17,083
Rutland City	\$40,622	\$57,442	\$25,275
Franklin County	\$56,240	\$67,002	\$28,227
Vermont	\$54,267	\$66,057	\$31,244

Data Source: 2009-2013 U.S. Census American Community Survey 5-year Estimates

Similarly, the poverty level is higher in Saint Albans City than the county and state (13% compared to 9% and 11%), but lower than the comparison cities of Rutland and Newport. Virtually all individuals aged 16 and older that are under the poverty level do not hold full time jobs. Interestingly, there are a higher percentage of part-time or part-year workers under the poverty level in Saint Albans City, than the county

and the state. Given these income and poverty figures, **affordable housing opportunities are in demand in St. Albans City.** This trend is confirmed by the Vermont Housing Needs Assessment

which finds that there is “significant pent-up demand and need for affordable rentals within the state.”

Figure 3.8: Population 16 Years and Over Below the Poverty Level				
	Population 16 Years and Over	Worked full-time, year-round	Worked part-time or part-year	Did not work
Saint Albans City	13.2%	2.3%	19.3%	26.8%
Newport City	18.4%	4.5%	15.2%	32.8%
Rutland City	14.6%	2.1%	23.0%	22.5%
Franklin County	8.9%	1.4%	11.6%	19.6%
Vermont	11.0%	2.0%	15.1%	20.7%
Data Source: 2009-2013 U.S. Census American Community Survey 5-year Estimates				

5) Employment and Unemployment

St. Albans City has a labor force (civilian population living in St. Albans City over 16) of 4,070 with an unemployment rate of 6.5% (Figure 3.9). The St. Albans City unemployment rate has been comparatively high since 2006 and is not recovering as quickly as the county and state since the recession.

Figure 3.9: Employment, 2014 Annual Average				
	Labor Force	Employment	Unemployment	Unemployment Rate
St. Albans City	4,070	3,800	270	6.5
Franklin County	27,350	26,250	1,100	4.1
Vermont	348,850	334,550	14,300	4.1
Source: Vermont Dept. of Labor Economic and Labor Market Information				

Approximately 22% of the City’s labor force lives and works within the City, while about 78% of local jobs are filled by workers commuting to the City for employment but living elsewhere.

This phenomenon of local jobs being mismatched to the local labor force is most likely explained by the City’s proximity and ease of access to Chittenden County. Almost 39% of the City labor force works in Chittenden County. As noted earlier, housing is more expensive in Chittenden County than in St. Albans City. Workers may be drawn to less expensive housing in St. Albans City. About 26% of the City’s labor force works in other Franklin County municipalities. There are definitely some questions about why a large majority of the City’s labor force is occupying jobs outside the City and why City workers aren’t living in the within the City. The City should continue to study and monitor this issue to gain a better understanding of who lives and works in the City.

In Franklin County, under half (44%) of the county's labor force lives and works within the County. This means that 56% of the County workforce leaves the County for employment. Only 34% of the jobs in the Franklin County are filled by workers commuting from outside the County. In the comparative cities of Newport and Rutland the percentage of the labor force living and working in the community is higher than the City. Rutland's is close to 50% and Newport's is just over 40%.

The largest employment sector in St. Albans City is the occupational category of Health Care and Social Assistance (1,057 jobs). This category is followed by Educational Services (638 jobs) Administration and Support (506 jobs), Retail Trade (480 jobs), and Information (358 jobs). About 15.5% of the jobs in St. Albans City are held by City residents followed closely by St. Albans Town residents at 13.5%.

The next four communities are all Franklin County communities (Swanton, Highgate, Georgia, and Sheldon). These workers from these four communities, combined with St. Albans Town, occupy for about 34% of workers in the City.

When comparing jobs data from the US Census On the Map tool, it becomes clear that although St. Albans City has a large number of health care and social assistance jobs and educational services jobs, yet only about half of the jobs are held by persons that live in the City. Further, there are over 506 Administration and Support jobs in the City, but only 175 of these are held by City residents. There are 372 City residents that work in manufacturing, but only 85 of these residents work in the City (Figure 3.11).

Figure 3.10
Inflow/Outflow Job Counts in 2011
U.S. Census, LEHD On the Map



Figure 3.11: Jobs Comparison

	Jobs of St. Albans City Residents	Jobs in St. Albans City
Agriculture, Forestry, Fishing and Hunting	22	13
Mining, Quarrying, and Oil and Gas Extraction	1	1
Utilities	8	0
Construction	114	78
Manufacturing	372	85
Wholesale Trade	133	150
Retail Trade	443	480
Transportation and Warehousing	90	140
Information	86	358
Finance and Insurance	68	145
Real Estate and Rental and Leasing	20	11
Professional, Scientific, and Technical Services	137	179
Management of Companies and Enterprises	8	6
Administration & Support (Waste Mgmt & Remediation)	175	506
Educational Services	346	638
Health Care and Social Assistance	549	1,057
Arts, Entertainment, and Recreation	22	9
Accommodation and Food Services	211	198
Other Services (excluding Public Administration)	79	94
Public Administration	237	208
Total Jobs	3,121	4,356
Source: U.S. Census, LEHD On the Map		

B. Housing Inventory

1) Housing Units

Residential growth has been slow in the City of St. Albans. The U.S. Census reports a loss of 145 housing units from 2000 to 2010 and another 65 units between 2010 and the 2009-2013 5-Year Estimates (Figure 3.12). Unfortunately, the available City databases do not clearly track net housing unit change from year to year. City permit databases clearly show an increase in new housing units during this period, but it is unclear how demolitions, consolidations of housing units, or use conversions impacted the net change. In the future, this information may be more clearly understood by working closely with City staff to better understand how these items are reported in permit databases and other records.

There are 2,337 individual properties in the City of St. Albans (St. Albans City 2014 Grand List). Of these properties, the Grand List reports that 1,992 or 85% have at least one residential unit. The Vermont Tax Department reports that 1,318 of the properties on the City Grand List were counted as “homesteads” in 2014. This means that 1,318 properties in the City during 2014 were owned and occupied by a VT resident as his or her principal home and declared as a homestead with the VT Department of Taxes.

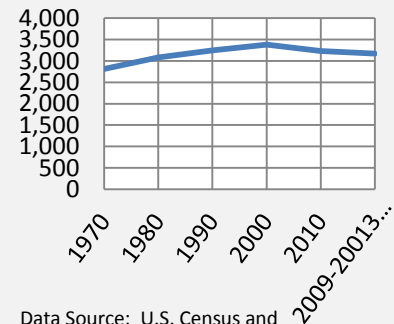
According to the St. Albans City 2014 Grand List, NRPC counted 2,997 housing units in the City of St. Albans. This figure is substantially lower than the 2009-2013 American Community Survey 5-Year Estimate, which reported 3,166 housing units, and reported by 2010, 2000, 1990 and 1980 U.S. Census housing unit counts. Given this major discrepancy between data sources, NRPC is concerned with the accuracy of how units are reported in the Grand List. For this reason, the ACS figure for total housing units, occupied housing units, owner occupied housing units, renter occupied housing units and vacant housing units will be used in this study to maintain consistency.

The split between renter occupied housing units and owner occupied housing units is slightly tipped towards owner occupied at 56% vs. 44% (Figure 3.14, 2009-2013 ACS 5-Yr Estimates). As a note of comparison, the City’s Rental Database reports 1,534 total rental units (both occupied and vacant). By comparing this figure to the 2013 total housing unit count from the Grand List,

Study Question #1:

What is the nature of the City’s current housing stock, especially owner vs. renter and the percentage of subsidized units?

Figure 3.12: Housing Unit Growth



Data Source: U.S. Census and ACS 2009-2013 5-Yr Estimate

Figure 3.13: Properties, Units and Structures

Property: A division of land held by an owner(s).

Unit: A dwelling space designed for one household and that has a unique address.

Structure: A building containing one or more units.

we can estimate that there are 1,463 non-rental housing units (both occupied and vacant). Therefore, local data indicates a higher proportion of rental units (51%) than ownership units (48%). This local data matches closely with percentages calculated using the 2010 Census. However, it needs to be kept in mind that ACS2009-2013 and 2010 Census percentages are calculated using occupied housing units only, while the local percentages are calculated using total housing units.

Figure 3.14: Housing Units

	2009-2013 ACS			2010 Census		City Grand List and City Rental Database	
	Number of Units	%	Margin of Error	Number of Units	%	Number of Units	%
Total Housing Units	3,166	NA	+/-149	3,231	NA	2,997	100%
Occupied Housing Units	2,967	100%	+/-150	2,977	100%	NA	NA
Owner occupied:	1,671	56%	+/-157	1,428	48%	1,463	49%
Renter occupied:	1,296	44%	+/-163	1,549	52%	1,534	51%
Vacant Housing Units	199	NA	+/-93	254	NA	NA	NA

Data Source: 2009-2013 ACS 5-Yr Estimates, 2010 Census, City Grand List, and City Rental Database.

2) Type of Housing Stock

Type of Structure

Over 75% of properties with at least one residential unit consist of single family homes (1,528), according to the 2014 Grand List. Two unit properties make up 14% (281) while multi-unit properties make up 9% (183).

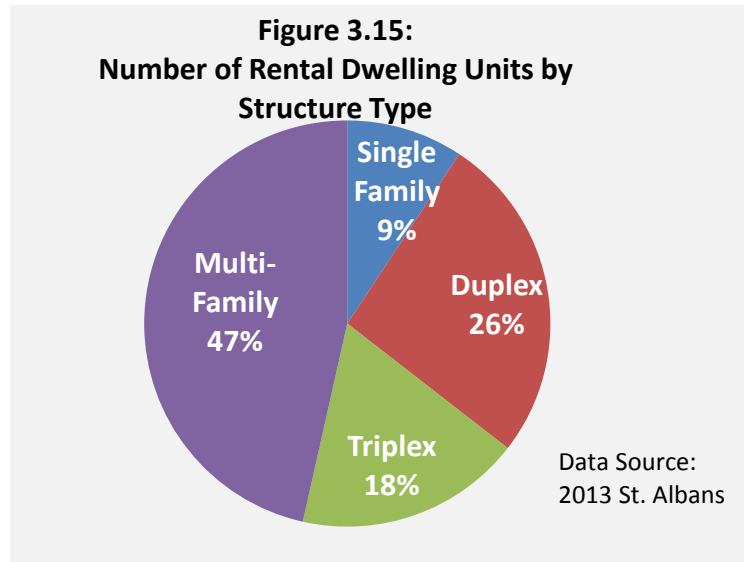
The Rental Database, which tracks both properties and units, reports that the majority of rental dwelling units in the City are located within multi-family structures of at least 4 dwelling units (Figure 3.15). These structures account for a total of 720 units (47% of rental units in the City). Single-family homes only account for 9% of the rental dwelling units in the City. The 2013 Rental Database also reports that duplexes are the most common type of structure in the City to contain a rental dwelling unit.

The most accurate information on owner occupied dwellings comes from the American Community Survey, which reports that the majority (84%) of owner-occupied units are single family homes (ACS 2009-2013 5-Yr Estimates).

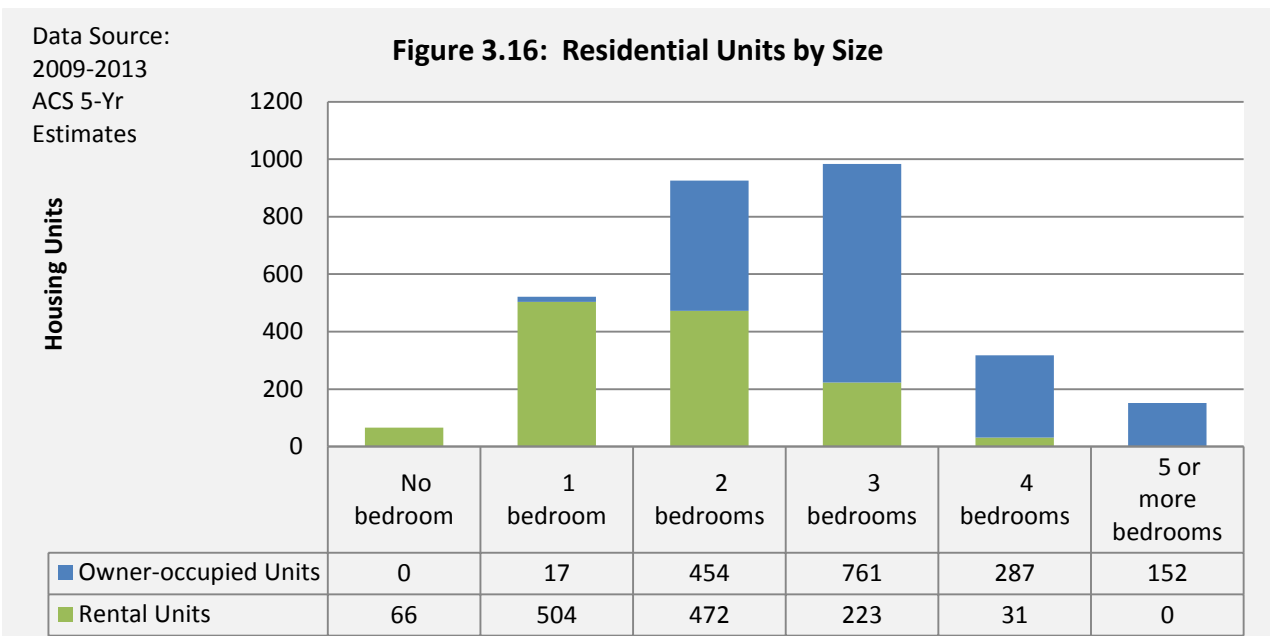
Housing Unit Size

Housing units in St. Albans City are split along the following categories: approximately one-third of units are three bedrooms, approximately one-third of units are two bedrooms and the last third of units is split between 0-1 bedroom and 4 plus bedrooms (2009-2013 ACS 5 Yr Estimates).

Owner-occupied units tend to be larger than rental units, with the majority of owner occupied units consisting of three bedroom units and the majority of rental occupied units in the City consisting of one and two bedroom units (Figure 3.16). There are very few one bedroom owner-occupied units.



While analyzing the size of individual residential units, it is important to keep in mind average household size. The average household size for a rental household is 2.03 persons, while the average owner-occupied household size is 2.53 (ACS 2009-2013 5-Yr Estimates). The considerable difference in average household size for owner-occupied versus rental units supports the data showing that owner occupied units tend to be larger than rental occupied



units. Single person households are also far more prevalent in renter-occupied housing than owner occupied housing (46.2% versus 28.2% according to the 2009-2013 ACS 5-Yr Estimates).

3) Age of Housing Stock

The majority of residential rental properties in the City were constructed before 1950 according to the 2013 City Rental Database (Figure 3.17); however, age was only reported for 309 out of 530 properties. The 2009-2013 ACS reports a smaller majority as constructed pre-1950 (55% versus 73%).

Construction Date	Rental Database	2009-2013 ACS
Pre 1950s	73%	55%
1950-1969	9%	17%
1970-1989	14%	21%
1990-Present	4%	7%

Data Source: 2013 Rental Database (Reported for 309 out of 530 properties); 2009-2013 ACS 5-Yr Estimates

The majority of the homeownership stock in the City was also built before 1950 (60%). Very few (46 units) are estimated to have been built since 1990 (Figure 3.18).

Total Housing Units	1,671
Pre 1950s	60%
1950-1969	15%
1970-1989	16%
1990-Present	9%

Data Source: 2009-2013 ACS 5-Yr Estimates

The existence of an aging housing stock is common in Vermont’s traditional downtowns and village centers. St. Albans is fortunate in that it has several opportunities for redevelopment and infill development to allow it to continue to grow into the future.

It should be kept in mind that the dates available from the Rental Database and ACS reflect the date of original construction. The dates of any subsequent renovations or additions to residential structures in the City are not readily available. Additionally, the dates do not reflect when buildings may have been converted from an original use, like a single-family home, to a multi-unit apartment building or vice versa.

4) Subsidized Rental Housing and Senior Housing

Several types of subsidized rental housing exist in the City, which can generally be split into three categories: tenant based rental assistance, project based rental assistance and project based development subsidies. In total, there are 88 units of project based subsidized housing units available to low-income households representing 2.7% of the City’s housing stock. Additionally, at a minimum, another 10% of the City’s housing stock is occupied by households that hold a Section 8 Voucher. There are also 181 subsidized housing units available to seniors and/or disabled households representing 5.7% of the City’s housing stock. Approximately 39% of respondents to the Tenant Survey are currently living in some form of subsidized housing

(either tenant based or project based). Appendix D and Appendix E contain full explanations of rental assistance programs used in the City.

Tenant-Based Rental Assistance

Three tenant based primary rental assistance programs are available in the City of St. Albans, including Section 8 Vouchers, the Vermont Rental Subsidy and the Shelter Plus Care program.

Section 8 Vouchers are issued by local housing authorities and the Vermont State Housing Authority (VSHA) to income qualifying

tenants. The subsidy is adjusted on a case by case basis so that the tenant pays no more than 30% of their income on rent and utilities (Figure 3.19). Voucher payments are capped at 90% of MSA Fair Market Rent set by the U.S. Department of Housing and Urban Development (HUD) and can be used at any housing unit that meets VSHA inspection standards. Vouchers may also be used in housing units that have rent restrictions due to project based development subsidies.

There are currently 156 Section 8 Vouchers being issued to tenants in St. Albans City by the VSHA and an additional 78 issued by the St. Albans Housing Authority to tenants within the City. This equals a total of 234 Section 8 Vouchers. The St. Albans Housing Authority will be absorbed by the VSHA on July 1, 2015 and all vouchers will be transferred to the VSHA (see Figure 3.20).

According to VSHA, the organization distributes more Section 8 vouchers to Franklin County residents than any other County in the State. The total number of Section 8 Vouchers distributed to Franklin County residents is 490 vouchers. More populous Chittenden County only receives 411 Section 8 Vouches from VSHA. According to Zeke Cyr, a Section 8 Field Representative for VSHA, Franklin County probably receives the most Section 8 vouchers from VSHA due to a few reasons: First, most of the vouchers in Chittenden County are

Figure 3.19: Section 8 - Maximum Voucher Payments based on HUD Fair Market Rent

Unit Size	Rent Payment
Studio	\$843
1 Bedroom	\$916
2 Bedroom	\$1,196
3 Bedroom	\$1,497
4 Bedroom	\$1,758
Source: Vermont State Housing Authority, 11/1/14	

Figure 3.20: St. Albans Housing Authority-VSHA Merger

The City of St. Albans has had a local housing authority for several decades. However, on December 8, 2014, the St. Albans City Council passed a resolution to dissolve the St. Albans Housing Authority (SACHA) and transfer all functions of the organization to the Vermont State Housing Authority (VSHA). The dissolution of SACHA will be official on July 1, 2015. There are several reasons for the dissolution of SACHA, but the primary reason is budgetary. SACHA is currently only open one day of the week and struggles to provide adequate service to its clients. Additionally, the waitlist for SACHA had been closed for years due to limited funding. VSHA is a larger organization better able to provide service to clients. All existing voucher recipients at SACHA will continue to have vouchers through VSHA. All households on the SACHA waitlist will be transferred to an equivalent position on the VSHA waitlist.

distributed by two large housing authorities (Burlington and Winooski Housing Authorities), not VSHA. Second, Mr. Cyr notes that tenants have been attracted to St. Albans and Franklin County in recent years due to “the higher rate of rental vacancies (especially compared to Chittenden County), lower rents, and a boom in new housing units coming on-line.”

Tenant-based assistance is also available via the Vermont Rental Subsidy (VRS). This is a State funded program administered by the Vermont Agency of Human Services for very low income tenants as an alternative to emergency housing. Tenants in the program are vetted by local Agency Housing Review Teams and undergo intense oversight. Subsidies provided under this program and are intended to last only one year. If a tenant remains in good standing with the program, they may be given preference for a Section 8 voucher at the end of the one year period.

Since the start of the VRS program in January 2012, about 50 households have used the VRS program in the St. Albans District, which encompasses all of Franklin and Grand Isle Counties. According to Nicole Mosher with the Agency of Human Services, “10 closed for noncompliance, 7 transitioned to an alternative living situation other than a long term voucher, and 33 transitioned to a Section 8.” City specific data is not available. There are currently 23 households in the State on the waitlist for the VRS program.

The Shelter Plus Care program is another more specialized tenant based rental assistance program used in the City. The program provides rental assistance to homeless individuals with disabilities, including individuals with mental illness and substance abuse. Zeke Cyr from VSHA and Linda Ryan from Samaritan House estimate that there were about 30 people in the City using this program during 2014.

Project Based Rental Assistance

Project based rental subsidies are assigned to a specific housing unit and any eligible household who moves into that unit will receive assistance to cover the portion of the rent that it cannot otherwise afford. Tenant’s contributions are capped at 30% of household income. Housing with project-based assistance is often built or developed with the purpose of accepting low-income tenants specifically, but may also be restricted to elderly and/or disabled tenants.

There are 217 housing units that have project based rental assistance in St. Albans City, 80% of which are dedicated to senior and/or disabled tenants (Figure 3.21). The majority of units with project based rental assistance are one bedroom units, although of the 36 units not dedicated to seniors and/or disabled tenants, there are 14 two bedroom units, 14 three bedroom units and 2 four bedroom units. A summary of project based rental assistance programs and a list of housing projects that have project based rental assistance can be found in Appendix D and E.

Figure 3.21: Project Based Rental Assistance

	Type of Units				Bedrooms						Access-able
	Total	Senior Only	Disabled Only	Senior/ Disabled Only	0	1	2	3	4	5+	
Beth-El Court	32	32	x	x	x	32	x	x	x	x	3
Lake Street Housing	7	x	6	x	x	1	x	x	x	x	x
Fourwinds Apartments	44	x	x	44	x	44	x	x	x	x	5
Heritage Lane Apartments	28	x	x	28	x	28	x	x	x	x	1
Welden Villa	40	x	x	40	x	40	x	x	x	x	x
Holy Angels Commons	31	x	x	31	x	26	5	x	x	x	3
Rail City Family HLP	31	x	x	x	1	4	10	14	2	x	2
Hillcrest Views	4	x	x	x	x	x	4	x	x	x	x
Totals	217	32	6	143	1	175	19	14	2	x	15

Cathedral Square owns and operates the Fourwinds Apartments senior housing project in the City. In addition to providing housing, Cathedral Square provides access to services through a State program called Support and Services at Home (SASH). SASH provides onsite care coordination to enable seniors to remain independent and continue to age at home. Wellness nursing, health care coordination, and nutrition and exercise programming are some of the services provided under SASH.

Project Based Development Subsidies for Rental Housing

Developers of affordable rental housing will often access a variety of federal, state, and local housing programs in order to raise enough money to build a project. Typically this type of subsidy will place limits on tenant income and rent that can be charged to ensure that the units are perpetually affordable. There are 5 housing projects with a total of 79 units in the City of St. Albans that were developed using this type of funding (See Appendix E). A full list of project based development subsidies is located in Appendix D.

5) Subsidized Homeownership Options

There are fewer opportunities for subsidizing homeownership in the City. Champlain Housing Trust (CHT) controls 21 single family homes in St. Albans City that are a part of its Shared Equity Program. The program enables income eligible households the ability to purchase owner-occupied housing units from CHT (See Figure 3.22 for income limits).

CHT provides the homeowner with the down payment and closing costs which are “repaid by the owner at the time of sale and given to the next buyer of the home, thus keeping the property affordable for generations to come.” Those using the Shared Equity program also

agree to sell the property back to CHT when they are ready to move. CHT then markets the home at no cost to the homeowner until a new eligible buyer is found. When the home is sold to the new buyer, the homeowner receives what they paid for the home plus 25% of the home’s market appreciation. CHT retains the remainder of the home’s market appreciation to support its programs.

Figure 3.22: Shared Equity Program Income Limits

Household Size (number of persons living in the home)	Maximum Income
1 person	\$56,200
2 persons	\$64,200
3 persons	\$72,200
4 persons	\$80,200

Habitat for Humanity, in cooperation with VHCB, controls the resale of one property in the city through a restrictive covenant to ensure that it remains perpetually affordable. There are also opportunities for affordable homeownership opportunities through the Section 8 Homeownership Program operated by VSHA, yet homes purchased using this program are not perpetually affordable. Participants in the Section 8 Homeownership Program are eligible for assistance in paying their mortgage, taxes, or insurance for the first 15 years that they own a home (or in perpetuity if the head of the household is disabled). To be eligible for the program, the head of the household must have a tenant-based “rental voucher” with VSHA, meet minimum income requirements (\$14,500 per year), and an adult in the household must be employed at least 30 hours per week. There are some exceptions to these rules for disabled or elderly individuals. According to VSHA, there are currently 7 homes in St. Albans City that were purchased through the Section 8 Homeownership program that are currently receiving assistance.

There are no specific development projects in the City that are specifically geared towards homeownership for seniors or have ownership restricted to only seniors. There are at least two developments located in the St. Albans Town that follow such a model: The Pillars (Pillsbury Manor) and Grice Brook (condo flats just off exit 19).

6) Emergency Housing

Although not included in the count of project-based affordable housing units in the City, the Samaritan House is a non-profit organization that provides emergency shelter, transitional housing, and support services to people without other options St. Albans City and the greater northwest Vermont region. Their shelter is called Tim’s House, which provides emergency shelter for homeless families and individuals, and transitional apartments for families and individuals (three family apartments and two individual apartments). The Samaritan House has one full time and two part time case managers that assist Tim’s House guests with finding employment and permanent housing, repairing credit and landlord references, parenting skills, how to sustain an apartment, advocacy, working with area landlords, and other skills.

According to Executive Director Linda Ryan, Samaritan House served 159 people last year and helped 69 individuals secure permanent rental housing.

During interviews with Linda Ryan, Executive Director of the Samaritan House, she indicated there was a need for housing for single individuals with severe income limits. She indicated that she believed that efficiency units or boarding house type units would serve these individuals. Ms. Ryan further noted that the Samaritan House is interested in creating such housing in the City.

7) Recovery Housing

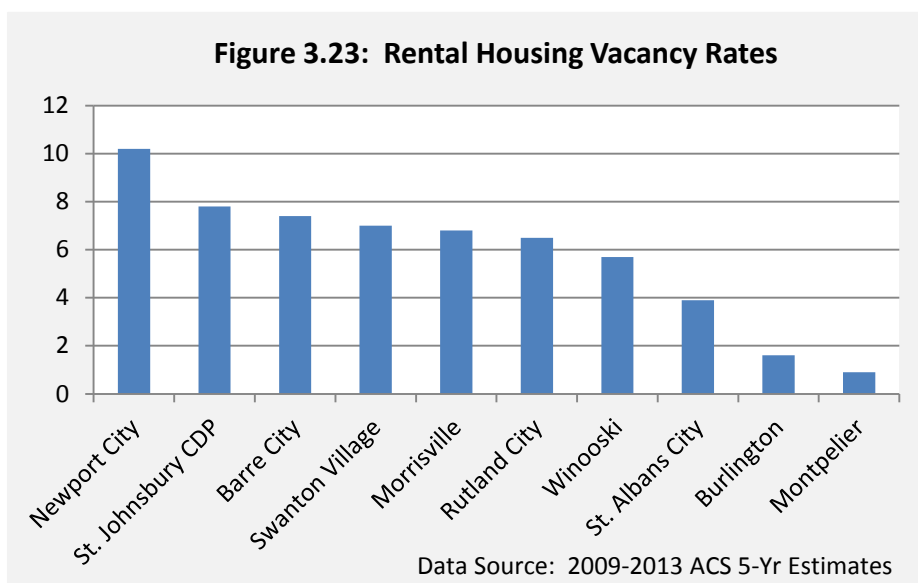
During interviews, Linda Ryan also noted that there is a need for “sober housing” or “recovery housing” for those recovering from substance abuse addiction. She pointed to models such as the Phoenix House in Burlington which is 3- to 24-month sober living program for men in early recovery from substance abuse. A need for this type of housing has been expressed by others in the recent past. This housing study was finished before the City was able to compile more stakeholder input on this issue, so it is recommended as a topic of focus for the future.

C. Housing Availability and Future Needs

1) Availability of Rental Housing

The rental vacancy rate in St. Albans City is approximately 3.9% (ACS 2009-2013). The Landlord Survey also reported a 3.9% rental vacancy rate. This rate is lower than the 5% vacancy rate cited by the VHFA as a “healthy vacancy rate.” According to VHFA, a vacancy rate of less than 5% indicates that there is additional room in the market for rental housing.

The City’s low rental vacancy rate is lower than many other urban municipalities in central and northern Vermont according to data from the ACS 2009-2013 (Figure 3.23). The cities of Burlington and Montpelier are the only urban municipalities sampled with lower vacancy rates than St. Albans City. It should be noted that both Burlington and Montpelier rental markets are influenced by the large number of students living in each municipality.



Unfortunately, we do not currently have data that can tell us which types of rental units (i.e. number of bedrooms, units in structure, location, price, quality, etc.) are vacant most often and which types are in most demand. We know that the majority of rental units are located in multi-unit structures, half being located in structures with 4 or more units, while only 9% consist of single family dwellings (Figure 3.15). We also know that there are not as many studio, three-bedroom and four-bedroom units as there are of one and two bedroom units (Figure 3.16). We know that there is an increasing population of young professionals and growing families (the growing senior population is discussed below) and can assume that young professionals seek smaller units and growing families seek larger units. Despite this information, it is still difficult to draw concrete conclusions on exactly what type of units should be added to the local market.

Figure 3.24: Senior Housing in St. Albans and Other Communities

	Number of Senior or Disabled Subsidized Housing Units	Percentage of Senior or Disabled Project-Based Housing Units
Franklin County		
Enosburg Falls	66	24.2%
Richford	39	16.0%
St. Albans City	181	14.0%
Swanton Village	48	11.4%
Outside Franklin County		
Barre City	296	14.8%
Burlington	844	8.6%
Newport	63	8.0%
Rutland	455	13.4%
Data Source: Vermont Housing Finance Agency		

The Vermont Housing Needs Assessment notes low vacancy rates for all rental units in the state regardless of the number of bedrooms. However, the assessment does note that vacancy rates are especially low for larger rental units (3 bedroom or larger). This may be partially due to the low number of rental units in multi-family housing complexes that are 3 bedrooms or larger. This means that larger family households have fewer rental housing options and are often forced to rent what are termed “non-conventional rentals” – single family homes and duplexes. These non-conventional rental units are comparably older, of lower quality, and have higher rents than most multi-family options in the State. If this trend holds true for St. Albans City as well there may be a need for additional larger apartments (3 and 4 bedrooms) in multi-family structures in the City.

2) Availability of Senior/Disabled Rental Housing

As documented in Section III (A), there is a growing senior population in St. Albans City that will be substantially increasing in the next ten years. The St. Albans City Comprehensive Plan contains a policy that states that the City should “encourage appropriate senior housing opportunities in the City, located near necessary amenities.” There are many housing options for seniors as they age, including aging in place, downsizing to smaller ownership or rental units, moving to subsidized senior specific rental housing, or moving to one of a variety of

residential care options. As the population ages there may be increased demand in the City for rental units and homeownership units that are specifically targeted at seniors. This may include additional subsidized senior rental housing. The creation of senior housing is one way to ensure that seniors can continue to be able to live in a community.

Subsidized Senior-Specific Housing

Currently, there are 181 subsidized housing units that are dedicated exclusively to seniors and the disabled (Figure 3.24). It is a common understanding that subsidized senior specific rental housing units are in high demand and that the market has seemingly unlimited demand for additional such units. NRPC has contacted management companies for all subsidized projects in the City to check the occupancy and waitlist status, but has only verified this information for two of five senior specific projects (Figure 3.25). Fourwinds Apartments is full with a large waitlist, while Weldon Villa has 1 vacancy that is anticipated to be filled shortly through its relatively small waitlist.

NRPC looked at the Fourwinds Apartments (44 units) waitlist in more depth. The majority of waitlisted seniors are from Franklin County (81), while a majority of those from the County being from the City and Town of St. Albans (57). However, it is interesting to note that the waitlist includes a significant number of people currently living in Chittenden County (39). The waitlist also includes additional households from outside northwestern Vermont (22). In a letter from Cathedral Square, owner and operator of Fourwinds, to Northwest Regional Planning Commission and the City of St. Albans, Cathedral Square developer Miranda Lescaze notes that those from outside the region “may be interested in returning to St. Albans if they lived there previously, may be interested in moving closer to family in St. Albans or may be interested in Fourwinds for other reasons”, such as the Support And Services at Home (SASH) program. Given the comparatively high waitlist for Fourwinds as compared to Weldon Village, it can be assumed that the services provided by the SASH program are desired.

Figure 3.25: Subsidized Housing Waitlists

Subsidized Housing Facility	Management Company	Senior or Disabled Housing Restricted?	Number of Households on Waiting List	Is Waiting List Closed?
Fourwinds Apartments	Cathedral Square	Yes	147	No
Weldon Villa	Vermont State Housing Authority	Yes	7, 1 vacancy	No
Beth-El Court	RH Carr Associates	Yes		
Heritage Lane Apartments	Mountaha, LLC	Yes		
Holy Angels Commons	E.P. Management Corp.	Yes		
Lake Street	Champlain	Yes (6 of 7)	3	No

Figure 3.25: Subsidized Housing Waitlists

Subsidized Housing Facility	Management Company	Senior or Disabled Housing Restricted?	Number of Households on Waiting List	Is Waiting List Closed?
Housing	Housing Trust			
Hillcrest Views	Vermont State Housing Authority	No	8, 3 vacancies	No
Rail City Family HLP	Champlain Housing Trust	No	50	No
Butler House	Champlain Housing Trust	No	First Come, First Serve, Occupied, No Waitlist	N/A
Fairfield Street School Apartments	Champlain Housing Trust	No	First Come, First Serve, Occupied, No Waitlist	N/A
Waugh Opera House	Champlain Housing Trust	No	First Come, First Serve, Occupied, No Waitlist	N/A
Willard Mill	Champlain Housing Trust	No	First Come, First Serve, Occupied, No Waitlist	N/A
St. Albans Supportive Housing	Northwest Counseling and Support Services	No		
Section 8 Voucher Program	Vermont State Housing Authority	No	71	Yes

Data current as of March 2015.

It is important to note that some people may be on wait lists for several different housing projects and therefore the waitlist cannot be combined to calculate the true demand for affordable or senior housing in the City.

Owner-occupied Senior Housing

All of the subsidized housing units that are dedicated to seniors in the City are rental units. There are no subsidized housing units in the City that are both dedicated to seniors and available for homeownership, which could have demand in the City. As homeowners age, there may be some citizens that still prefer to own a home rather than rent even when they are retired and are on a limited income. As noted earlier in Section III (B), there are some subsidized senior housing homeownership opportunities located in St. Albans Town built by private developers. Champlain Housing Trust also has subsidized homeownership opportunities that are available regardless of age through their Shared Equity Program.

Accessory Apartments

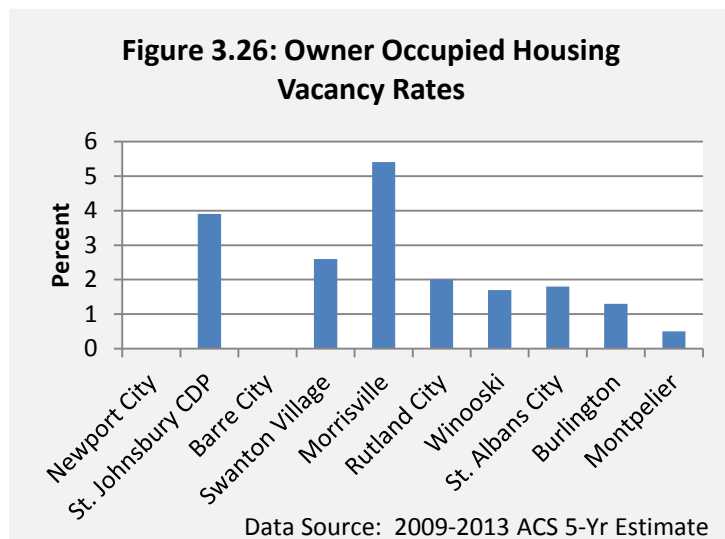
As an alternative to subsidized homeownership opportunities for seniors, the City could do more to encourage the construction of accessory apartments. As allowed by 24 V.S.A §4412 and the St. Albans Land Development Regulations, any single family home is entitled to one accessory apartment. All accessory apartments are restricted to being either an efficiency or

one-bedroom apartment not greater than 30% of the habitable floor area of the single family dwelling. The owner may live in either the accessory dwelling or the primary dwelling. Accessory apartments might be preferable to renters, including seniors, looking for neighborhood based owner-occupied rental options, and for homeowners looking to rent out either their primary dwelling or an accessory dwelling. Accessory apartments are a great opportunity for small, affordable rental options for all households, although these units may be attractive to seniors looking to downsize or seniors looking to live close to their families.

3) Availability of Subsidized Rental Housing

The income statistics for St. Albans City presented above clearly indicate that there is a market for subsidized housing, especially subsidized rental housing options. Based on the occupancy status and waitlists at subsidized projects in the City, it is clear that there is unmet demand for project based rental subsidies (Figure 3.25). Further, the Section 8 Voucher Program currently has a waitlist of 71.

It should be noted that subsidized housing projects can lose their subsidy or tax credits unless they periodically renew the subsidy or reapply for the tax credits. The Vermont Housing Needs Assessment notes that statewide there are 141 projects (3,257 units) that could lose funding between 2015 and 2020. It is likely that many of these projects will opt to renew their subsidy or re-apply for tax credits, but there is always some uncertainty in the future.



4) Availability of Homeownership Housing

Vacancy rates for owner-occupied units are even lower than rental vacancy rates and are also more uniform from city to city. The average home ownership vacancy rate in a selection of Vermont cities, including St. Albans City is 1.9% (Figure 3.26). The homeownership vacancy rate for St. Albans City is 1.8%. Just as for rental housing, this vacancy rate is below what is considered a healthy vacancy rate by Vermont Housing Finance Agency (VHFA), which states in their Housing Needs Assessment Guide that a low “for sale” vacancy rate can “indicate pent up demand for housing.” VHFA continues by stating that a healthy “for sale” vacancy rate is around 3%. Below 3% generally means that homeowners have limited choice and increasing ownership costs and that there may be need for additional home ownership options.

Similar to rental housing, we do not currently have data that can tell us which types of homeownership units (i.e. number of bedrooms, attached/detached, location, price, quality, etc.) are vacant most often and which types are in most demand. We know that over 80% of homeownership units are single-family dwellings according to the ACS 2009-2013. We also

know that there are virtually no one-bedroom and studio ownership options in the City. We can assume that perhaps the growing population of young professionals may have demand for smaller ownership options, including condominium units. Beyond this hypothesis, it is clear that there is room in the City for more ownership housing, but unclear exactly what type of units those should be.

D. Affordability

1) Market Rents

One of the central goals of this study is to determine average market rents in the City. Information regarding market rents was collected from various sources: ACS 2009-2013, the Tenant Survey, and advertisements for apartments on Craigslist. Also considered is the Fair Market Rent (FMR) for the MSA as calculated by HUD and the maximum amount available to a tenant receiving Section 8 Voucher Assistance in Franklin County according VSHA. The FMR is the 40th percentile of gross rents for typical, non-substandard rental units occupied by recent movers in a local housing market. The FMR value includes Chittenden County and Grand Isle Counties.

Study Question #2:
What are the market rents in the City?

Median rents in the City range from \$820 to \$850 according the ACS, Tenant Survey and a Survey of Craigslist (Figure 3.27). Median rents for a 1 bedroom (39% of rental housing stock) range from \$650 to \$738 according to the Tenant Survey and a survey of Craigslist. The 2009-2013 ACS reported that 35% of 1 bedroom units have rents between \$750 and \$999. Median rents for a 2 bedroom (36% of rental housing stock) range from \$825 to \$863 according to the Tenant Survey and a survey of Craigslist. The 2009-2013 ACS reported that 40% of 2 bedroom

Figure 3.27: Median Rental Costs in St. Albans City

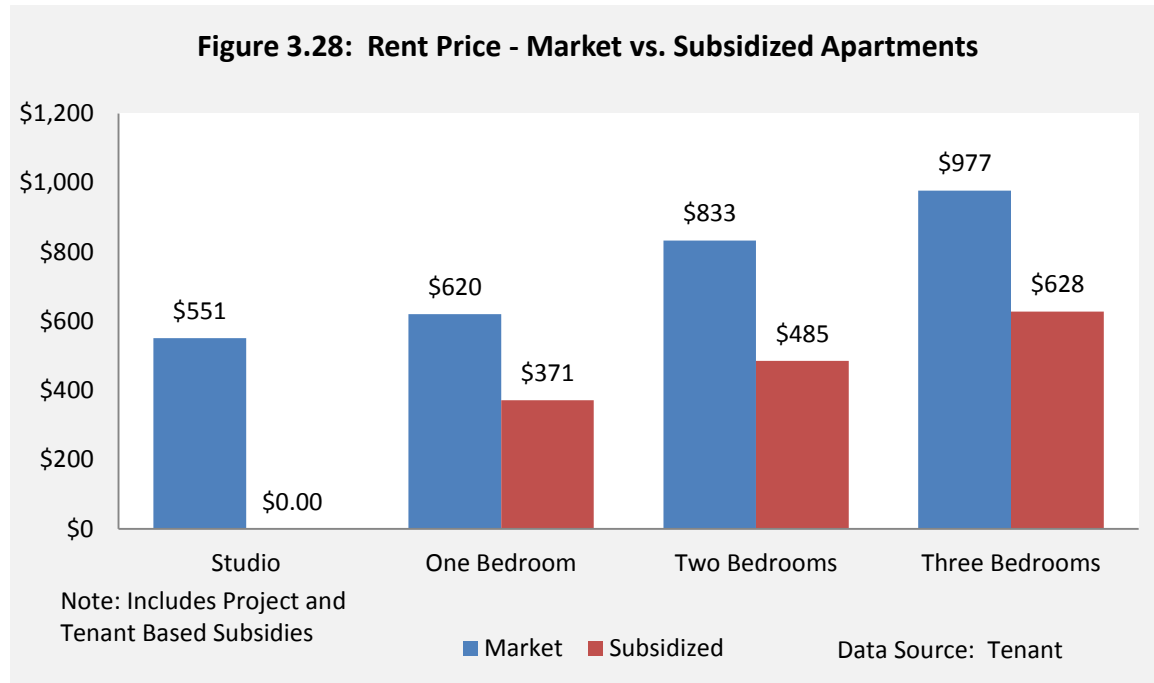
	ACS 2009-2013 Gross Rent	Tenant Survey (Median)	Craigslist (Median)	Fair Market Rent (MSA)	Section 8 Voucher Max Rent Contribution - Franklin County
All Units (Median)	\$820	\$775	\$850	NA	NA
Studio	\$500-749 (52%)	\$565	\$600	\$936	\$843
1 Bdrm	\$750-999 (35%)	\$650	\$738	\$1,017	\$916
2 Bdrm	\$1,000 + (40%)	\$825	\$863	\$1,328	\$1,196
3 Bdrm	\$1,000 + (93%)	\$900	\$1,150	\$1,663	\$1,497
4 Bdrm	N/A	N/A	\$1,525	\$1,953	\$1,758
Utilities Included?	Yes	Varies	Varies	Yes	N/A

Data Sources: 2009-2013 ACS 5-Yr Estimate, NRPC St. Albans City Tenant Survey, Craigslist Rental Advertisements on January 15, 2015, the Vermont State Housing Authority.

units have rents over \$1,000. The ACS gross rent figures by bedroom, in addition to the FMR

and Section 8 Voucher Contribution, are higher due to the fact that utilities are consistently included, while for the Tenant Survey and the Craigslist Survey the inclusion of utilities varies due to inconsistent reporting.

Approximately one-third of Tenant Survey respondents were from a household receiving some form of rental subsidy. Figure 3.28 shows the difference in rent price that Tenant Survey respondents reported for non-subsidized housing versus subsidized housing.



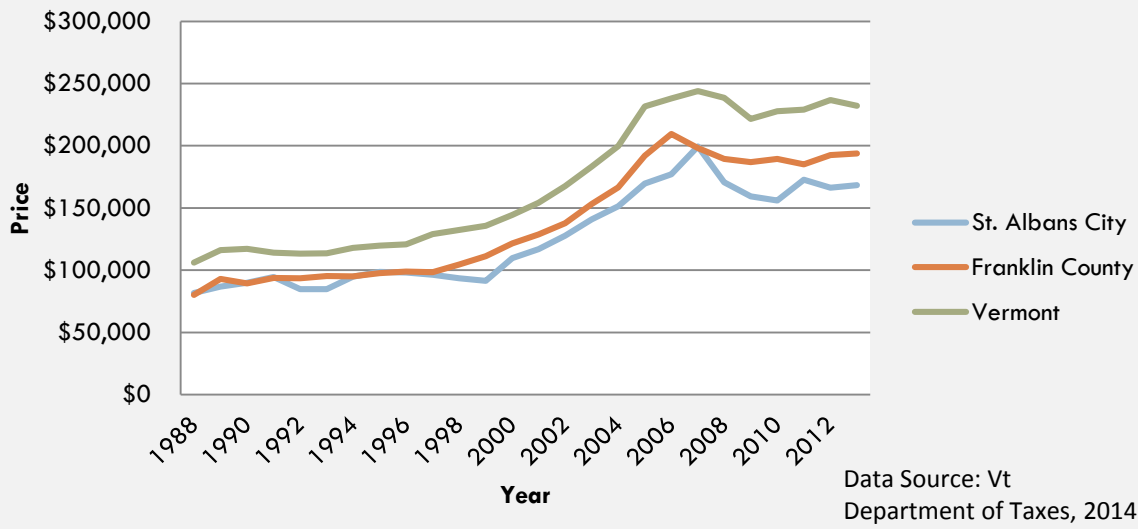
2) Home Ownership Costs

The costs of homeownership are more readily available than market rents. Median and average sale prices for primary dwellings are available through the Vermont Department of Taxes (via the Vermont Housing Data Center). The median price of a single-family home sold in St. Albans City between January 2014 and July 2014 was approximately \$167,500. This is lower than the median values in Franklin County (\$180,000) and Vermont (\$192,250) for the same time period. The difference in value between the three geographic areas has remained fairly consistent since the late 1990s (Figure 3.29).

Like much of the real estate market in the State and nationwide, prices have dropped since the peak of the market in 2006 and 2007, but seem to be rebounding from market lows in the last few years. For instance, the median price of a single-family home sold in St. Albans City in 2007 was \$175,900. By 2009, this value had decreased to \$154,950 before rebounding to current levels (\$167,500).

Mortgages rates in the State and across the country are currently low and in some cases below 4%. Such rates could create more affordable home ownership opportunities in the City and the State, especially in the short term.

Figure 3.29: Average Price of Single Family Home Sold



3) Affordability

NRPC completed an affordability analysis that calculates the gap between what a household can afford based on the statutory definition of affordable housing (See Section III(B)) and median rent or sale prices on the market. While the statutory definition uses the median household income for the Metropolitan Statistical Area (MSA), NRPC's analysis uses the median family income for the Burlington-South Burlington MSA reported by the U.S. Department of Housing and Urban Development (HUD) and the median household income for Franklin County, in addition to the median household income for the Burlington-South Burlington MSA. The relevance of each of these data sources is provided below:

- 2009-2013 ACS Household Median Income for the Burlington/South Burlington MSA (\$61,763). This income source was included to comply with the statutory definition of affordable housing in Title 24, Chapter 114, Section 4303.
- 2009-2013 ACS Household Median Income for Franklin County (\$56,240). This income was included because it better reflects incomes in the City and immediate area. By adjusting the geographic area to just Franklin County, potentially higher incomes of Chittenden County residents have been excluded.
- 2014 HUD Median Family Income for the Burlington/South Burlington MSA (\$80, 225). This income source was included to compare affordability for family households as compared to all households. Since many family households have two wage-earners, this figure is higher than median household income. It was also considered because HUD uses it as a basis for determining eligibility for its major affordable housing programs.

Income data specific to St. Albans City was not used in any portion of the affordability analyses. This is because it is important to view housing affordability in the City within a regional context. Individuals and families will move both in and out of City. Therefore, it is important to consider incomes for the County and MSA.

Income is considered at its baseline levels (100%) and at lower income levels (80%, 50% and 30%) to provide context on affordability for median income, low income, very low income and extremely low income families and households.

Rental Affordability Analysis

For the MSA median household income, city median household income, and county median household income, there is no affordability gap until you assess very low (50%) and extremely low incomes (30%) (Figure 3.30). Therefore, rental housing in the City can generally be considered affordable in St. Albans according to the statutory definition of “affordable housing.” Nonetheless, it is important to understand that there are many very low and extremely low income households for which rental housing is not affordable. For 50% and 30% of the MSA median income, the affordability gap is between \$48 and \$357. For 50% and 30% of the county median income, the affordability gap is greater, between \$117 and \$398. The affordability gap is even larger for those at 50% and 30% of city median income. The HUD median family income shows an affordability gap only for extremely low incomes (30%) of \$218. These households are the most likely to be eligible for available subsidized housing programs.

Figure 3.30: Rental Affordability Analysis

Percent of Median Income	Median Income	30% of Income/ Year	30% of Income/ Month	Income Available for Rent/ Month	Median Rent – St. Albans City	Affordability Gap
MSA - Median Household Income						
100%	\$61,763	\$18,529	\$1,544	\$1,544	\$820	\$724
80%	\$49,410	\$14,823	\$1,235	\$1,235	\$820	\$415
50%	\$30,882	\$9,264	\$772	\$772	\$820	(\$48)
30%	\$18,529	\$5,559	\$463	\$463	\$820	(\$357)
Franklin County -Median Household Income						
100%	\$56,240	\$16,872	\$1,406	\$1,406	\$820	\$586
80%	\$44,992	\$13,498	\$1,125	\$1,125	\$820	\$305
50%	\$28,120	\$8,436	\$703	\$703	\$820	(\$117)
30%	\$16,872	\$5,062	\$422	\$422	\$820	(\$398)
City - Median Household Income						
100%	\$45,712	\$13,714	\$1,143	\$1,143	\$820	\$323
80%	\$36,570	\$10,971	\$914	\$914	\$820	\$94
50%	\$22,856	\$6,857	\$571	\$571	\$820	(\$249)
30%	\$13,714	\$4,114	\$343	\$343	\$820	(\$477)
MSA - Median Family Income						
100%	\$80,225	\$24,068	\$2,006	\$2,006	\$820	\$1,186

80%	\$64,180	\$19,254	\$1,605	\$1,605	\$820	\$785
50%	\$40,113	\$12,034	\$1,003	\$1,003	\$820	\$183
30%	\$24,068	\$7,220	\$602	\$602	\$820	(\$218)

Data Source: Median income based on HUD and ACS estimates; median rent ACS 2009-2013; all other figures computed by the NRPC.

The median rent figure included in the affordability analysis is the gross contract rent as calculated by 2009-2013 ACS (\$820). This is the median of all rents across the City, regardless of apartment size. This rent figure includes contract rent plus the estimated average monthly cost of utilities and fuels if they are paid by the renter. This figure was selected as the rent to be used in affordability analyses because it provides the most accurate aggregation of City rent data that incorporates the cost of utilities and fuels. It also is higher than the median rent collected from the Tenant Survey and lower than the median rent collected from the survey of Craigslist.

To provide additional context on rental affordability in the City, an affordability analysis was conducted using mean income data from the Vermont Department of Labor for the four most common occupations of City residents and workers. Households earning a single income at the average wage rate from the Federal Government, manufacturing, or private education and health services (totaling 3,058 jobs) do not show an affordability gap for the median rent (Figure 3.31). However, a household earning a single income at the average wage rate from the retail sector would likely face a considerable affordability gap if renting an apartment at the median rent.

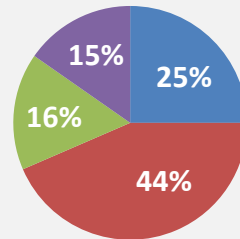
Figure 3.31: Rental Affordability Analysis Based on Occupation Wage

Occupation	Jobs	Mean Wage 2013	30% of Income/ Year	30% of Income/ Month	Income Available for Rent/ Month	Median Rent – St. Albans City	Affordability Gap
Federal Government	1,031	\$70,147	\$21,044	\$1,754	\$1,754	\$820	\$934
Manufacturing	926	\$63,580	\$19,074	\$1,590	\$1,590	\$820	\$770
Private Educational and Health Services	1,101	\$52,648	\$15,794	\$1,316	\$1,316	\$820	\$496
Retail	1,000	\$24,565	\$7,370	\$614	\$614	\$820	(\$206)

Data Source: Income data from the Vermont Department of Labor; median rent ACS 2009-2013; all other figures computed by the NRPC

The Tenant Survey asked respondents about rental affordability. The majority of survey respondent households (75%) reported rent costs that meet or exceed 30% of their household income, the percentage that is considered unaffordable (Figure 3.32). However, the accuracy of these responses cannot be confirmed since the calculation was completed by each respondent. It is also difficult to relate this survey response to the affordability analysis above because we do not know the incomes of the survey respondents and if (or how) respondents were reporting any rental subsidy.

Figure 3.32: Percentage of Monthly Household Income Spent on Rent Each Month



- Less than 30% of income
- 30% to 39% of income
- 40% to 49% of income
- 50% or greater of income

Ownership Affordability Analysis

To assess the affordability of homeownership in the City, a affordability analysis for homeownership was completed. This analysis is comparable to the rental affordability analysis, but takes into account the greater number of costs incorporated into homeownership such as taxes, insurance, and a down payment. The maximum affordable mortgage value was calculated using a present value formula that incorporates income information (minus property tax, PMI and homeowner’s insurance costs as estimated by VHFA) and interest rate information (a 4% interest rate) while assuming a 30 year mortgage. The same income data was used in the both affordability analyses (MSA Median Family Income, MSA Median Household Income, Franklin County Median Household Income, and City Median Household Income). The median sale price for a primary residence was based on data available from the Vermont Department of Taxes. Affordability was based upon the State definition of affordability which can be reference in Article II (B).

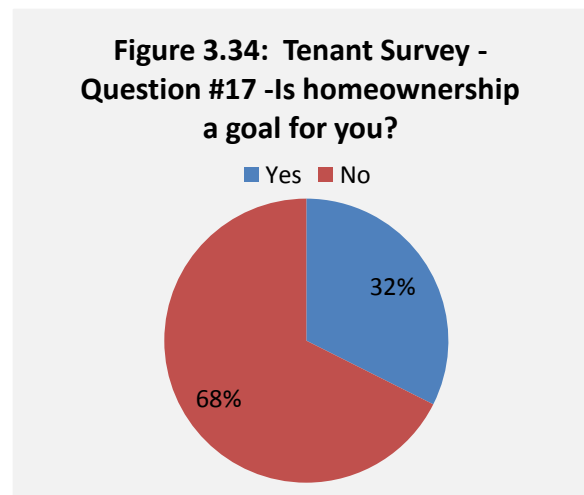
At the MSA median household income, county median household income, and City median household income there is an affordability gap at low, very low and extremely low income levels (Figure 3.33). Therefore, according to the statutory definition homeownership can generally be considered unaffordable in St. Albans. There are many very low and extremely low income households for which homeownership is not affordable. For 50% and 30% of the MSA median income, the affordability gap is between \$59,137 and \$143,843 over the course of a 30 year mortgage. For 50% and 30% of the county median income, the affordability gap is greater, between \$122,499 and \$181,830. The HUD median family income shows a comparable trend. The most surprising finding is that a home at the median sale price in St. Albans City is unaffordable for a household making the City median household income.

Figure 3.33: Homeownership Affordability Analysis

Percent of Median Income	Income	30% of Income/Year	30% of Income/Month	Taxes & Insurance	Income Available for Housing/Month	5% Down Payment	Maximum Affordable Mortgage	Median Sale Price for Primary Residences in City (2014)	Affordability Gap
MSA - Median Household Income									
100%	\$61,763	\$18,529	\$1,544	\$450	\$1,094	\$8,375	\$222,662.14	\$167,500	\$55,162
80%	\$49,410	\$14,823	\$1,235	\$450	\$785	\$8,375	\$157,449.30	\$167,500	(\$10,051)
50%	\$30,882	\$9,264	\$772	\$450	\$322	\$8,375	\$59,630.05	\$167,500	(\$107,870)
30%	\$18,529	\$5,559	\$463	\$450	\$13	\$8,375	(\$5,582.79)	\$167,500	(\$173,083)
Franklin County - Median Household Income									
100%	\$56,240	\$16,872	\$1,406	\$450	\$956	\$8,375	\$193,504.67	\$167,500	\$26,005
80%	\$44,992	\$13,498	\$1,125	\$450	\$675	\$8,375	\$134,123.33	\$167,500	(\$33,377)
50%	\$28,120	\$8,436	\$703	\$450	\$253	\$8,375	\$45,051.31	\$167,500	(\$122,449)
30%	\$16,872	\$5,062	\$422	\$450	(\$28)	\$8,375	(\$14,330.03)	\$167,500	(\$181,830)
City – Median Household Income									
100%	\$45,712	\$13,714	\$1,143	\$450	\$693	\$8,375	\$154,674.41	\$167,500	(\$12,826)
80%	\$36,570	\$10,971	\$914	\$450	\$464	\$8,375	\$106,409.12	\$167,500	(\$61,091)
50%	\$22,856	\$6,857	\$571	\$450	\$121	\$8,375	\$34,011.18	\$167,500	(\$133,489)
30%	\$13,714	\$4,114	\$343	\$450	(\$107)	\$8,375	(\$14,254.11)	\$167,500	(\$181,754)
MSA - Median Family Income									
100%	\$80,225	\$24,068	\$2,006	\$450	\$1,556	\$8,375	\$320,128.20	\$167,500	\$152,628
80%	\$64,180	\$19,254	\$1,605	\$450	\$1,155	\$8,375	\$235,422.16	\$167,500	\$67,922
50%	\$40,113	\$12,034	\$1,003	\$450	\$553	\$8,375	\$108,363.08	\$167,500	(\$59,137)
30%	\$24,068	\$7,220	\$602	\$450	\$152	\$8,375	\$23,657.03	\$167,500	(\$143,843)

Data Source: Median income based on HUD and ACS estimates; taxes and insurance are an estimate; median sale price for primary residences in St. Albans City was obtained from the Vermont Department of Taxes; all other figures computed by the NRPC.

Question #17 of the Tenant Survey asked respondents “Is homeownership a goal for you?” The majority of respondents (68%) said “no” (Figure 3.34). This number is probably high due to the large number of respondents that are seniors living in subsidized housing that no longer desire to be home owners. Out of 99 respondents that said “yes” to Question #17, 41 respondents indicated that they did not have enough money for a down payment, 23 respondents said that they could not obtain a loan due to bad credit and 15 respondents said that housing is just too expensive. This information, combined with the earlier discussed



survey response to monthly rent payments as a percentage of income, seems to indicate that many renters currently living in the City may not possess the necessary buying power to purchase a home.

IV. Critical Issues, Opportunities and Solutions

A. Quality of Rental Housing

The quality of rental housing in the City is an issue central to this study. It is a concern that came up continuously during planning meetings and focus group discussions. There is a perception that many rental housing units in the City that lack quality. This was confirmed, in part, by the Tenant Survey (Question #15) where 6% of respondents indicated that their current rental units do not meet their needs due to the unit's poor condition/quality.

Study Question #6:

What are some ways to ensure the proper maintenance of housing in the City and the residential quality of life of our neighborhoods?

Linked to the discussion about quality, is the concern about the age of the housing stock in the City and its effect upon the quality of housing. According to ACS 2009-2013, almost half of the City's rental housing stock was built before 1939 (48.5%). The percentage for owner-occupied structures is even higher (53%). Although most properties in the City have likely undergone renovations and maintenance since construction, it is difficult to track renovations of all properties in the City through the Zoning Permit Database or Rental Database. It is clear is that the City housing stock is considerably aged.

Poor exterior appearance and property maintenance of rental units was cited as a persistent issue in the City according to the Planning Commission and others in the community. There is concern about the negative effects that poor rental property maintenance has upon the neighborhood, particularly upon property values. To a lesser extent the exterior appearance of ownership housing was also cited as a problem.

Champlain Housing Trust (CHT) stressed to NRPC that, in their experience, the quality of rental housing is often maintained by having a constant presence on the property. CHT noted that it performs several inspections per unit per year. These inspections are performed for a variety of reasons including standard annual inspections or special inspections like smoke detector inspections. Despite the reasoning of inspection, the secondary purpose of all inspections according to CHT is to maintain a presence on site so that potential problems can be addressed immediately and to maintain regular communication between the tenant and the landlord. This practice was echoed by an interviewed private landlord in the City that takes a similar approach in maintaining rental units that he owns. Though such actions sound simple, they can make a substantial impact upon the quality of housing in the community and neighborhood appearance.

APPENDIX B

Photographs of Project Study Area



10 – 18 Catherine Street



17 – 37 Catherine Street



10 – 18 Catherine Street



26 – 34 Catherine Street



13 – 25 Catherine Street



36 Catherine Street



Railroad ROW – Market Street



21 – 25 Stebbins Street



Railroad ROW – Market and Stebbins Streets



23 Stebbins Street



22 Stebbins Street



15 – 17 Stebbins Street



14 Stebbins Street



10 – 12 Stebbins Street



13 Stebbins Street



8 – 10 Stebbins Street