

Final Report

Senior Housing Planning In the Town of East Montpelier



April 23, 2008

Submitted by

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Submitted to

The East Montpelier Senior Housing Initiative, Inc
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 *Crane Associates, Inc.*

This grant work was funded by a Municipal Planning Grant awarded to the Town of East Montpelier by the Vermont Agency of Commerce and Community Development. The Town was assisted with the grant administration by the Central Vermont Regional Planning Commission.

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Executive Summary

The East Montpelier Senior Living Initiative (EMSLI) is a not-for-profit organization incorporated in the State of Vermont whose mission is to provide affordable senior housing to the residents of East Montpelier, Vermont. Their federal 501c(3) status is pending approval at this time. EMSLI began meeting in 2005 and have consistently held bi-monthly meetings on the first and third Tuesdays of the month at the Town Offices. All of the meetings are publicly noticed and open to all. A core group of approximately 15 have met since its inception.

Some of EMSLI's first actions were to apply for grant funding to hire a consultant to complete several necessary pre-development planning activities. They were awarded a municipal planning grant from the Vermont Agency of Commerce and Community Development, Department of Housing and Community Affairs. They were also awarded a grant from the Vermont Community Foundation. EMSLI used some of these funds to hire a community development consulting firm, Crane Associates from Burlington VT. This report describes the work accomplished by Crane Associates.

In October, 2006 the Town of East Montpelier issued an RFP for consulting assistance on a several activities regarding the planning of affordable senior housing in East Montpelier. On January 12th 2007, Crane Associates submitted a proposal to complete their scope of work and the two entities signed a contract on March 8th 2007. The original scope of work included a market analysis, public input, an investigation into different management models, searching for an appropriate building site, determining the site's building limitations, drafting the preliminary or conceptual drawings, and identifying funding options (Appendix 1).

The progression of each task was dependent upon the completion of others. For example, the market analysis needed to be completed first in order to know how many units should be built. The number of units then dictates the building site, and conceptual drawings. Because a building site was difficult to find and took longer than expected, the project's scope of work was amended and the consultant's contract was changed to address this challenge (Appendix 2). This phase of the project ended when the municipal planning grant timeline ended. The project elevated EMSLI's understanding of the complexity involved in building affordable senior housing.

As this phase of the project ends, EMSLI has a clear sense of the demand for affordable housing in East Montpelier. They have a direction on how many units should be built, the type of units, which amenities and services are necessary, and the location. They understand the necessary state agencies, funding sources, developers, and other players required to get affordable senior housing built. Project funding also helped EMSLI win approval for federal 501c3 non-profit status, negotiate with several landowners, gain site control on a parcel of land, conduct soils analysis, and apply for additional funding to continue the project to the next phase.

Market Analysis

A market analysis was completed in August 2007. The report analyzed baseline demographics, determined population and household growth rates to the year 2020, analyzed the supply of subsidized housing in the market area, and determined what "affordable" means to renters and homeowners in the market area. This phase of the project also included a survey of 50% of all senior households in East Montpelier. The survey provided information on housing demand by seniors in town including their preferred housing type and their willingness to move. The report concluded that a demand for 15-25 units is generated by senior households in East Montpelier specifically. Surrounding municipalities with no affordable senior housing would increase the demand although the amount was not determined (See Appendix 3 for full report).

Public Input

Public input for this project is more aptly described as raising public awareness of the project. EMSLI had and still has a strong interest in involving many people making their project well known throughout the community. Their objective was to increase involvement in the project, identify potential contributors to the project, and to get help from the community in identifying potential building sites. Toward these ends, EMSLI wrote several articles in the local newspaper, distributed flyers around local bulletin boards, and set up a booth at the town's annual community celebration, Rally Day (Appendix 4).

Site Selection

The original contract estimated that finding a site would occupy approximately 50 hours of time. However, site selection proved to be more difficult than imagined. The amended contract extended the site selection hours to 82. Many sites were visited and owners were contacted to determine their willingness to sell. The following pictures show the sites that were considered and which the owners were contacted.





There were twelve sites in the village which were investigated to some degree. Another five sites outside the village were also investigated. Sites within the village were preferred because of the funding requirements. Most government agencies that grant funds for affordable housing want to be sure the project location is convenient for residents and doesn't promote suburban sprawl. In total 17 sites were investigated. Some sites took 10 to 20 hours of investigation while others were eliminated quickly.

Many hours were spent investigating one site near the school. After title investigations and three site visits, an offer was about to be made but the owner sold to another party without notifying EMSLI. The search for another site started anew. EMSLI finally selected the site in the village and investigations are underway to examine the building potential.

Management Models

The original amount of time devoted to this task was 30 hours. However, since extra time was used for site selection this task was reduced to 10 hours. The goal of this task was to educate EMSLI on how senior housing projects are managed. To meet this goal and remain in the budget, guest speakers were invited to meet with EMSLI and discuss how they manage their projects. Leaders from Cathedral Square and Central Vermont Community Land Trust came to EMSLI meetings to discuss how they operate and manage their housing projects and to answer questions. EMSLI learned that management is a critical component of the operations and certain services are expected from funding agencies at senior housing project. EMSLI also met with officials from the Vermont Housing and Conservation Board and the Vermont Housing and Finance Agency in April which reinforced this requirement.

Determine the Build Site's Limitations

This work was limited to the determining the development potential of several final candidate sites in the village. For each site that had the potential of being supported by funding from state and federal agencies an initial assessment was conducted. This

included conducting title searches for development restrictions and easements, determining the zoning allowances such as density, setbacks and access requirements, estimate appraised value and determine a fair market price. Thirty one hours of time was used for this task spread over approximately 5 sites.

Create Conceptual Drawings

No hours were allocated to this task since a site was not selected.

Financing Options/ Fund Raising

The original contract asked the consultant to provide 15 hours worth of time to educating EMSLI on how affordable senior housing projects are funded. Much of this education came in the form of verbal descriptions during their meetings with the consultant, and guest speakers from Cathedral Square and CVCLT and from visits to the offices of VCDP, VHCB and VHFA. Written materials on funding for these types of projects were also provided as an appendix to the Market Analysis (Appendix 3).

Fund raising was included as an additional task. As the project was nearing to an end, the need for more funding to examine and obtain a building site was becoming more prominent. The consultant wrote a Planning Grant to the Vermont Community Development Program. As of this writing the application was submitted and additional questions posed by the VCDP staff are being answered by the consultant.

Administration

Additional tasks were asked of the consultant that was outside the scope of both contracts (original and revised). The consultant verbally agreed to perform the tasks and EMSLI verbally agreed to pay the consultant for the work. The tasks were:

- 1) writing this final report;
- 2) helping to close out the Municipal Planning Grant.
- 3) responding to a series of questions posed by the IRS regarding EMSLI's 501c3 non-profit status.

EMSLI was awarded 501c3 non-profit status, the planning grant is being closed as of this writing and.....this report is done!

Appendix 1: Original Contract and Scope of Work

CONTRACT

between

TOWN OF EAST MONTPELIER, VERMONT

and

CRANE ASSOCIATES, INC.

THIS AGREEMENT (hereinafter "Contract") is made this ____ day of March 2007, by and between the Town of East Montpelier, a municipal entity existing under the laws of the State of Vermont and located in the County of Washington, State of Vermont (hereinafter "TOWN"), and Crane Associates, Inc., whose principal place of business is 21 Ivy Lane Suite 202, Burlington, Vermont 05408 (hereinafter "CONTRACTOR").

WHEREAS, the TOWN is entering into this Contract on behalf of the East Montpelier Senior Living Initiative, an ad hoc committee of East Montpelier citizens seeking to determine the need and viability of dedicated senior housing facilities within East Montpelier.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the TOWN and the CONTRACTOR agree as follows:

SPECIFICATIONS:

The CONTRACTOR shall furnish all of the materials and deliverables and perform all of the work as specified in Attachment A: Work Tasks (hereinafter "Attachment A"), attached hereto and incorporated herein, to conduct preconstruction planning for the East Montpelier Senior Housing Initiative housing project. The CONTRACTOR shall be responsible for the full completion of the tasks as detailed in Attachment A contingent upon the cooperation from the TOWN as specified herein. The CONTRACTOR's final documentation submission shall be compatible with the TOWN's electronic media format requirements in return for payment as provided herein. The CONTRACTOR may be requested to complete additional tasks at the TOWN's prerogative provided the TOWN requests additional services in writing. These additional services are limited to the tasks listed in Attachment B: Additional Work Tasks (hereinafter "Attachment B"), attached hereto and incorporated herein.

COMPLETION DATE:

The work to be performed under this Agreement shall be started upon receipt of this signed Contract by the parties herein and shall be completed on or before December 31, 2007. The CONTRACTOR shall not be liable for delays in performance that are caused in whole or in part by the TOWN in reviewing and approving this Contract, delivering necessary data and materials, third parties over which the Contractor does not have the legal right to control, or forces de majeure. The period of performance shall be extended by the period of delay contemplated herein. This Contract may be extended if

both parties agree to do so in writing. Any such extension beyond May 1, 2008, shall require approval by the funding source(s) for this Contract.

CONTRACT COST AND OTHER PROVISIONS:

The TOWN shall pay the CONTRACTOR for the performance of the tasks in Attachment A according to the payment schedule in Attachment A. Any additional services requested in writing by the TOWN outside of the tasks in Attachment A shall be paid at the CONTRACTOR's hourly rate of \$75 per hour, unless otherwise specified in writing.

The CONTRACTOR shall submit invoices to the TOWN that clearly describe each task performed, the number of hours associated with each task, and the rate of no greater than \$75/hour.

AUTHORIZED INDIVIDUALS AND CONTACT INFORMATION:

CONTRACTOR:

Michael Crane, President of Crane Associates, Inc. shall be the contact person for Crane Associates and is authorized to make all decisions regarding the implementation of the CONTRACTOR's obligations. The following contact information shall be used for Crane Associates:

21 Ivy Lane, Suite 202
Burlington, Vermont 05408
802-657-3720
michael@craneassociates.us

TOWN:

The Selectboard for the TOWN hereby authorizes the following individual to be the liaison between the CONTRACTOR and the TOWN, on behalf of the East Montpelier Senior Living Initiative, in order to interpret this Contract, approve work product and invoices, and authorize additional work tasks listed in Attachment B:

Cherie Staples, Treasurer
East Montpelier Senior Living Initiative
1100 Clark Road
East Montpelier, VT 05651
802-476-2541
skyearth1@aol.com

Invoices shall be sent in hard copy and by e-mail to the above-named liaison, Cherie Staples, with a copy sent by e-mail to Laurie Emery, Grant Administrator, Central Vermont Regional Planning Commission, at "emery@cvregion.com".

RIGHT TO TERMINATE CONTRACT:

Either party retains the right to terminate this Contract, subject to a 14-day notice, with or without cause. All costs and fees earned prior to the date of termination shall be paid to the CONTRACTOR by the TOWN. All work product completed by the date of the termination shall be delivered to the TOWN.

6) RESPONSIBILITIES OF THE CONTRACTOR:

The CONTRACTOR will work with and be responsible to the TOWN in providing the services listed in this Contract.

The CONTRACTOR shall ensure all work specified in Attachment A is completed to the reasonable satisfaction of the TOWN.

The CONTRACTOR shall invoice the TOWN for tasks completed and costs incurred on this project. The invoice will document tasks completed, when each task was completed, the amount owed for each task, other expenses and a total amount owed.

The CONTRACTOR shall provide to the TOWN copies of all final documents generated under this project.

The CONTRACTOR will ensure that, if any mapping projects are performed as part of this Contract, the final products will adhere to the standards of the Vermont Center for Geographic Information.

The CONTRACTOR agrees to comply with the requirements of Title 21 VSA Chapter 5, Subchapter 6 and the American with Disabilities Act of 1990.

The CONTRACTOR agrees to comply with all requirements of the Municipal Planning Grant program "Standard State Requirements of Bidders" (Section VI of Attachment B of the Municipal Planning Grant Program procurement procedures).

The CONTRACTOR shall retain financial records for the period of three years to assist the TOWN in auditing requirements but in no way assumes responsibility for the financial management of funds between TOWN and any third parties.

RESPONSIBILITIES OF THE TOWN

The TOWN will bring to this partnership a willingness to work with residents to achieve the successful completion of the program as outlined in this Contract.

The TOWN shall be responsible for assisting the CONTRACTOR insofar as possible for the purpose of efficiency, but nothing herein shall be construed as relieving the CONTRACTOR of its responsibility to provide the services described in this Contract. The TOWN agrees that "assisting the CONTRACTOR" means providing support for: data entry if needed; logistics necessary to advertise and hold meetings; helping facilitate

public meetings; transcribing and summarizing notes from the public meetings; and gathering available relevant data that is accessible in the Town offices.

The TOWN shall pay the CONTRACTOR within 30 business days after receiving invoices submitted in accordance with the provisions of this Contract. The payment shall be payable to and mailed to: Crane Associates, Inc; 21 Ivy Lane Suite 202; Burlington, VT 05408. Payment shall be sent via US mail and with a postmark dated less than 30 business days of the invoice date. The TOWN shall pay a late fee of \$1 per day for each day the payment is postmarked greater than 30 business days of the invoice date.

The TOWN will provide in a timely manner all Town-owned documents and data to the CONTRACTOR necessary to complete the duties described herein.

The Authorized Individual listed in paragraph 4(b) above, as agent of the TOWN, shall review draft work supplied by the CONTRACTOR, which shall be submitted by email to said Individual on the first or third Tuesday of the month, and provide comments within 14 calendar days of receiving said drafts. Both parties (TOWN and CONTRACTOR) agree that the absence of any comments from the TOWN within 14 days shall mean that the drafts have been reviewed and "approved as is." The absence of comments shall be interpreted as authorizing the CONTRACTOR to move forward to the next appropriate steps toward the completion of this Contract.

The TOWN shall be responsible for preparing, coordinating, advertising and hosting public meetings. The CONTRACTOR and the TOWN shall design the activities and agenda for the meetings, and the CONTRACTOR shall attend and present the work product at the public meetings. The TOWN shall assume responsibility for public attendance at the meetings, the cost of advertising, provisions ancillary and central to the meeting (i.e: handouts, refreshments) and all other costs associated with the meetings.

ASSIGNMENT:

Neither party to this Contract shall assign the Contract or sublet it as a whole without the written consent of the other, nor shall the CONTRACTOR assign any moneys due, or to become due to it hereunder, without the previous written consent of the TOWN.

SUBCONTRACTS:

The CONTRACTOR shall not sublet any part of this Contract without the written permission of the TOWN.

AMENDMENTS:

This Contract may be amended at any time by mutual agreement from both parties (TOWN and CONTRACTOR).

CONTROLLING LAW:

This Contract is governed by all applicable laws of the State of Vermont and the United States of America.

7) **NUMBER OF ORIGINALS**

There shall be two originals of this Contract and each shall be signed by both parties (TOWN and CONTRACTOR), with one signed original to be held by each party.

IN WITNESS WHEREOF, the parties hereto have executed this Contract on the day and year first above written.

TOWN OF EAST MONTPELIER, VERMONT

BY: _____ Witness: _____

Chair, Selectboard

CONTRACTOR (Crane Associates Inc.)

BY: _____ Witness: _____

Michael D. Crane, AICP
President

Attachment A: Work Tasks

Tasks	Details
Housing Needs Assessment and Market Analysis	<p>Specify the types of housing needed for all ages, with emphasis on housing for seniors</p> <p>Specify the amount of housing in each category to meet needs of current backlog, and future trends.</p> <p>Conduct senior survey to determine the specific housing needs of seniors in East Montpelier.</p> <p>Conduct preliminary market analysis and outline how these constraints modify the desired project(s). Follow with an extensive and detailed market study to determine rental vs. homeowner options. Affordability of all ages. Includes community dialogues as well as detailed data on: Rent/Owner ratios; Rent/Subsidy analysis; current rents and vacancy (local competition); unit type demand analysis; renter/owner profiles; employment distribution; fair market rents; MLS listings.</p>
Public Input	Present findings to the public. Gain feedback and opinions. Use this opportunity to discuss possible site locations.
Model Examples	Research and present other senior projects. Show details on management, financing, tenure, ownership models. Describe process and potential obstacles.
Site Selection	<p>Parcel-by parcel search. Contact landowners, advertise locally and research grant list for options.</p> <ul style="list-style-type: none"> - Inventory potential housing development sites for construction. - Inventory buildings that could be renovated. - Outline desired project(s) to meet Town needs
Determine site's building limitations	Research past studies/reports on soil, slopes, and drainage tests. Zoning analysis. Architectural drawings of exterior elevations and site layout.
Create conceptual drawings and design options	Based on Market analysis demand and site suitability. Estimate preliminary costs based on the number and type of units.
Financing Options	Research and provide information on funding options including VHFA, VHCB, HUD, HOME, USDA Rural Development,

Payment Schedule

Invoices to the TOWN will document the task performed, the total number of hours for each task and the total costs. Tasks may not necessarily be completed in the progression listed below. Some tasks may be completed simultaneously. The CONTRACTOR may partially complete some tasks, such as public input or site selection, and invoice the TOWN for hours worked. Hours for each task are estimated in the schedule below. Under no circumstances shall the CONTRACTOR be paid for more than the maximum not-to-exceed cost listed in the following table:

Work	Approximate Hours	Hourly Rate	Not-To-Exceed Cost	Target Completion Date
Task		Rate		
Housing Needs Assessment and Market Analysis	35	75	\$ 2,625	June 30, 2007
Public Input	15	75	\$ 1,125	
Ownership/Management Model Examples	30	75	\$ 2,250	December 31, 2007
Site Selection	50	75	\$ 3,750	
Determine site's building limitations	15	75	\$ 1,125	
Create conceptual drawings and design options	20	75	\$ 1,500	
Financing Options	15	75	\$ 1,125	
Total			\$13,500	

Attachment B: Additional Work Tasks

The TOWN, at its discretion, may elect to authorize the CONTRACTOR to proceed with completing the following tasks. The request must be in writing with an agreed price per task:

- 1) Assist the TOWN in identifying and hiring a developer
- 2) Assist the TOWN in acquiring site control for further analysis and planning
- 3) Designing interior details
- 4) Designing exterior details
- 5) Developing cost estimations
- 6) Applying for grant funding
- 7) Completing development application and financial pro-formas
- 8) Protecting the interest of the TOWN in Contractual obligations with other parties
- 9) Providing Clerk-of-the-Works services during construction
- 10) Providing project related research and analysis

Appendix 2: Amended Contract and Scope of Work

CONTRACT AMENDMENT
between
TOWN OF EAST MONTPELIER, VERMONT
and
CRANE ASSOCIATES, INC.

This is a contract amendment allowed under Clause 10 of the original and only contract between the Town of East Montpelier and Crane Associates.

This amendment changes the allocation of hours for specific tasks in the original contract as a result of work performed and a reassessment of needs.

The original contract provided for the following tasks and hours:

Work Task	Approximate Hours	Hourly Rate	Not-To-Exceed Cost	Target Completion Date
Housing Needs Assessment and Market Analysis	35	75	\$ 2,625	June 30, 2007
Public Input	15	75	\$ 1,125	
Ownership/Management Model Examples	30	75	\$ 2,250	December 31, 2007
Site Selection	50	75	\$ 3,750	
Determine site's building limitations	15	75	\$ 1,125	
Create conceptual drawings and design options	20	75	\$ 1,500	
Financing Options	15	75	\$ 1,125	
Total			\$13,500	

The two parties agree that more time needs to be devoted to building site selection and determining the site's building limitations. Also there is no need to conceptual drawings at this time, therefore this item is removed. Finally, the task entitled "financing options" has been renamed to "fund raising" and these hours shall be used to write a grant or grants. Total contracted amount has been increased \$1,500 from \$13,500 to \$15,000. The deadline is extended to May 1st 2008

The amended scope of work and payment schedule is shown below:

Payment Schedule				
Work	Expected Hours	Hourly	Not-To-Exceed	
Task		Rate	Cost	
Housing Needs Assessment and Market Analysis	58	75		4350
Public Input	11	75		825
Ownership/Management Model Examples	10	75		750
Site Selection	82	75		6150
Determine site's building limitations	31	75		2325
Create conceptual drawings and design options	0	75		0
Fund Raising	8	75		600
Total				\$15,000

IN WITNESS WHEREOF, the parties hereto have executed this Contract on the day and year first above written.

TOWN OF EAST MONTPELIER, VERMONT

BY: _____ Witness: _____

Chair, Selectboard

CONTRACTOR (Crane Associates Inc.)

BY: _____ Witness: _____

Michael D. Crane, AICP
President

Appendix 3: Market Study

Senior Housing Market Assessment

East Montpelier, Vermont

Submitted to

East Montpelier Senior Living Initiative

August 1st 2007

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Introduction

The East Montpelier Senior Housing Initiative (EMSLI) was awarded a Municipal Planning Grant from the State of Vermont, Agency of Commerce and Community Development and a grant from the Vermont Community Foundation to determine the market feasibility of building affordable senior housing in town. The Town retained Crane Associates, Inc. of Burlington, Vermont to complete a market assessment of senior housing in East Montpelier. The analysis does not focus on a specific project or product. Rather it answers the question of the size of the senior housing market demand in East Montpelier, it collects primary data on housing demand from seniors in East Montpelier, it estimates the type and quantity of house that would most likely be successful, it estimates a primary market area, and it defines "affordability" for senior housing in this housing market.

Methodology

This analysis of senior housing market demand is based on the assumptions that:

- housing markets are regional;
- housing supply and demand is derived from numerous factors including but not limited to: regional employment and wages; population and demographic trends; household sizes; and developable land;
- and housing is affordable when it costs 30% or less of a household's total income.

The following sources of information were used:

- US Census STF 3 files;
- 15 year forecasts of employment, population and household projections;
- State of Vermont Department of Taxes;
- Locally derived real estate market data;
- A survey of senior households in East Montpelier;
- Multiple Listing Service real estate data;
- Vermont Department of Employment and Training;
- Inventory of affordable housing supply; and
- Grand List data;

In order to assess the market demand for senior housing, the study first reviews the population and demographic characteristics of current market area residents. Then future projections are calculated of who will be demanding senior housing in East Montpelier over the next 10 years. Finally, the rental and homeownership markets are studied. The analysis concludes with some suggestions about the type of housing needed by current and future residents.

East Montpelier

The Town of East Montpelier is a hilly, rural town that borders the State's capital. It is geographically central to Vermont and accessible primarily via VT Routes 2 and 14. These roads carry heavy commuter traffic through the East Montpelier village. The town is characterized by low density residential areas and rolling farmland. Over 75% of the town lies in an agricultural or conservation zoning district, which requires a minimum lot size of 3 acres or 7 acres respectively. There are 23 protected parcels amounting to 2409 acres or 3.75 square miles.

Residential areas are relatively low density; the town's 1,055 housing units are spread over 18,848 non-conserved lands for an average density of 17.8 acres per housing unit. Naturally, the three village areas, East Village, North Montpelier, and Gallison Hill have higher residential densities than the agricultural lands.

There is no public sewer infrastructure serving town residents with the exception of Goddard College's Northwood campus and U-32 high school. There are a few public water supplies serving more than one location. These are the North Montpelier Water System, the Crystal Springs Water System, the Sandy Pines, and the Murray Hill Water System.

Baseline Data

Population & Demographics

The last decennial census conducted by the US Census Bureau is used to establish baseline demographic data. This data is used as the foundation on which to build estimates of current and project populations and therefore overall demand for senior housing.

East Montpelier's year-round population, according to the last Census, was 2,578 people living in 1,007 households. The average household size is 2.56 people. The median age of an East Montpelier resident was 40.8 years old, which is two and quarter years older than the county median (38.5) and three years older than the state median (37.7).

As of the 2000 Census (April 1st, 2000), there were 406 residents over the age of 55 years, 27.5% of whom lived alone. There were approximately 30% more females than males (293 vs. 208)). Since the 2000 Census, those individuals who were 48 years old or older in the year 2000 are now 55 years old or older. This amounts to 440 people. According to the town's vital records, there were 84 East Montpelier residents over the age of 48 years who died between 2000 and 2006 leaving a net increase of 356 additional residents 55 years old or greater. If there were no in-migration or out-migration of this age cohort then the town's 55 and over population would be 762. However, we know anecdotally that some residents have moved out, most commonly as a result of a difficult housing situation. We also know anecdotally that some have moved into town, often to live with family members. For the purposes of this report, we take a conservative approach and assume that there were slightly more seniors who moved out than moved in since there is no senior housing in town. Consequently, we round this number down to approximately 750 senior individuals over 55 years of age.

Housing and Households in East Montpelier

The 2000 Census stated that there were 1,007 households in East Montpelier (Table 1). According to regional projections by the Central Vermont Chamber of Commerce, the number of households had increased to 1,067 by the year 2005. This same study suggests that the housing unit demand is expected to increase by another 400 units over the next 15 years. Considering the existing vacancy rate is approximately 4%, the current supply will be squeezed causing either a sharp increase in home prices and rents, or an increase in production, or some of both.

Owner occupied		Renter occupied	
Family households	644	Family households	92
Non-family households	160	Non-family households	111
Total	804		203

The current housing mix is heavily weighted toward owner occupied housing. Approximately 80% of all housing in East Montpelier is owned. There are 362 senior households (headed by an individual of 55 years or older), 327 (90%) of whom own their home while 35 (10%) rent their home. Of all senior householders in East Montpelier, 112 (or 31%) of them are living alone. There are 64 senior females and 48 senior males living alone. The remaining senior households (69%) are either married couples or living with family members other than a spouse.

The median household size of a senior household is important for this study however, no specific data exists that specifically answer this question. We know that 31% are living alone. We also know anecdotally that a large majority of married senior couples do not have children at home. Therefore, the following assumptions are used to estimate the average household size for seniors in East Montpelier: 31% are one-person households; 64% are two person households; and 5% are three person households. This calculates to an average household size of 1.8.

Age Group	Married-couples	Male (no wife)*	Female (no husband)*	Males Living Alone	Females Living Alone
55 to 64 years	135	0	8	24	13
65 to 74 years	59	4	0	0	14
75 years and over	15	4	12	10	29
Total (327)	209	8	20	34	56

*=head of household living with other family members

Age Group	Married-couples	Male (no wife)*	Female (no husband)*	Males Living Alone	Females Living Alone
55 to 64 years	0	0	3	4	0
65 to 74 years	3	0	4	7	4
75 years and over	3	0	0	3	4
Total (35)	6	0	7	14	8

*=head of household living with other family members

Housing Expenses

Any household paying over 30% of their total income on rent or housing costs is generally considered to be paying too much for housing. Most government

Age of Households	Number	% of total in each category
55 to 64 years	0	0%
65 to 74 years	8	44%
75 years and over	7	100%
Total	15	

Age of Households	Number	% of total in each category
55 to 64 years	12	16%
65 to 74 years	12	31%
75 years and over	14	52%
Total	38	

programs and social service agencies use the 30% threshold to determine if a person's housing is unaffordable. There are other indicators of affordability that alter these findings, especially with senior households. Seniors often have more unearned income and fully appreciated equity. Households living on unreported income may only appear to be living in housing that is

unaffordable. On the other hand, repairs are not included as part of the 30% for housing costs. Usually repairs cost more for seniors because they often spend more on labor, due to their health, than younger households. Therefore, for some, the numbers may reflect an affordable living arrangement, but the reality is they are spending too much on their housing due to excessive repairs on an old house which they can not do themselves.

Tables 4 and 5 show the amount of people paying over 30% of their income on housing and the percentage of all people in that category. According to the 2000 Census there were 15 senior households who pay too much for rent (Table 4). Every household over 75 years of age is reported to be living in unaffordable housing. Nearly half of all renters between 65 and 74 years are paying too much on rent. The Census also reports another 38 senior ownership households who are paying too much for housing (Table 5). Of all households 75 years and over, 52% (14) were paying over 30% of their income on housing, as were another 24 households between 55 and 74 years old. In total there were 53 senior households who are living in unaffordable housing.

The median household income in East Montpelier in 1999 was \$46,469 which during that time was about 13% higher than the County median of \$40,972 and the median for the state as a whole (\$40,856).

Table 6: Population in Poverty			
Income below poverty level:	93		
Male:	58	Female:	35
0 to 17 years	20	0 to 17 years	5
18 to 24 years	4	18 to 24 years	0
25 to 34 years	13	25 to 34 years	4
35 to 44 years	4	35 to 44 years	0
45 to 54 years	9	45 to 54 years	17
55 to 64 years	3	55 to 64 years	0
65 to 74 years	5	65 to 74 years	9
75 years and over	0	75 years and over	0

Despite higher than average household incomes, East Montpelier had 17 seniors living below the poverty line (Table 6). Poverty is defined by the total household income and the number of

persons in your household. Table 7 shows poverty thresholds for different household sizes.

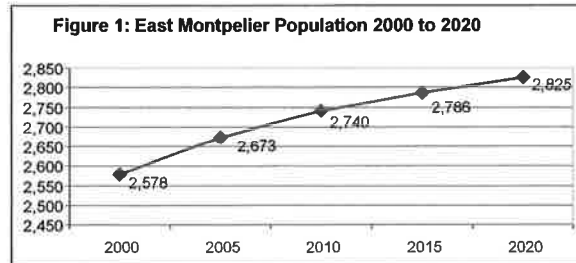
Table 7: Federal Poverty Guidelines	
Persons in Family or Household	48 Contiguous States and D.C.
1	10,210
2	13,690
3	17,170
4	20,650
5	24,130
6	27,610
7	31,090
8	34,570
each additional person, add	3,480
Source: Federal Register Vol. 72, No. 15, January 24, 2007, pp. 3147-3148	

Future Demographic Trends

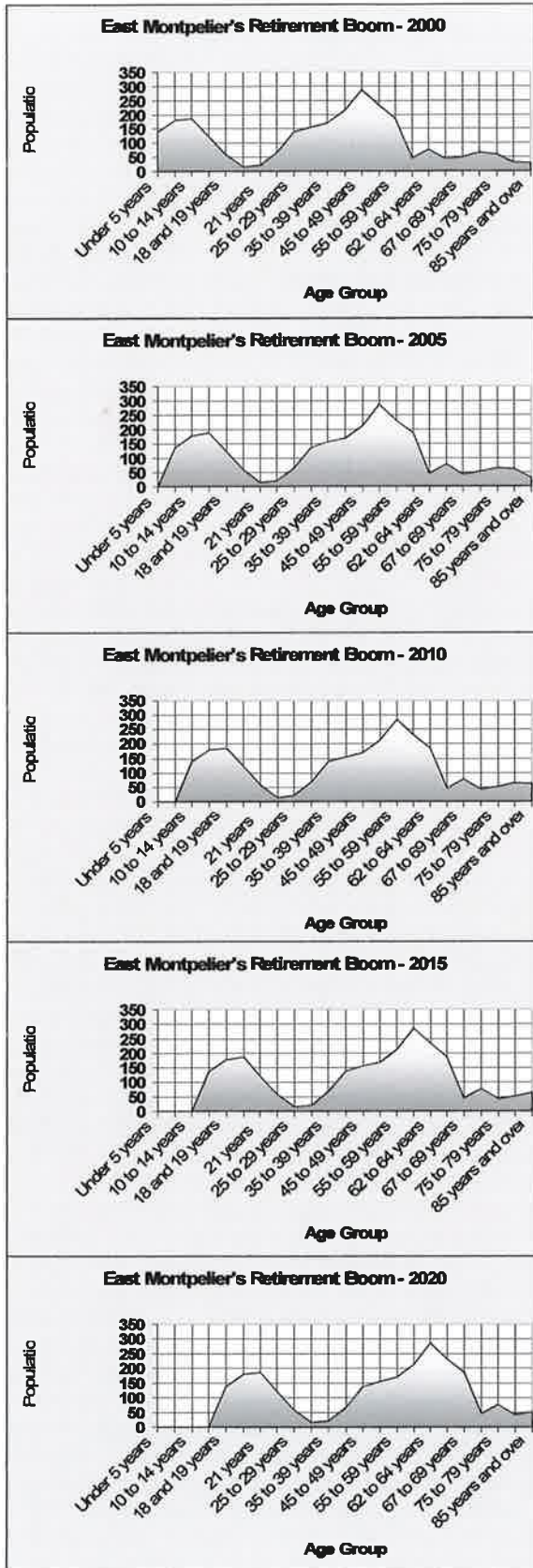
According to population projections, published by the Central Vermont Chamber of Commerce, the town's population was estimated to be 2,699 in the year 2005. This represents an increase of 3.7%.

Moving into the next decade, the population is projected to start leveling off by decreasing in the rate of growth from 3.7% today to 1.4% in 2020.

The increase in the population over 55 years of age is growing at a much faster rate than the other categories. During the past 5 years this age cohort increased approximately 6%, compared to the overall average of 3.7%. This is due to the large percentage of those who were between 45 to 54 years old from 2000 until today. This age group represents the largest concentration of people (in terms of age) in East Montpelier. In the year 2000, the 45-49 year old group was the most populated age group at 11% of the population. The two age groups on either side of this group, the 50-55 years old and the 40-44 years old groups, were the second and third most populated age groups, respectively (Table 9). This population cohort is most commonly referred to as the baby boom, those born between 1945 and 1960. Therefore, while the population increase may be slowing the percentage of the over-55 population will likely remain the fastest growing age group for the next two decades.



The following page shows a series of graphs that depict the baby boomers effect on East Montpelier (Figure 2). These "baby boomers" are in their peak earning years and soon to retire. The "retirement boom" will hit East Montpelier just as it will hit the rest of the state and nation. By the year 2015, the age group that was the most populous in the year 2000 will be between 60 and 64 years old. In 12 years from now, the vast majority of the baby boomers will be over 60 years old.



Washington County is expected to grow by 3,283 residents or 5.35% between 2000-2020. The county will be the 4th slowest growing county in the State by the year 2020 (Table 8). Within the county itself, there is still growth, particularly in the age groups over 50 years old as shown in Table 9. There will also be an increase in residents who are currently in their late teen years. In 8-12 years, teenagers will be in their mid to late 20's. This demographic is typically more migratory, single, and has low household incomes. The age range (35-64) which most commonly have families with school aged children will decrease by 9.7%.

County	Rate of Population Growth 2000-2020
Addison	9.64%
Bennington	1.86%
Caledonia	8.75%
Chittenden	11.60%
Essex	7.48%
Franklin	16.00%
Grand Isle	22.96%
Lamoille	16.72%
Orange	8.17%
Orleans	8.00%
Rutland	2.51%
Washington	5.35%
Windham	6.27%
Windsor	3.41%

Age Group	Census 2000	Projection 2005	Projection 2010	Projection 2015	Projection 2020
0-4	3,121	3,074	3,076	3,152	3,157
5-9	3,744	3,173	3,089	3,099	3,185
10-14	4,217	3,841	3,250	3,136	3,153
15-19	4,224	4,709	4,334	3,739	3,616
20-24	3,512	4,310	4,767	4,410	3,845
25-29	3,079	2,656	3,402	3,842	3,501
30-34	3,918	3,165	2,714	3,487	3,960
35-39	4,637	4,135	3,331	2,843	3,685
40-44	5,029	4,756	4,241	3,413	2,907
45-49	5,084	5,052	4,775	4,263	3,427
50-54	4,528	5,043	5,014	4,746	4,243
55-59	3,108	4,434	4,951	4,936	4,687
60-64	2,375	2,991	4,278	4,799	4,806
65-69	2,022	2,222	2,814	4,043	4,564
70-74	1,762	1,807	2,000	2,552	3,689
75-79	1,479	1,476	1,528	1,707	2,201
80-84	1,071	1,123	1,129	1,184	1,338
85+	1,129	1,174	1,237	1,286	1,358

 = three most populated cohorts (Baby Boomers)
 Source: Massachusetts Institute for Social and Economic Research

In relative terms compared to other Washington County municipalities, East Montpelier will grow moderately slow. Between 2000 and 2005, the average rate of growth for all 20 municipalities was 3.4%; East Montpelier's growth was nearly average at 3.7%. In 2005, East Montpelier ranked the 9th fastest growing town out of twenty, a fraction of a percentage away from the median. By the year 2020, East Montpelier won't move far from the median. According to population projections by the Massachusetts Institute of Social and Economic Research, East Montpelier will rank 11 out of 20 for the fastest growing towns. It will experience a below average growth rate of 1.4% between 2015 and 2020 (Table 10). The average during that period is 2.0%. Most of the population growth in Washington County will be absorbed by the Mad River Valley towns along the Route 100 corridor. However, two municipalities that border East Montpelier will experience above average growth rates. Marshfield and Middlesex will be the fourth and fifth fastest growing towns. This growth will likely have an effect on senior housing demand in East Montpelier.

Table 10: Washington County Population Projections by Municipality (listed by rate of growth in 2020)

City/Town	Census 2000	Projection 2005	Projection 2010	Projection 2015	Projection 2020	% Change 2000-2005	% Change 2005-2010	% Change 2010-2015	% Change 2015-2020
Barre town	7,602	7,608	7,551	7,478	7,408	0.1	-0.7	-1.0	-0.9
Montpelier	8,035	7,995	7,946	7,895	7,827	-0.5	-0.6	-0.6	-0.9
Woodbury	809	829	843	852	854	2.5	1.6	1.1	0.3
Worcester	902	924	943	955	958	2.5	2.1	1.3	0.3
Barre city	9,291	9,298	9,307	9,338	9,376	0.1	0.1	0.3	0.4
Plainfield	1,286	1,311	1,322	1,333	1,342	1.9	0.9	0.9	0.7
Berlin	2,864	2,900	2,923	2,941	2,962	1.3	0.8	0.6	0.7
Waterbury	4,915	5,050	5,138	5,200	5,253	2.7	1.7	1.2	1.0
Northfield	5,791	5,868	5,948	6,027	6,092	1.3	1.4	1.3	1.1
East Montpelier	2,578	2,673	2,740	2,786	2,825	3.7	2.5	1.7	1.4
Calais	1,529	1,571	1,600	1,622	1,646	2.7	1.8	1.4	1.5
Roxbury	576	610	636	657	671	5.9	4.3	3.3	2.2
Moretown	1,653	1,709	1,750	1,792	1,838	3.4	2.4	2.4	2.5
Waitsfield	1,659	1,733	1,797	1,855	1,911	4.5	3.7	3.2	3.0
Duxbury	1,289	1,382	1,446	1,492	1,537	7.2	4.6	3.2	3.0
Middlesex	1,729	1,798	1,840	1,883	1,944	4.0	2.4	2.3	3.3
Marshfield	1,496	1,559	1,616	1,677	1,736	4.2	3.7	3.8	3.5
Cabot	1,213	1,264	1,311	1,367	1,431	4.2	3.7	4.3	4.7
Fayston	1,141	1,231	1,308	1,383	1,461	7.9	6.3	5.7	5.7
Warren	1,681	1,828	1,966	2,105	2,250	8.7	7.6	7.1	6.9

Source: Massachusetts Institute for Social and Economic Research

The estimated number of households who were eligible for subsidized senior housing in Washington County in 2005 is approximately 3,731. These are the senior households that are earning less than 80% of the area median income. The number of eligible households can vary depending on the age and income limitations of a particular project. Nonetheless, the gap between the supply of 672 units (Table 19) and the demand from the approximate 3,700 households is large.

The size of the market, and therefore market demand, will grow in this decade. According to Claritas, Inc, a market research firm, Washington County's over 62 year old population will grow by an average of 12.25%. However, senior households with incomes less than 80% of the median will grow even faster at 15%. Senior households earning between 51% and 60% of the county median income will grow the fastest by almost 30% before this decade is through. Senior households earning less than 30% of the median will grow by 21% (Table 11). This extraordinary growth in low-income senior households will likely increase significantly the demand for subsidized senior housing.

According to the Vermont Department of Aging and Independent Living's "Shaping the Future of Long Term Care and Independent Living" Vermont will dramatically increase its proportionate share of senior households. Vermont currently ranks 26th in the nation for the percentage of seniors in the total population (12.7%). By the end of this decade the percentage will increase to 14.3% and Vermont will rank 11th. In 20 years, the report states that Vermont will rank 8th in the nation for the percentage of seniors (24%). Only two other states in the nation, New Mexico and Wyoming, will increase its percentage of seniors faster than Vermont between 2000 and 2030. All of Vermont will experience an increase in demand for senior housing.

Table 11: Number of Households With Householders Aged 62+ By Median Household Income 2000 – 2010. Washington County.

% of Median Household Income	2000	2005	2010	% Change (2000-2005)	% Change (2000-2010)
<=30%	1104	1260	1336	14.13	21.04
31%-50%	1140	1093	1177	4.13	3.22
51%-60%	462	515	552	20.89	29.64
61%-80%	783	863	909	10.28	16.08
>80%	2210	2191	2383	.88	7.81
Total	5663	5922	6357	4.57	12.25
Total <=80%	3453	3731	3974	8.06	15.09

Source: Claritas, Inc

The same report states that Washington County needs to enhance its long term care system and that the need for long term care in the County will grow by 27% in this decade.

Senior Survey

A survey of senior households in East Montpelier was conducted in April 2007. The East Montpelier Senior Living Initiative created a mailing list based on their best estimate of all East Montpelier households headed by someone over 55 years old. The survey was mailed to 310 addresses and 158 were completed and returned for an outstanding response rate of 51%. This calculates to a confidence interval of 95% with a margin of error of plus or minus 5.5%. In other words, we can assume that the survey responses represent all 310 senior households 95 out of 100 times give or take 5.5%. For example, the survey shows that 69% of households own their home without a mortgage; we can be 95% confident that the amount of remaining households, not surveyed, who also own without a mortgage, equals 69% plus or minus 5.5%. So the actual answer lies between 65.65% and 72.45%. This margin of error is excellent for a survey of this nature and well within industry standards.

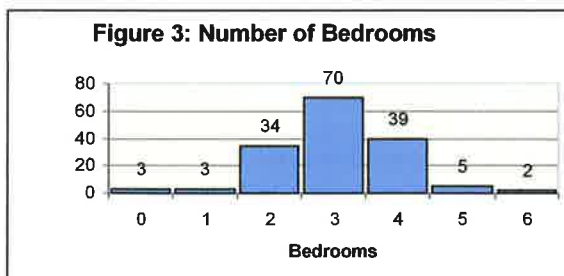
The survey instrument was a paper questionnaire with 19 questions sent via 1st class mail on April 16th, 2007. The response deadline was May 5th.

Current Housing

Housing Type	Count	Percentage
Mobile Home Rented Land	8	5%
Mobile Home Owned Land	7	5%
Single Family Detached	129	83%
Condo/Duplex	6	4%
Apt	2	1%
Other	3	2%
Total	155	

Payment Status	Count	Percentage
Owned w/mortgage	38	24%
Owned w/out mortgage	107	69%
Rented	7	4%
Not Owned/Rent-free	4	3%
Total	156	

A vast majority of East Montpelier seniors are living in a one-family detached home (Table 12). Of the 156 senior households in East Montpelier that answered this question, 69%, or 107 households, own their home with no mortgage payments (Table 13). Another 4 households live rent free. The average length of time the householder has lived in their current residence is 27.5 years.



Most of East Montpelier's homes headed by seniors have 3 bedrooms. Two and 4 bedrooms follow as the second most common. Three households reported having no bedrooms. Only 2 households reported that their house was too small. Most households (75%), stated that their size was just right while 33 (21%) reported that their home was too large.

Most seniors in East Montpelier are living with family members. There are 38 households, or about 25% who are living alone. Of those who are living with others, most are not doing so out of financial necessity. When asked "Are you sharing housing with someone because you have to in order to afford it?" 94% of the respondents said "no."

Conditions

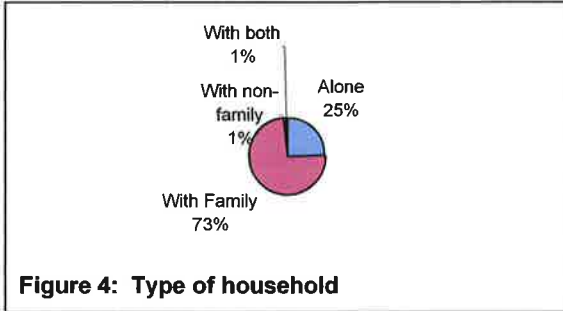


Figure 4: Type of household

Almost 90%, or 136, of the homes inhabited by seniors in East Montpelier are not handicap accessible. Of those who did not have an accessible home, 25% said that they wished they did. Respondents were asked to rate the quality of their house in four categories: structural conditions, kitchen facilities, bathroom facilities, and heating systems. The rating scale

ranged from 1 (beyond repair) through 5 (excellent). None of the respondents rated their home as beyond repair for any of the four categories. As shown in table 14 there are only 3 homes that were rated in poor condition by their occupants for bathrooms and heating systems and only one home for structure and kitchen facilities. Furthermore, only 11% of the respondents rated their homes under the midpoint category (adequate). This means that the vast majority of respondents believe that their homes are of above-average quality.

		Structure	Kitchen	Bathroom	Heating
Rating	Beyond Repair	0	0	0	0
	Poor	1	1	3	3
	Adequate	17	16	17	17
	Good	80	73	73	73
	Excellent	57	63	61	61
	Total	155	153	154	154

Nearly everyone believes that their home is adequately sized. Only 2 respondents stated that their home was too crowded.

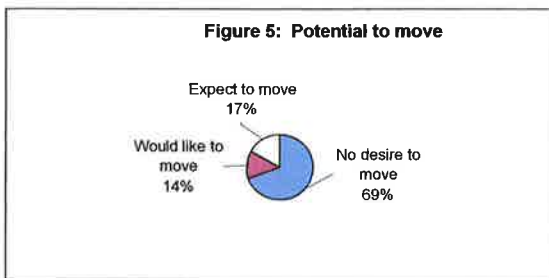


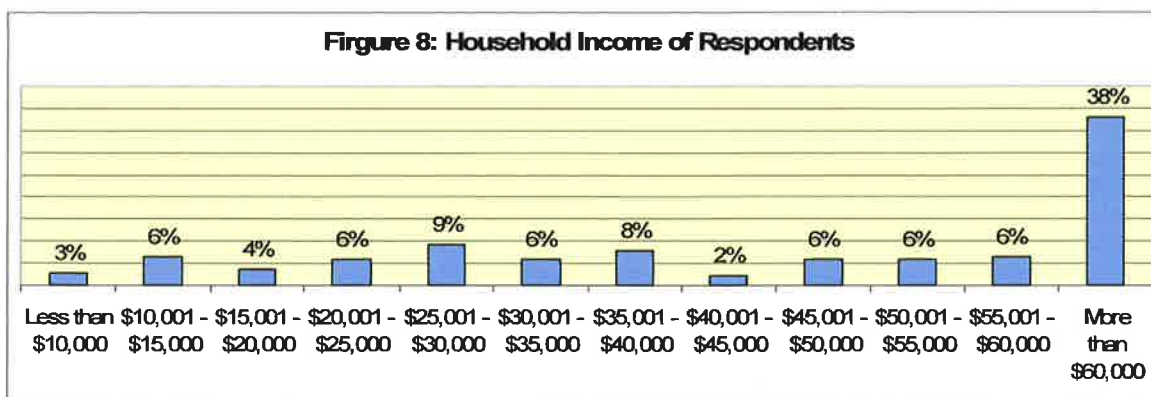
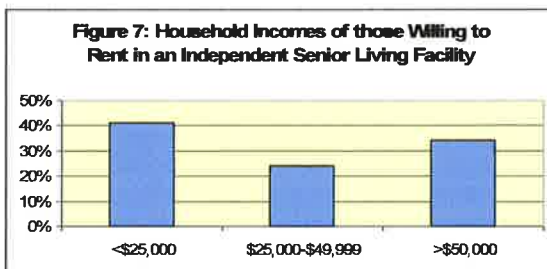
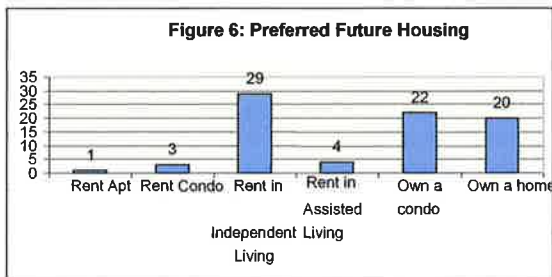
Figure 5: Potential to move

Future Living Arrangements

When asked about future living arrangements, 65% stated that they have no desire to move or sell. Conversely, if housing was available that better suited their needs, 30% or 45

households, would plan on moving out of their current living situation. The most preferred scenario for future housing was renting in an independent living facility for seniors. Homeownership was also highly preferential. Owning a condominium, townhome, or single family home ranked closely behind the most preferred scenario.

Cross tabulation of the data reveals the income levels of those willing to rent in an independent living facility. There were large concentrations on both ends of the income spectrum. Forty-one percent of the respondents willing to rent in an independent living facility were earning less than \$25,000 per year. Another 31% were earning over \$55,000 per year.



Some survey respondents were averse to completing questions regarding their household income. Approximately 11% of the questionnaires were unresponsive to the question. Respondents were given a range of income categories from less

\$60,000 to \$74,999	31
\$75,000 to \$99,999	49
\$100,000 to \$124,999	8
\$125,000 or more	29
Source: Census 2000	

than \$10,000 to over \$60,000 distributed in \$5,000 increments. Thirty-eight percent of the respondents were earning over \$60,000. The remaining income categories were distributed fairly evenly between 3% and 9% of the total respondents (Figure 8). Additional increments above \$60,000 would have revealed the distribution of income categories above \$60,000,

however households at this income level are less vulnerable to affordability issues and often do not qualify for the type of housing that EMSLI is seeking to build. The US Census helps reveal how these upper categories might be distributed. In the year 2000, in East Montpelier, there were 31 senior households with income between \$60,000 and \$74,999 (Table 15). This category represents 26% of the East Montpelier seniors. The remaining 74% were earning over \$75,000 in the year 2000.

Total	46,469
under 25 years	32,292
25 to 34 years	44,205
35 to 44 years	54,732
45 to 54 years	57,083
55 to 64 years	56,797
65 to 74 years	31,719
75 years and over	26,875
Source Census 2000	

The Census also shows how household earnings start to decline as a householder's age increases. The median household income in East Montpelier is approximately \$47,000¹. The youngest of the senior households, those between 55 and 64 years old, are earning approximately 22% more than the median.

Households headed by those between 65 and 74 years have a median income 32% lower than the town median. Those over 74 years old have a median income that is 42% lower than the town median.

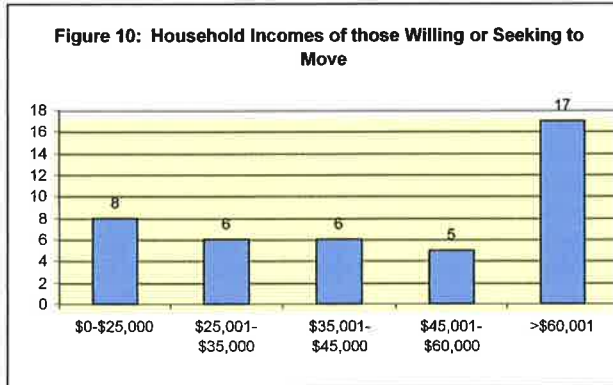
According to the survey respondent, approximately 30% of East Montpelier's senior population is spending more than 30% of their income on housing. This amounts to approximately 41 households.

¹ Rounded upwards to account to seven year old data.

Table 17: % of Household income on Housing		
<15%	33	24%
15%-20%	23	17%
20%-25%	27	20%
25%-30%	12	9%
30%-35%	13	10%
35%-40%	7	5%
>40%	21	15%
Total	136	

Further analysis of the survey findings reveal that even some households who own their home free and clear (with no mortgage payments) are living in unaffordable housing. Of the respondents who said they owned their home outright, 16 were spending over 30% of their income on housing. Most of them had annual incomes of less than \$20,000.

Households living in mortgage free housing had annual expenses that were, on average, less than the average of all respondents. Their average annual tax bill was approximately \$3,863/year versus \$4225/year for all respondents. Their



average annual utility expenses were \$5,188/year versus \$6,787/year for all respondents. This indicates that the average mortgage-free owner is already conserving on utility expenses and doesn't have above average property taxes. Instead, their affordability issues arise from low incomes. This is not to say that on a case by case basis there aren't households that may have

opportunities to lower their utility expenses or be more proactive in applying for property tax rebates. However, in terms of a town wide approach, EMSLI may be more productive by seeking to build subsidized senior housing.

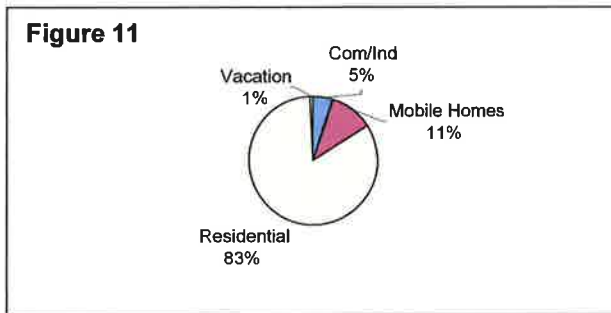
If EMSLI did move ahead to build more subsidized senior housing, several respondents indicated that they would move in. As shown above, approximately 45 households would move into senior living housing. Oddly enough, a majority of those respondents who said they would move in are spending less than 30% of their income on housing. Only 11 respondents seeking to move into new housing were paying more than 30% of their income on housing. On the other hand, 20 households willing or seeking to move were earning less than \$45,000 per year and approximately 16 of them had household incomes of less than \$37,175 per year, or 80% of the median income (Figure 10)². Curiously, those with higher incomes were more likely to move. Over half of those who were willing or seeking to move were earning over \$45,000 and 17 of them, or 38% of the total, were earning over \$60,000. These households would not be eligible for subsidized senior housing if it were built today.

² Only 42 respondents answered the household income question and are included in this figure.

The Supply Side

The East Montpelier Grand list indicates that there are a total of 942 residential units in town. Mobile homes on rented or owned land make up 11% (109) of that total. There are 833 residential units and 8 vacation homes (Figure 11). Based on 2000 Census data we assume 20% of the residential units are rentals. A small number of units were ill-equipped: a total of 13 units did not have complete plumbing facilities and 5 did not have complete kitchen facilities. Owned units were more problematic than rental units (Table 18).

There are 128 parcels in East Montpelier with no buildings. The average size is about 30 acres. At this point what is unknown is the degree to which any of these parcels are protected. Anecdotally we know that certain parcels are in the



Vermont Current Use program and others are under restricted covenants like a conservation easement. The grand list does not provide this information. The average assessed value of these parcels is \$50,800 or \$1,713 per acre. There are 84 parcels with assessed values below \$50,000.

	Owner	Renter
Lacking complete plumbing facilities	9	4
Lacking complete kitchen facilities	5	0

This amounts to 961 acres or an average of 11.4 acres per parcel. About 18 of these parcels are on paved roads with more than 3 acres of land. These parcels

should be explored for a potential building site.

Market Area

The supply of subsidized senior housing in the East Montpelier market area was collected from the Directory of Affordable Rental Housing. The directory, published by the Vermont Housing Finance Agency, is a comprehensive list of all not-for-profit affordable housing projects in the state. For the purposes of this preliminary market assessment, the market area is defined as Washington County. East Montpelier sits nearly at the geographic center of Washington County. It is bordered by the two municipalities that have the most subsidized senior housing in the county which limits the market area. Other factors limit the market area such as transportation corridors and natural boundaries. At this stage of the assessment, however, without a specific product in mind, the size of the market area need not be analyzed in finer detail. Therefore, the inventory is limited to Washington County.

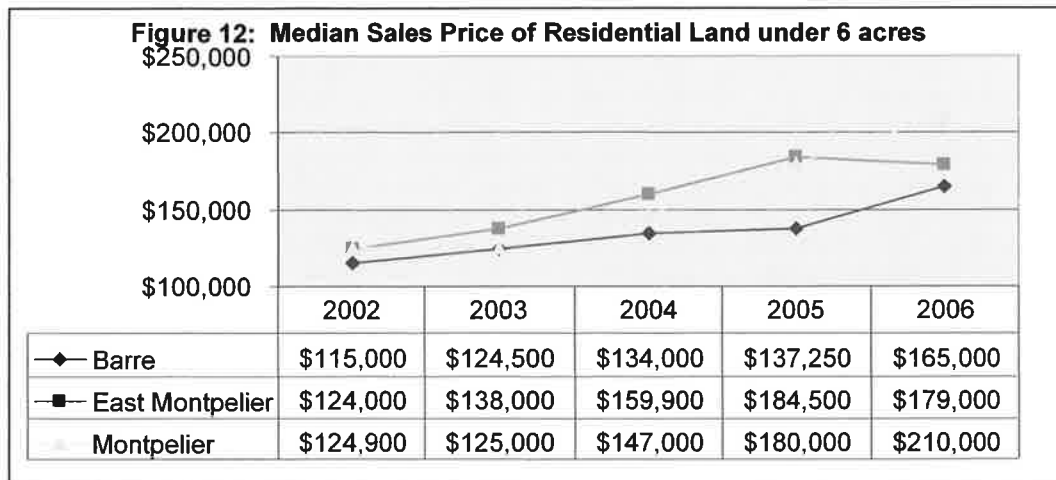
Subsidized Housing

In Washington County, Barre has the most subsidized senior housing projects. There are 347 senior housing units in Barre. This amounts to over half of the

entire inventory in the market area. Montpelier has another 180 units. In the western part of the county, including the Mad River Valley (Moretown and Waitsfield) and Waterbury has a total of 84 units; 58 units are in the Valley and Waterbury has 26. Northfield has 40 units in two projects and Plainfield has 13 units in one project. In 2005, Cabot recently completed 8 units of senior housing (Table 19).

Over 70% of all senior housing in the market area is 1 bedroom units, followed by no bedrooms, and then 2 bedrooms.

Table 19: Inventory of Subsidized Senior Housing in East Montpelier Market Area					
	0 BR:	1 BR:	2 BR:	3 BR:	Total
Washington Apartments, Barre	28	22	1		51
Tilden House, Barre	38	37	4		79
Summer Street Apartments, Barre		12			12
North Barre Manor, Barre		120			120
Morse Block, Barre		16			16
Jefferson Apartments, Barre		24			24
Quarry Hill Apartments, Barre		30			30
Avery Apartments, Barre	2	13			15
Cabot Commons Senior Housing, Cabot		6	2		8
Prospect Place, Montpelier		29			29
Pioneer Apartments, Montpelier	35	25			60
Lane Shops, Montpelier	4	41	5		50
Heaton Woods, Montpelier	39		2		41
Fairground Apartments, Moretown		16			16
Green Mountain Apartments, Northfield		20			20
Dogwood Glen II, Northfield		12	8		20
School Street Apartments, Plainfield School	1	7	3	2	13
Mad River Meadows, Waitsfield		10	8	6	24
Evergreen Place, Waitsfield		17	1		18
Stimson-Graves Building, Waterbury		12	2		14
Butler Apartments, Waterbury		11	1		12
Total	147	480	37	8	672



The value of residential properties has risen steadily in East Montpelier for the past 5 years. According to the Vermont Department of Taxes property transfer data, the median sales price of a single family home on less than 6 acres rose from \$124,000 to \$179,000 in the past 5 years. This represents a 44% increase over 5 years or an average annual increase of approximately 9% (Figure 12).

On a comparative basis, East Montpelier has tracked closely with, but slightly above, Montpelier in terms of residential property values for the past 5 years. In 2006 however, transaction values in Montpelier surpassed East Montpelier by approximately 15%. In neighboring Barre town, the median residential sales price has historically remained well below East Montpelier. In 2006, however, the gap has begun to shrink (Figure 12).

Rent Structure

In East Montpelier there are very few rental units. As previously shown, 20% of the households are in rental units. However, only 10% of the senior households are in rentals. This amounts to 35 units. Most of those units are rented mobile homes and therefore it is difficult to determine an average rent paid by seniors in town. The senior survey shows only 8 households are paying rent and they all pay between \$301 and \$309 dollars per month. This likely represents the cost of land rental at the mobile home park.

Fair Market Rents

Fair market rent (FMR) is an amount determined by the U.S. Department of Housing and Urban Development to be the cost of modest rental units in a specific market area. They are determined only at the metropolitan and non-metropolitan county levels. Those who participate in federally subsidized housing programs, such as the Section 8 voucher program, cannot rent a unit whose rent exceeds the FMR. These are gross rents and include the costs of all utilities, except telephone. The current definition used is the 40th percentile rent,

the dollar amount below which 40 percent of the standard-quality rental housing units are rented. This also means that 60% of the rented units in the County cost more than the HUD FMR. The Fair Market Rents for Washington County in 2007 are listed in the Table 20.

# of Bedrooms	Studio	1	2	3	4
FMR	\$491	\$574	\$719	\$971	\$1087

Affordable Rents and Purchase Prices in East Montpelier

Affordable home purchase prices are calculated for 5 different income categories (Table 21). Monthly incomes are determined by the annual median income divided by 12. Affordable housing payments are 30% of this figure. Affordable monthly mortgage payments are determined by removing taxes, insurance and utilities from the monthly payments. An affordable mortgage is based on a 30-year fixed rate mortgage at 6% interest with a 5% down payment. An affordable purchase price for those earning the median income of \$46,469 is \$135,026. If the median sales price of \$180,000, as recorded in property transfer tax data, is accurate then the average priced home is not affordable to this income group. Buyers would have an affordability gap of \$44,974. This gap may be filled by a higher down payment, lower interest rate, increased income, a lower purchase priced home or some combination of the four. Buyers at this income level should be able to arrange a purchase. However, households at 80% of the median income would need to fill an affordability gap of \$82,977. This is likely an insurmountable hurdle without a major change is one of the assumptions. Those below the 80% of median income bracket are out of the homeownership market without significant subsidies. Any household in East Montpelier living below 80% of the median most likely creates the demand for affordable rental units.

Table 21: East Montpelier Affordable Home Purchase Prices and Affordable Rents						
% of area Median Income	100%	80%	60%	50%	30%	
Median household Income	\$ 46,469	\$37,175	\$ 27,881	\$ 23,235	\$ 13,941	
Monthly income	\$ 3,872	\$ 3,098	\$ 2,323	\$ 1,936	\$ 1,162	
Affordable housing costs	\$ 1,162	\$ 929	\$ 697	\$ 581	\$ 349	
Insurance \$350/yr \$29.17/mo	\$ 29.17	\$29.17	\$ 29.17	\$29.17	\$29.17	
Property Taxes(based on average survey response) 3405/yr	\$ 284	\$ 284	\$ 284	\$ 284	\$ 284	
Affordable Mortgage Payments	\$ 849	\$ 616	\$ 384	\$ 268	\$ 35	
Mortgage Rate	6%	6%	6%	6%	6%	
Terms (30years)	30	30	30	30	30	
Affordable Mortgage	\$ 128,596	\$ 92,403	\$ 56,209	\$ 38,195	x	
downpayment	5%	5%	5%	5%	5%	
Affordable Purchase Price	\$ 135,026	\$ 97,023	\$ 59,019	\$ 40,105	x	
Estimated Average Sale Price in East Montpelier	\$ 180,000	\$180,000	\$180,000	\$ 180,000	\$ 180,000	
Housing Price GAP	\$ (44,974)	\$ (82,977)	\$(120,981)	\$(139,895)	x	
Affordable Rents						
	With Utilities	\$ 1,162	\$ 929	\$ 697	\$ 581	\$ 349
	Without Utilities	\$ 1,046	\$ 836	\$ 627	\$ 523	\$ 314
Source: Crane Associates						

Analysis and Conclusions

All senior households below 80% of the median income make up the gross demand for affordable senior housing. Gross demand is defined as the total amount of a good desired by a group or individual. Net demand is gross demand minus supply. According to the EMSLI survey there were approximately 52 households earning less than 80% of the median. This represents only a sample since only half of the households responded to the survey. The survey is a good statistical representation of all seniors in town because of the large sample size, therefore, the total gross demand for affordable senior housing is approximately twice this number or 104. This represents the upper bound of the total gross demand for senior housing in East Montpelier. The lower bound of the demand spectrum is defined by senior household living at or below the poverty level. There are 17 senior individuals living in poverty. At an average household size of 1.8 there are approximately 14 senior households in poverty.

The upper bound gross demand must be tempered with an estimate of supply. Current private sector supply of affordable senior housing in East Montpelier is meeting the demand for many of the units. Not every household that is in demand for affordable housing would move from their current housing. Unmet demand, or net demand, is the number that should be used for planning affordable housing. For the purposes of this survey, the supply is estimated using the results of the senior survey as a proxy. The number of households who indicated that they are seeking to move or would like to move into new housing is used as an indicator of unmet demand.

According to the survey of senior households, there are 45 households that would move into new housing in the near future. Approximately 16 of those households were earning less than 80% of the median income and 11 households were spending more than 30% of their income on housing costs. The remaining households were earning more than 80% of the median and many were earning above \$60,000 per year. While the higher income households were willing to move they may not be eligible, nor choose, to move into subsidized housing. To make a conservative estimate of current demand for subsidized senior housing generated by the residents in East Montpelier the households earning above 80% of the median should be removed. The senior survey shows that approximately 11 to 16 households currently demand subsidized senior housing. The survey is a 50% sample of all senior households therefore the market estimate should be doubled and then reduced by 5% to eliminate the survey's margin of error. The current unmet demand for subsidized senior housing in East Montpelier today lies between 21 and 30 units.

Currently, there is no supply of subsidized affordable housing in East Montpelier for any age group. Neighboring Barre and Montpelier have 537 units, or 78% of the entire county's stock, of subsidized affordable senior housing. Countywide

demand for senior housing exceeds supply by a large margin and the demand is projected to grow. Vermont has the third fastest growing senior population in the country and it is forecasted to stay that way for the next 23 years. In Washington County, senior households earning less than 80% of the area median income will grow by 15% within this decade. Senior households earning between 50% and 60% of the area median income will grow by 30% before this decade is concluded. This demographic is most eligible for tax credit projects and forms a strong foundation of demand for this type of housing program.

This study did not analyze the waiting lists, vacancy rates, or other indicators of demand for the existing supply of subsidized senior housing in the market area. This information may alter the demand estimates for a senior housing project in East Montpelier. Without this information it is still reasonable to estimate that a senior housing project of 15 to 25 units in East Montpelier would achieve full occupancy within a competitive marketing period. This assumes that the type of housing product in terms of size, number of bedrooms, amenities, location, services and management are within the bounds of current demand

Appendix A Affordable Housing Resources

Vermont Housing and Conservation Board
802-828-3250.

LOAN AND GRANT PROGRAMS

All VHCB housing programs serve households earning less than 100% of median income as defined by HUD income guidelines. The majority of the units funded by VHCB serve households with incomes between 30% and 80% of median income. The affordability of the housing is secured with legal instruments (housing subsidy covenants) filed in the land records that travel with the property upon resale to ensure perpetual affordability. Housing applications are considered four times annually.

Feasibility Funds

Feasibility Grants of up to \$10,000 are available for the early stages of a housing project. These funds cover the costs of appraisals, energy assessments, marketing studies, options, engineering and environmental studies, or other planning and predevelopment costs. To apply: Request information on VHCB feasibility grants. Feasibility requests are considered on an ongoing basis by VHCB staff.

Application for Affordable Housing Development

VHCB housing projects are intended to develop perpetually affordable housing through the acquisition and rehabilitation or new construction of single family homes, rental housing or cooperative housing, including single family homes or duplexes, multi-unit apartment buildings, rental or ownership cooperatives, single room occupancy, shared elderly housing and mobile home parks. All housing is required to be affordable to households earning less than 100% of median income. The housing subsidy covenant is the legal document recorded in the land records that travels with the property, ensuring that the State's investment will remain intact. Many housing projects supported with VHCB funds are undertaken by a housing development organization working together with a social service agency to provide support services to residents. Applicants must show that housing projects are in appropriate locations, have sufficient pre-development planning and feasibility analysis work completed, and demonstrate financial viability.

To apply, request an Application for Affordable Housing Development. Site visits by VHCB staff are required prior to submission of the application. Housing applications are considered 3-4 times a year, depending on the availability of funds.

Homeland Program

Households with incomes below 85% of median are eligible to select and purchase their own homes from offerings in the private market under this program which provides purchase subsidies of \$17,000-\$20,00 to home owners through local community land trusts or other nonprofit housing organizations. The nonprofit receives a development fee of \$4,500, owns the land under the home and limits appreciation on the house, making the purchase price more affordable. The original subsidy is retained upon resale, assuring continued affordability.

apply: Contact a participating nonprofit housing organization and ask for details on the [HOMELAND](#) program and the [Single Family Assistance Program](#).

Single Family Assistance Program

Participating nonprofit housing organizations administer VHCB funds to home buyers with grants of up to \$2000 to assist with downpayment and closing costs. To apply: Contact the local nonprofit housing organization and ask for details on the HOMELAND program. list [Participating housing organizations](#)

Habitat for Humanity and Vocational Education-Built Homes

VHCB makes grants for home building projects undertaken by Habitat for Humanity or Vocational Education programs around the state. The 29 projects funded to date have helped either to pay for land or to lower the costs of construction. The resulting savings have been passed on to first-time home buyers. To apply: Nonprofit applicants should request [Guidelines on Habitat for Humanity or Vocational Education-Built Homes](#). Applications are reviewed by VHCB staff on an ongoing basis. [Statewide Habitat for Humanity Chapters](#)

Mobile Home Purchase Subsidy Program

VHCB funds are awarded to assist low-income households to purchase mobile homes in nonprofit-owned mobile home parks. Funds are provided for down payment assistance and to prevent foreclosure. This program enables upgrading and replacement of deteriorated homes. The program is administered by the Vermont Community Loan Fund (802-223-1448; [Vermont Community Loan Fund](#))

Federal Housing Programs Administered by VHCB

VHCB administers funding for the federal HOME Program, and the Lead-Based Paint Hazard Reduction Program. Applications for Lead-Based Paint Hazard Reduction funds are reviewed as they are received.

HOME Program

The Board administers the federal HOME Program for the State of Vermont, through a contract with the Department of Housing and Community Affairs. These funds are used to serve low- and very low-income Vermonters in housing projects meeting the criteria of the state's Consolidated Plan for housing programs. The HOME funds help to cover project development costs, create greater affordability in the projects, and supplement VHCB funds.

Lead-Based Paint Hazard Reduction Program

The focus of the program is to reduce hazards due to high levels of lead-based paint in older housing. Funds are also available for use in home-based day care centers. The program provides technical and financial assistance to eligible owners in the form of inspections, lab analysis, risk assessment, specification development, clearance testing, and grants and deferred loans to pay for the lead hazard reduction work. For more information, see [Lead-Based Paint Hazard Reduction Program](#)

Housing Opportunities for Persons with AIDS (HOPWA)

The Board administers HOPWA grant funds from the U. S. Department of Housing and Urban Development to provide a range of housing and services to persons living with HIV/AIDS. HOPWA funds provide rental subsidies, meals delivery, emergency assistance and supportive services throughout the state.

Funds have also been used to develop 16 housing units targeted for persons living with HIV/AIDS. VHCB administer the program in collaboration with the Vermont AIDS Council, the Vermont HIV/AIDS Care Consortium, the Department of Health, the Persons with AIDS Coalition, the Vermont Center for Independent Living and the AIDS service organizations.

HUD Special Purpose Grants

The Board administers HUD Special Purpose Grants awarded to specific housing projects in the state. These one-time federal grants assist communities in meeting their housing needs.

Vermont Community Loan Fund

802-223-1448

Housing/CF Loans

VCLF offers loans to nonprofit housing developers for perpetually affordable housing designed for Vermonters earning 80% of median income or less. Past loans have been used for earnest money deposits, to capitalize reserve accounts, for shares for cooperative housing and for acquisition, construction and rehabilitation of rental properties, mobile homes and housing destined for ownership. Housing/CF loans have been structured as lease-to-own loans, construction loans, bridge loans and mini-permanent loans. Frequently, VCLF loans are an essential part of a total financing package, which includes grants and bank loans.

Vermont Housing Financing Agency

(802) 864-5743

The Vermont Housing Finance Agency (VHFA) provides low cost financing for homeownership and construction or rehabilitation of affordable housing. By issuing bonds and allocating housing tax credits, VHFA is able to assist low- and moderate-income Vermonters with the purchase and production of housing to meet their needs.

Construction & Permanent Loan Financing Program

VHFA offers low interest construction and permanent mortgage financing for the development and preservation of affordable rental housing. Specific requirements regarding rent restrictions and qualifying household income may vary with the funding source. However, all developments must serve at least 51% low- and moderate-income Vermonters.

Predevelopment and Bridge Financing

VHFA also offers predevelopment financing for nonprofit housing sponsors through the Vermont Housing Ventures program. The Ventures program offers predevelopment and bridge financing for activities such as architectural design, cost estimating, legal and consulting services, market studies, and appraisals.

Low Income Housing Tax Credits

Credits are allocated to eligible new construction and rehabilitation housing costs as defined by the Housing Credit program. Both nonprofit and for-profit project

sponsors can then "sell" (syndicate) these credits to create equity for the rental housing development. The credits are sold to investors who purchase an ownership position in the project and thus are able to utilize the benefits of the tax credits. Because investors are purchasing the "present value" of ten years' worth of credits, the equity raised from syndicating tax credits can be substantial.

Vermont State Housing Authority

802-828-3026

Development Program

The Vermont State Housing Authority is dedicated to the development and preservation of affordable housing in Vermont. As part of this effort, the organization is actively involved in the acquisition, construction, and rehabilitation of multi-unit complexes and mobile home parks throughout the state of Vermont. VSHA accomplishes this objective through the use of public and private financing including grants, traditional borrowing, tax exempt financing, tax credits and charitable contributions. If you wish to further pursue housing development opportunities please, feel free to contact us at (802) 828-3026.

United States Housing and Urban Development

Burlington, VT Field Office

(802) 951-6290

HUD provides assistance in housing construction, subsidy programs, homeownership and rental assistance, community planning, and support to housing organizations. They have many programs that support housing projects, including:

[Assisted Living Conversion Program](#)

[Continuum of Care Homeless Assistance/Supportive Housing Program](#)

[Fair Housing Initiative Program \(FHIP\)](#)

[Healthy Homes Initiative](#)

[HOME Technical Assistance](#)

[Homeless Assistance Technical Assistance](#)

[Homeless Innovative Project Funding Grants](#)

[Homeownership Zones](#)

[HOPE 3](#)

[HOPE VI Demolition](#)

[HOPE VI Revitalization](#)

[Housing Opportunities for Persons With AIDS \(HOPWA\) Competitive](#)

[Resident Opportunity and Self-Sufficiency Program \(ROSS\)](#)

[Rural Housing and Economic Development](#)

WEB SITES

Vermont Housing Groups

[Agency of Human Services - Service Net](#)

[Vermont Community Loan Fund](#)

[Vermont Department of Health \(lead information resource\)](#)
[Vermont Department of Housing and Community Affairs](#)
[Vermont Housing Awareness Campaign](#)
[Vermont Housing Finance Agency](#)
[Vermont State Housing Authority](#)
[Vermont Tenants Inc.](#)
[NeighborWorks Home Ownership Centers of Vermont](#)
[U.S. Rural Development - Vermont](#)

Other States Housing Groups

[New Hampshire Community Loan Fund](#)

National Housing Groups

[The California Housing Law Project](#)
[Center for Community Change](#)
[Citizens Housing and Planning Association](#)
[Enterprise Foundation](#)
[Housing Assistance Council](#)
[Institute for Community Economics](#)
[Mortgage 101](#)
[National Association of Housing Cooperatives](#)
[National Low Income Housing Coalition](#)
[National Low Income Housing Coalition - Internet Links for Housers](#)
[Neighborhood Reinvestment Corporation](#)
[Shelterforce](#)
[U. S. Department of Housing and Urban Development](#)

Lead Paint Resources

[Lead Safe Vermont](#)
[Alliance to End Childhood Poisoning](#)
[HUD Office of Lead Hazard Control](#)
[EPAs](#)

AmeriCorps National Community Service

[Vermont Community Stewardship Program](#)
[Vermont Commission on National and Community Service](#)
[AmeriCorps Programs nationwide - Corporation for National Service](#)

Appendix 4: Press Releases

FOR IMMEDIATE RELEASE

The East Montpelier Senior Living Initiative (EMSLI) got a boost of energy this week. With help from two grants, they recently hired a professional consulting firm to lead them through the planning and design phases of their project. After two years of meetings and organizing they have taken a major step toward making their vision a reality.

EMSLI hired Crane Associates, Inc. of Burlington, Vermont to complete a series of essential tasks that will lay the ground work for the construction of a senior housing project. The tasks include: analyzing the demand for senior housing through surveys and interviews; generating public input; finding an appropriate building site; developing conceptual drawings, and analyzing financing options. Crane urges any resident who receives a survey to complete it and return it. "Getting responses from our survey is very important in designing the right project," said Michael Crane, the firm's President.

There is a growing concern in town that seniors are being forced to move out because their current home is becoming too difficult to maintain and there are no senior friendly living arrangements. In fact one member of the committee was not able to make the meeting because she was forced to move to Montpelier and unable to find transportation. Committee Chairman Austin Cleaves says that goal of EMSLI is "to provide an in-town place to live for people as they age who want to continue being part of the community but can't keep maintaining their own home."

Funding from the Vermont Community Foundation and the Vermont Municipal Planning Grant Program is enabling the organization to hire the consultant. Wes Cate, committee member and long time resident, said on Friday that the group was dedicated and had a lot of talent. "We have hung together pretty well" but then stressed the need for professional help. "We are really amateurs and it takes along time to get anywhere." He expressed

gratitude to the funding agencies.



For Immediate Release

Senior Housing Survey Shows a Need EMSLI is Looking for Land

The East Montpelier Senior Housing Initiative, with help from their consultant, Michael Crane AICP, completed a survey of all senior households in East Montpelier. The survey was to determine the demand for affordable senior housing in town and the type that would be most preferable.

The survey was mailed to 310 senior households and 158 were completed and returned for an outstanding response rate of 51%. The survey instrument was a paper questionnaire with 19 questions sent via 1st class mail on April 16th, 2007. The response deadline was May 5th. EMSLI is grateful to all those who took the time to complete the survey.

The survey results show that there are two major groups of seniors in town. The first group of seniors makes up about 75% of the population. They are living with family members, have above average household incomes, can afford their homes, and have no plans to move. The second group makes up about 25% of the population and shows a need for affordable senior housing. Approximately 45 senior households would move now if they could find an improved living arrangement. Over half of them would prefer to rent in an independent senior living facility. Interestingly, there was a split between income levels of those who would rent in a senior living facility. About half were earning less than \$25,000 per year while about 30% were earning over \$55,000 per year. This is good news for creating a mixed-income project.

Other indications show that if an affordable senior housing project was build that it would be occupied. Currently, about one-third of East Montpelier senior households are paying over 30% of their income on housing, a threshold that is generally accepted as an unaffordable living situation. Further analysis of the survey findings reveal that even some households who own their home free and clear (with no mortgage payments) are living in unaffordable housing. Of the respondents who said they owned their home outright, 14 were spending over 30% of their income on housing. Most of them had annual incomes of less than \$20,000. Households living in mortgage free housing had annual expenses that were, on average, less than the average of all respondents. Their average annual tax bill was approximately \$3,863/year versus \$4225/year for all respondents. Their average annual utility expenses were \$5,188/year versus \$6,787/year for all respondents. This indicates that the average mortgage-free owner is already conserving on utility expenses and doesn't have above average property taxes. Instead, their affordability issues arise from low incomes. This is not to say that on a case by case basis there aren't households that may have opportunities to lower their utility expenses or be more proactive in applying for property tax rebates. However, in terms of a town wide approach, that market study states that EMSLI may be more productive by seeking to build subsidized senior housing.

EMSLI is now investigating building sites and we need your help. If you know of a suitable building site in town please contact Michael Crane at Crane Associates, 802-657-3720 or the Chair of EMSLI, Austin Cleaves, 802-229-5223. Also if you are in a position to donate land for the cause of creating permanently affordable senior housing in town please contact us. You may be eligible for significant tax benefits and will have the comfort in knowing that you improved the lives of many East Montpelier seniors for generations to come.

