

SECTION 2: STRATEGIC PLAN

ECONOMIC DEVELOPMENT

planning for economic development

Barre City recognizes the connection between the health and well-being of our local economy and of our residents. To achieve our vision for a healthy future, Barre City continues its efforts to attract and retain businesses that pay a living wage, provide health insurance benefits, and match existing levels of workforce education or provide job training.

A vital, balanced and resilient local economy is essential for community well-being. Studies have shown that a strong economy is a good indicator for the health of community residents. By strengthening the local economy, we can create and retain desirable jobs that provide a good standard of living for workers and their families. Increased business activity, personal income and wealth will increase our tax base, allowing the city to provide affordable community services and amenities.

What creates a good environment for economic development? Some common themes emerge when you ask business owners and economic development specialists that question:

- Lower taxes
- Less regulations
- Fair and efficient permitting
- Economic development incentives and programs
- Quality, availability and affordability of appropriate space/land
- Quality, availability and affordability of housing
- Quality, availability and affordability of infrastructure (transportation, water/sewer, communications, electricity, etc.)
- Workforce availability and skill, and workforce training opportunities
- Quality of life needed to attract and retain skilled/trained workers
- Level of commitment to and investment in the community's future by the municipality, residents and other business owners
- Childcare quality, affordability and resources.

key points

1. **Facilities and Infrastructure.** The contraction of the industrial and manufacturing sectors has left our city with some vacant, obsolete or under-utilized land and buildings. While clearly a challenge, these sites and buildings also present an opportunity for new uses and revitalization. The basic facilities and infrastructure needed to support a healthy local economy already exist in Barre City.
2. **Downtown Revitalization.** Downtown Barre serves as a regional commercial center. The second half of the 20th century saw changes including the decline of the granite industry, and weakening vitality of the downtown business district as retail activity shifted away from Main Street. As a

result of our sustained downtown revitalization efforts, a turnaround has begun on Main Street, which the city hopes to bolster through the completed North Main Street (“Big Dig”) reconstruction project. With the construction of the City Place building, we now have office space, a rehabilitation gym, and a professional services office. The redevelopment of Enterprise Alley with its accessory parking lot, the private Metro Way parking lot redevelopment, and future plans for further reinvestment in the downtown’s public infrastructure and spaces will continue with this revitalization.

3. **Labor Force.** Barre City’s granite heritage has resulted in a community that takes pride in and has great respect for the work of our skilled labor force. The city also has a strong tradition of entrepreneurship and successful home-grown businesses. In addition to the physical resources – infrastructure, space, transportation – needed to support economic development, the city has human resources – labor force, skills, work ethic – that are needed to re-fit and re-tool our economy. There are a number of programs offered within the city and region to assist with workforce training and education.
4. **City Government.** Barre City is business friendly — a great place to start and grow a business. City government actively supports downtown revitalization and economic development efforts, as demonstrated by our tax stabilization program and streamlined permitting process.

issues & challenges

Barre City has identified the following economic development challenges and issues that need to be addressed to achieve our vision for a healthy future:

1. **Downtown Vitality.** Some of Barre City’s downtown buildings and spaces have suffered from neglect over many years. While this trend is reversing, issues remain with property maintenance and vacant storefronts. The Unified Development Ordinance, formerly the zoning and subdivision ordinances, rewritten in 2019 should assist in maintaining the quality of the downtown, as well as the revised Vacant Building and Minimum Housing Standards Ordinances.
2. **Walkability and Parking.** Barre City is not as pedestrian and bicyclist friendly as it could be. The North Main Street Reconstruction project addressed some of these issues, but the effort needs to be continued throughout downtown and throughout the neighborhoods. There is an adequate amount of parking downtown, but it needs better management and signage as it is not always easy to find, as well as improvements to make these areas a more attractive part of our downtown. A more pedestrian-friendly City will also encourage people to park and walk from place-to-place, rather than driving to and parking at each destination. We have a bike path that has not been connected in some sections, so that access to the downtown is limited using this method. And, if using a bicycle, there are not ample opportunities to rest the bicycle so that shopping and walking around is accomplished.
3. **Building Stock.** The city has a substantial amount of historic industrial space that continues as granite sheds, or has been subdivided for use as smaller spaces for further industrial uses. Should the use of these industrial spaces discontinue, these buildings will require substantial investment to be modernized, renovated and re-fitted to suitable for new uses and occupants. The city’s industrial spaces could be redeveloped in a manner that will allow them to be easily adapted to a variety of uses as demand and economic conditions change over time. Industrial spaces need to

be able to be easily subdivided for lease as small incubator spaces and be easily converted back to larger spaces as businesses expand or markets change. Spaces also need to be flexible in their use so that they can be efficiently converted from commercial to office or to light industrial and back as the market demands.

4. **Unemployment and Workforce Development.** Barre City's unemployment rate is about the same rate as the immediate region. A portion of residents are unprepared for or not competitive in the current job market. These residents will need further training and/or education to find and keep stable employment that pays a living wage.
5. **Educational Attainment.** 23% of Barre City residents hold a Bachelor's degree or higher as compared with 37% of Vermonters on average. People with more education are likely to live longer, healthier lives. Barre City needs to support educational attainment to improve the health and well-being of our economy and our residents.
6. **Access to Healthy Food.** Barre City does not currently have a full-size grocery store, although there are a few small, neighborhood markets. This makes access to healthy foods difficult for residents, particularly those who do not have reliable transportation. Research has shown that individuals who live in environments where there are no nearby grocery stores and high concentrations of fast food alternatives have more health problems than those who live within close proximity to a grocery store. Keeping food growth, production, and sales within the city would also benefit our local economy. Every time money changes hands within a community, it boosts income and economic activity, and it fuels job creation within that community. A full-size grocery store would be an anchor business for downtown and would support our revitalization efforts.
7. **Reputation and Perception.** Barre City was often viewed from the outside as a run-down community in decline. The condition of some buildings and properties in the city also contributes to a poor impression of the community. These negative perceptions have eroded residents' sense of community pride and over the years have become self-reinforcing. However, most of these negative perceptions of Barre City are based on an apples-to-oranges comparison. When we are compared to other urban areas in Vermont it is evident that conditions in Barre City are not unusual and that the city's reputation is not deserved. We must continue to promote more positive messages about our community and counter any negative perceptions with factual information about current conditions in Barre City as compared to other urban centers in Vermont.

strengths & opportunities

Barre City has already acted to promote economic development, and there remain many strengths and opportunities we can build upon to continue those efforts as we strive to achieve our vision for a healthy future:

1. **Taxes.** Barre City implemented a local options tax in 2018, and has local tax stabilization programs for both residential and non-residential properties being substantially improved by locking-in their lower pre-renovation assessments for up to 10 years. Barre City is the only community in the state with a local tax stabilization program that applies to both the municipal property tax and the education property tax. Additionally, within the state-recognized designated

downtown, property owners may be eligible for state income tax credits for building improvements. Barre City applied for and received a tax increment financing (TIF) district in 2012, which has allowed the city to capture the increased property tax revenues generated in a portion of our downtown over the next 20 years and to use those tax dollars to fund the improvements needed to support redevelopment.

2. **Regulations and Permitting.** The city has a zoning administrator available to assist applicants with navigating the regulatory and permitting system. Barre City created a Development Review Board (DRB) in 1997 to eliminate the need for some projects to be reviewed by two separate boards; now projects that require more than one type of permit or approval can be reviewed in a combined hearing in front of a single board. Barre City has increased what development activities can be reviewed administratively by staff and be approved without requiring a DRB hearing. Since Barre City has zoning and subdivision regulations known as the Unified Development Ordinance rewritten in 2019, it is classified as a “10-acre town” under Act 250 (Vermont’s state land use law). Therefore, development on most parcels within the city will not require state review and approval under Act 250.
3. **Public Infrastructure and Services.** Unlike most Vermont municipalities, Barre City has public water and sewer infrastructure, and both systems have capacity available. Three-phase electric service is available in many parts of the city, and is already serving most existing industrial sites. Cell phone service and broadband internet service are both available throughout the city. Route 62 is a limited access highway that provides a direct connection from downtown Barre City to Interstate 89. There are a number of industrial sites in Barre City that have direct rail access and freight traffic on the rail line is utilized.
4. **Support and Programs.** Two economic development organizations with paid staff are available to assist existing and potential businesses – Barre Area Development Corporation (the local economic development organization) and the Barre Partnership (the downtown revitalization organization). Barre City has a state Designated Downtown, which provides benefits (including the tax credits mentioned above) to businesses and property owners within the district. Barre City and Barre Area Development can help administer economic development programs, funding and grants (such as federal Community Development Block Grant and state brownfield clean-up and redevelopment funding). Barre City could seek state designation as a growth center, which could provide benefits to the city and landowners within the designated area in support of new growth and development. The city could also seek an expansion of its federally designated Historic District, which would make more property owners eligible for tax credits when they invest in rehabilitation of their buildings.

goals & strategies

Barre City has established the following economic development goals and strategies in order to achieve our vision for a healthy future:

1. **For Barre City to establish and maintain a diversified and vibrant local economy, which provides jobs that can sustain the city’s residents, and which revitalizes and redevelops the city’s industrial sites, commercial areas and downtown business district.**

- A. Invest in the public infrastructure and services needed to attract and retain businesses in the city.
 - A-1. Continue efforts to improve and beautify the city’s streetscapes, gateways and public spaces in order to provide the attractive and well-maintained physical environment needed to support successful businesses, particularly within the downtown business district.
 - A-2. Explore opportunities to increase wireless internet service throughout the downtown business district.
- B. Implement the city’s land use strategies as set forth in this plan, which identify and establish policies for the downtown business district, commercial zones, neighborhood commercial zones, industrial zones and mixed-use zones.
 - B-1. Implement this plan’s land use policies, which call for development of a dense, attractive, mixed-use downtown business district that particularly seeks to attract tenants from the business and professional services sector, and that provides “anchor” retailers such as grocery, hardware, pharmacy and clothing so city residents have convenient access to basic goods.
 - B-2. Build on Barre City’s heritage, historic resources and existing arts institutions to attract both residents and visitors to the downtown, particularly in the evenings and on weekends, which will expand the customer base for downtown retailers and restaurants.
 - B-3. Adopt the ordinances needed to address issues with the appearance and maintenance of downtown storefronts and building facades, including vacant storefronts and buildings.
 - B-4. Continue to plan for and construct the improvements needed to make Barre City more pedestrian friendly.
 - B-5. Implement a clean streets policy in Barre City to remove graffiti and to keep the streets and sidewalks free of dirt and litter.
- C. Recognize that a large percentage of land in the city suitable for commercial or industrial use is already developed but that much of this land has potential to be used more productively or intensively.
 - C-2. Continue efforts to remediate and redevelop brownfield sites.
- D. Continue to assist building and businesses owners with navigating the city’s permit process.
- E. Retain and build on Barre City’s heritage as a “blue collar” community that is affordable for working class families and offers a great quality of life.
 - E-1. Implement the goals and strategies set forth in other chapters of this plan intended to promote livable neighborhoods, affordable housing, and community services and amenities to attract and retain a skilled workforce in the city.

E-2. Foster a greater sense of civic pride among Barre City residents.

E-3. Continue to improve Barre City's reputation and image (i.e. Barre Rock Solid).

E-4. Continue to promote more events and gain better participation in from those by the Barre Partnership, such as the Heritage Festival, Granite City 5K, a soap-box derby, the farmer's market, events at the Old Labor Hall and the Auditorium, etc.

F. Find new uses and opportunities for, and promote investment in the city's vacant, obsolete or under-utilized buildings.

F-1. Encourage building owners to renovate and develop buildings with a flexible design that can be easily converted to new uses and to adapt to new economic conditions.

F-2. Increase awareness and use of the city's tax stabilization programs to facilitate investment in real property.

F-3. increase the programming at the City's BOR Facility and Civic Center, and Alumni Hall.

2. For Barre City to remain a regional employment center that provides livable wage jobs for a large percentage of the city's workforce and workers from surrounding communities.

A. Continue efforts to revitalize Barre City's downtown business district.

B. Link economic development goals and strategies to building a sustainable community so that today's decisions and actions will not diminish the opportunities for future generations to live healthy and successful lives in the city.

C. Market the city as a place where people can live in close proximity to their place of work, and the economic, environmental and social benefits that a short commute has for individuals, families and the community.

D. Identify and attract companies from outside the city that will complement our existing businesses, and that will provide jobs that match the skills and training of the city's workforce, and/or that will revitalize and redevelop the city's industrial sites, commercial areas and downtown business district.

E. Assist in the expansion of existing businesses within the City as a means to improve and attract workforce development.

3. For Barre City and its economic development partners to support entrepreneurship as a primary mission.

A. Recognize the critical role that small, local businesses play in creating new jobs in the city and in recirculating dollars in the local economy.

B. Assist local entrepreneurs to open, successfully operate and growth their businesses.

- C. Use available revolving loan funds primarily to support local business start-ups and expansions.
 - D. Continue to partner with and support the efforts of local economic development organizations.
- 4. For Barre City's workforce to have the skills and training opportunities needed to remain competitive in a global marketplace, allowing residents to respond to changes in the local economy by transitioning between jobs and to remain employed throughout their working lives.**
- A. Attract, retain and educate a skilled workforce that can successfully adapt to ongoing change in the local economy.
 - B. Provide services and opportunities for unskilled or under-skilled residents.

next steps

Barre City should pursue the following actions in order to achieve our vision for a healthy future:

1. Implement the state-approved Tax Increment Financing (TIF) District for the downtown business district.

Status: The TIF plan and application was prepared and received state approval in 2012.

Timing: First debt incurred January 2014. Life of the TIF District is 20 years.

Partners: City Clerk/Treasurer, City Planner, Regional Planning Commission, City Manager, City Council, City Assessor.

Notes: The TIF District provides a financing tool for significant infrastructure projects to stimulate the development and redevelopment of several properties in the Designated Downtown. These private projects require city investment into parking, transportation, and streetscape in order for them to be built to full capacity. Barre City's Tax Increment Finance District plan was approved in 2012, allowing a total of \$6.6M in infrastructure improvements in support of private development in the designated TIF district, located in the heart of the downtown. To date the City has completed \$2.2M in parking improvements including the Enterprise Aly, Campbell and Keith Avenue parking lots, and the Pearl Street pedestrian way. Other potential parking-related projects include redesign along Merchants Row and additional improvements in the Keith Avenue parking lot. All projects require voter approval.

2. Open a grocery store in Barre City.

Status: There is a recognized need for a large-scale grocery store, but to date no private operators have been interested in locating in Barre City and existing neighborhood stores have not been interested in expanding. This community sentiment bubbled to the surface in a 2004 market study, commissioned by the downtown Barre merchant's association (The Barre Partnership).

Results of a community survey pointed to the desire for a downtown store. The report highlighted this sentiment and confirmed that grocery stores located in the downtown do indeed contribute to a vibrant community center.

Timing: 2023

Partners: Granite City Grocery, other grocery retailers, Barre Area Development Corp., The Barre Partnership, Capstone Community Action Council, City Council

Notes: According to their 2020 annual report, various sites have been proposed since 2012, reviewed and even vetted by their Board and their professionals, but their market study has not supported the sites proposed, and the financial model will not work without support from a market study. Volunteers are going to be reaching out to the community to ensure that the mission and vision are still relevant to the community.

3. Complete planning for and implement the Merchant Row project.

Status: A plan for Merchants Row was completed in 2011.

Timing: When the City is ready to present the project to the voters for approval.

Partners: City Planner, Planning Commission, City Manager, City Council, CVRPC

Notes: The Merchants Row plan resolves a number of circulation issues associated with the Merchants Row area of Barre and would transform this bleak area of undifferentiated asphalt to a re-configured urban landscape that includes sidewalks, ADA accessible entrances to Merchants Row shops, public plazas at the Barre Opera House and historic train depot, an alignment for a long planned bike path, designated loading areas and landscaping. Enterprise Aly was completed in 2015, and the updated design of the Merchants Row area would expand upon the work already done.

4. Update planning for and implement the North Main to Summer Street project.

Status: A plan for North Main to Summer Street was completed in 2012.

Timing: 2022

Partners: City Planner, Planning Commission, City Manager, City Council, Barre Partnership

Notes: The plan's overall strategy is to focus development and activity along Main and Summer Streets, and provide parking within the center of the blocks in a series of connected 'parking courts' that are configured to be user-friendly and convenient, but tied to an urban pattern that places parking behind the buildings and preserves streetscapes for walking and human activity. An update to the plan is needed.

benchmarks

Barre City should measure progress towards achieving our vision for a healthy future against the following benchmarks:

1. Per capita income in Barre City. Per capita income (total income ÷ total number of residents) measures our city's economic health and it is an important indicator of our community's standard of living. For individual residents, income is one of the strongest predictors of health and well-being. *Source: U.S. Census Bureau, American Community Survey*

In 2010: \$20,700
2018 Update: \$22,030
Target for 2026: \$24,000

2. Unemployment rate for Barre City residents. The unemployment rate is another direct measure of city's economic health. A high unemployment rate as compared to state and regional averages suggests that there are problems specific to the community that are affecting the local economy. Employment is the primary source of income for most Barre City residents and for individuals and families' unemployment can lead to increased rates of physical and mental illness. *Source: Vermont Department of Labor, Local Area Unemployment Statistics*

In 2010: 11.1%
2018 Update: 3.4%
Washington Co. for 2018: 2.6%
Target for 2026: 2.6%

3. Total number of jobs in Barre City. Whether the number of jobs in a city is growing, stable or declining, particularly as compared to regional employment trends, is also an indicator of economic health and vibrancy. Barre City was historically dependent upon a single industry, which resulted in a long period of economic decline and stagnation as jobs in granite manufacturing disappeared. An increase in jobs in a diversity of sectors will be evidence that we are building a healthier and more resilient local economy. *Source: Vermont Department of Labor, Labor Market Information*

In 2010: 4,400
2018 Update: 5,700
Target for 2026: 6,500

4. Vacancy rate for first floor commercial space in the downtown business district. Vacant downtown buildings are highly visible evidence of the poor health of a local economy. Barre City's downtown has endured a long period of neglect and dis-investment that appears to be reversing. Declining vacancy rates is a direct measure of the success of our revitalization efforts, and the health and well-being of our community. *Source: Planning Director*

In 2010: 15%
2019 Update: 12%
Target for 2023: 8%

planning for housing

Barre City recognizes that safe, attractive and affordable homes and neighborhoods are a necessary foundation for the health and well-being of residents and neighborhoods. To achieve our vision for a healthy future, Barre City needs to attract and retain residents, particularly households with moderate to higher incomes. The quality, cost and characteristics of homes and neighborhoods are the major factors people consider when choosing where to live. The City has quality housing stock, as evidenced by the beautiful homes throughout the city, and is an asset to our community.

Where we live is at the very core of our daily lives. Shelter is a basic human need without which no one can be healthy, safe or productive. The physical conditions within homes, conditions in the neighborhoods surrounding homes, the affordability of homes are all closely interrelated with the health and well-being of residents and our community as a whole.

The health of our local economy is linked to the availability and affordability of housing in the city. To attract jobs, we need to have places for new workers to live. To revitalize our downtown, we need to attract new residents and expand the base of consumers that will support local businesses. The residential sector also drives demand for city infrastructure and services; the location and design of homes and neighborhoods influence the cost of providing infrastructure and services in the city.

The type of residential development that occurs in a community reflects both local and regional market forces, as well as the influence of government policies and regulations. The city can take an active role in promoting housing that will contribute to making Barre City a healthier place to live. Policies that encourage higher-density housing within urban centers increase residents' ability to walk or bike to work, school, stores and services. Enforcing building codes and inspecting rental housing reduces the number of residents living in unhealthy and unsafe conditions. The City will need to consider increasing the number of enforcement staff with the added responsibilities of ordinances and their requirements.

key points

1. **Changing Demographics.** Demographic trends suggest that there will be increasing numbers of single-person households and households without children in future decades. Many of these households will want a home: in a more urban setting with greater access to employment, services, shopping and social activities; that is smaller, less expensive, easier to maintain and more energy-efficient; and with convenient access to transit. In future years, we will need more housing in Barre City that can meet those housing needs. Many people who grew up in Barre City or lived in the city as young adults moved out to nearby rural communities to raise their families. Now 'empty-nesters', these residents could be attracted back to the city with the right mix of housing in a revitalized downtown setting.
2. **Existing Housing.** Existing housing in the city ranges from single family homes to large apartment buildings, and homes with accessory dwelling units (ADU's). ADU's are often referred to as the "mother-in-law" apartment. ADU's have been allowed for many decades in the City, and

provide an affordable living unit for a renter or family member, and the owner to gain some income. A growing trend is that more “empty-nesters” are choosing to age in place and find that the once-bustling home is quiet and a lot to manage. ADU’s are allowed in the City, and must be located within or associated with an owner-occupied single family dwelling, and be up to 900 square feet in size, or not to exceed 30% of the habitable floor area of the primary dwelling. ADU’s provide a great means of affordable housing as well.

3. **Downtown Housing.** Downtown and near-downtown has a limited amount of housing aside from a few senior and affordable housing facilities. To revitalize our downtown, we need to bring people back to shop, dine, work and live downtown. Adding more housing would increase the income generated by downtown buildings, property values and the city’s tax base. Residents would be ‘anchor consumers’ for downtown businesses and would keep downtown alive after business hours. The Vermont Downtown Program reports that the average downtown resident spends more than twice as much money at downtown businesses than the average person who works, but does not live, downtown. With limited opportunities for new single-family development and infill in established neighborhoods in Barre City, our downtown offers an excellent opportunity for substantial increases in the city’s housing stock.
4. **Affordable and Special Needs Housing.** Barre City’s housing stock includes a large number of modest, single-family homes that continue to offer some of the region’s most affordable opportunities for homeownership. As more affluent residents left for outlying rural communities, our stock of higher-end and larger homes was largely converted to multi-family rentals. The availability of centrally located land with access to public services led to several large subsidized housing developments being built in Barre City during the 1970’s and ‘80’s. As a result of all these factors, we presently provide more than our share of the region’s affordable and special needs housing. Thirty-nine percent of all the subsidized apartments in Washington County are located in Barre City (approximately 514 units) and the subsidized units account for 12% of all housing in the city (the 5th highest percentage of all Vermont municipalities).
5. **Moderate- and Upper-Income Housing.** Barre City has seen the supply of moderate- and upper-income housing decline in recent decades. This widening gap in our housing stock has weakened the city’s property tax base and resulted in a loss to the local economy. The result is reduced resources for city services and infrastructure, including the investments that are needed to make Barre City a desirable place to live. We want our city to remain an affordable and attractive community for those working in the region - a city that is home to a diverse population. In order to achieve this, we need to balance our housing stock by adding middle- and higher-end units and ensuring that the quality of existing homes is maintained or improved.
6. **Housing Quality and Neighborhood Stability.** More than half of Barre City’s homes were built before 1940 and are located in traditional, pre-war neighborhoods. These older homes and neighborhoods need ongoing improvement and maintenance if they are to remain healthy and desirable places to live. The national upheaval in the housing market after 2008 has led to higher rates of foreclosure and distressed residential properties being purchased by investors (often from other parts of the country). While there are many stable neighborhoods in Barre City, there is evidence that some of our neighborhoods are in transition away from homeownership towards rentals, and some are showing signs of decline as a result of that transition. Poor property management leads to the loss of neighborhood stability, which is more likely to occur if landlords with no connection to our community acquire a higher percentage of rental properties. Investment in the city’s homes and neighborhoods will have significant direct and indirect benefits to individual residents and families, and the community as a whole.

issues & challenges

Barre City has identified the following housing challenges and issues that need to be addressed to achieve our vision for a healthy future:

1. **Neighborhood Destabilization.** There is anecdotal evidence that some of Barre City's neighborhoods are experiencing destabilization. Our city's distressed neighborhoods have higher percentage of rental properties owned by absentee landlords, a higher percentage of properties that are neglected or not properly maintained, and a higher rate of tenant turnover. These factors can become self-reinforcing within a neighborhood and can lead to a downward spiral in property values and quality of life. More than half of the homes in the city are rented rather than owned and rental housing is not evenly distributed. There are blocks that are predominately owner-occupied and those that are mostly renter-occupied. The low rate of homeownership and the increasing rate of resident turnover in some neighborhoods is fraying our city's social fabric.
2. **Housing Quality.** The perception that some of Barre City's neighborhoods are in decline is largely driven by the condition and maintenance of homes. The most affordable housing tends to be in the neighborhoods closest to downtown, which are among the oldest in the city. These homes are most likely to need upgrades to make them more energy efficient or to remove hazards like lead-based paint. While buyers may be able to purchase a house in Barre City, they may not have the additional resources necessary to repair or maintain their home, particularly if it is an older structure with a backlog of deferred maintenance. Rents in Barre City are largely driven by the HUD Fair Market rates and many landlords believe that at those rental rates there would not be an adequate return on their investment if they made significant improvements. Additionally, landlords who receive fixed rents through state or federal programs have little incentive to make improvements beyond what is needed to meet minimum standards. Buildings that are allowed to deteriorate decline in value, depress the value of surrounding properties, and generally make a neighborhood less desirable. More than half of the homes in Barre City were built before 1940 and most of the city's housing is located in established neighborhoods that formed 50 or more years ago. Our older housing stock needs regular repair and upgrades to provide residents with a safe and healthy place to live and contribute to neighborhood quality of life.
3. **Demand for City Services.** The amount of rental housing, and housing for very low-income households or populations with special needs in Barre City has increased demand for city services, particularly police and emergency response. The cost of providing these city services is borne primarily by property taxpayers, many of whom perceive that those who pay higher city taxes tend to use less services, while those who pay lower city taxes use more services. A balanced housing stock and a broader distribution of wealth is essential to ensure our tax base is adequate to support the provision of city services necessary to maintain a healthy community with a good quality of life.

strengths & opportunities

Barre City and its partners have already acted to address housing issues, and there remain many strengths and opportunities we can build upon to continue those efforts as we strive to achieve our vision for a healthy future:

1. **Support and Programs.** The city and several partner organizations are available to assist current or potential residents with a variety of housing issues in Barre City. Downstreet Housing and Community Development (Downstreet) operates a NeighborWorks HomeOwnership Center in Barre City and administers a variety of programs for homebuyers from education to grants for income-eligible households. Downstreet also offers assistance with home improvements to income-eligible households. Barre Housing Authority, Washington County Mental Health, Capstone Community Action Council (Capstone), the Good Samaritan Haven, and others also provide housing-related support and programs in the city. (A more complete list of programs and services is included on page 3-8 of this plan.)
2. **Affordable Housing.** Barre City is an affordable community to purchase or rent a home. Much of the city's historic housing stock is composed of modest, single-family homes on small lots – what would now be described as workforce housing – and these homes provide some of the best opportunities for first-time homebuyers and affordable homeownership in the region. The median sale price of a primary home in Barre City has been at least \$40,000 lower than the county average and \$70,000 lower than the state average throughout the past decade. Rents are also affordable at a median average of \$715/month and there is an ample supply of rental housing. Our city is a very affordable place for younger people to get started in and older people to downsize and retire to. This is something that should be marketed to a broader audience.
3. **Rental Registration Inspection Programs.** Barre City has an ordinance that requires annual registration of all rental units and establishes minimum standards for rental housing. Barre City has operated a rental housing inspection program since 2004 to maintain a minimum housing quality level. In 2012, the Barre City Fire Department's Code Enforcement Office took over responsibility for the inspection program from the Building Department in order to increase staff capacity for this program. Rental units are inspected every 4 years presently, and each rental unit has been inspected at least twice now. There are typical issues with landowners making appointments for inspection or for follow-up, but overall the City feels this program is running smoothly.
4. **Taxes.** Barre City has local tax stabilization programs for residential properties being substantially improved by locking-in their lower pre-renovation assessments for up to 10 years. Barre City is the only community in the state with a local tax stabilization program that applies to both the municipal property tax and the education property tax. Additionally, within the state-recognized designated downtown, property owners may be eligible for state income tax credits for building improvements.
5. **Public Infrastructure and Services.** Barre City has public water and sewer infrastructure, and both systems have capacity available. Cell phone service and broadband internet service are both available throughout the city. The city's parking permit system allows for overnight parking for downtown residents in city-owned lots, although the number of spaces designated for overnight or long-term parking may need to be increased as the amount of downtown housing increases. The lack of dedicated parking for some downtown buildings may be a disincentive for increasing the number of upper floor apartments.
6. **Regulations and Permitting.** It is possible to build housing in Barre City at much higher densities than in most Vermont communities and there remains land suitable for new construction and infill development. The city has a zoning administrator available to assist applicants with navigating the regulatory and permitting system. Barre City has increased what

development activities can be reviewed administratively by staff and be approved without requiring a DRB hearing.

goals & strategies

Barre City has established the following housing goals and strategies in order to achieve our vision for a healthy future:

- 1. For Barre City to encourage new residential development as part of an effort to reverse recent declines in the city's population and further the state's planning goal of maintaining the historic settlement pattern of compact village and urban centers separated by rural countryside.**
 - A. Plan to accommodate much of the city's new housing downtown.
 - A-1. Promote new mixed-use development and rehabilitation of existing buildings that includes residences on the upper floors.
 - B. Allow for mixed-use redevelopment of existing commercial and industrial buildings, particularly projects that preserve historic downtown buildings and granite sheds.
 - C. Continue allowing the creation of accessory dwellings within existing homes or outbuildings as required by state law.
 - D. Continue support of Downstreet Housing's endeavors in the city.
- 2. For Barre City to promote investment in new residential construction, and in the maintenance and rehabilitation of the city's existing housing stock.**
 - A. Provide a user-friendly environment that encourages residential developers to invest and construct within the city.
 - A-1. Work in partnership with landowners and developers to overcome hurdles, such as the ownership of 'paper streets' or the need for infrastructure upgrades, that are preventing infill development on vacant lots in the city.
 - B. Encourage the maintenance of the city's existing housing stock and the rehabilitation of deteriorating or substandard housing.
 - B-1. Continue efforts to improve the quality of rental housing in the city and to ensure that residents do not live in substandard, unsafe or unhealthy conditions by maintaining our rental registration and inspection programs, and strengthening our rental housing codes and ordinances.
 - B-2. Continue to offer municipal tax stabilization for major improvements to residential property and increase public awareness of this program.

- B-3. Support efforts and programs to improve the energy efficiency of homes in Barre City, particularly those focused on upgrades to rental and affordable housing.
 - C. Recognize that the city has a finite amount of open land suitable for residential development and encourage well-planned development that makes efficient use of this limited resource.
- 3. For Barre City to stabilize, protect and enhance the character of residential neighborhoods and the quality of life they provide for residents.**
- A. Ensure that infill development within existing neighborhoods will be harmonious with the scale, density and character of nearby homes.
 - B. Manage the conversion of single-family homes to multi-family or non-residential uses in order to minimize impacts on neighborhood character and quality of life.
 - C. Provide opportunities for small-scale, neighborhood-oriented shops and services within walking distance of most of the city's residential areas.
 - D. Maintain and improve playgrounds, greenspace and parks in the smaller neighborhoods.
 - E. Spur private investment in the preservation, renewal and renovation of homes and neighborhoods to avoid potential decline.
 - D-1. Monitor vacancies, rental inspection results and property maintenance/building code enforcement actions to direct revitalization efforts towards struggling neighborhoods.
- 4. For Barre City to have a more balanced and diverse housing stock, while remaining a community where working people can afford to buy or rent a home.**
- A. Maintain Barre City's role as community where residents working in the city and region can afford to buy or rent a home.
 - A-1. Encourage preservation of the city's existing supply of 'starter homes' and new home construction to serve the first-time homebuyer market.
 - A-2. Promote programs and strategies that provide assistance with housing costs for low- and moderate-income households.
 - A-3. Promote programs and strategies that help control rising housing costs.
 - B. Maintain a rate of homeownership in Barre City that results in at least 50% of properties in each neighborhood being owner-occupied.
 - B-1. Promote programs and strategies that provide assistance to current renters who are capable of and interested in buying a home.
 - B-2. Promote programs and strategies to encourage owner-occupied rental properties.
 - C. Promote residential development that responds to the needs of people across all the city's economic and social groups.

- C-1. Expand the housing choices available to buyers in Barre City to include options other than single-family detached homes (townhouses, row houses, condominium units in mixed-use buildings, etc.).
 - C-2. Allow for and encourage development of alternatives to fee-simple home ownership and for-profit rentals such as community land trusts, limited-equity condominiums and cooperatives.
 - C-3. Include housing units at a variety of price points within new residential developments and downtown mixed-use buildings.
 - C-4. Facilitate the integration of households with various incomes into all neighborhoods and the dispersal of affordable housing throughout the city.
- D. Maintain an adequate supply of housing that can provide those with limited means, disabilities or other special needs a safe, stable and healthy place to live.
- D-1. Offer residents an opportunity to live in economically and socially diverse neighborhoods.
 - D-2. Distribute housing targeted to a particular population group (elderly housing, subsidized housing, group homes, etc.) among the city's neighborhoods and avoid clustering such housing within any single neighborhood.
 - D-3. Encourage a more balanced distribution of affordable and special needs housing among Central Vermont municipalities.
 - D-4. Balance any loss of affordable housing due to downtown redevelopment and revitalization projects with creation of equivalent affordable units within new buildings and/or distributed around the city.
-

next steps

Barre City should pursue the following actions in order to achieve our vision for a healthy future:

- 1. Undertake a study to document the occupancy of downtown buildings and recommend strategies to encourage use of upper floors for housing.**

Status: No action taken to date.

Timing: 2022

Partners: Barre Partnership, City Assessment Department, City Planner, Planning Commission, Downstreet Housing

Notes: This study should include an inventory and assessment of the condition, use and occupancy of the upper floors of buildings in the downtown business district. Based on the

findings, recommendations should be developed to increase the utilization of upper floor space for housing.

2. Implement a pilot program that would assist with the purchase and management of owner-occupied rental properties in the city.

Status: No action taken to date.

Timing: 2023

Partners: Downstreet Housing; Capstone Community Action Council

Notes: Downstreet has indicated an interest in partnering with the city on a program that would help buyers purchase and manage owner-occupied rental properties. A new source of funding would need to be found to support the program as it would not be eligible under Downstreet's current funding streams.

3. Amend the city's Minimum Housing Code to incorporate stronger and more effective standards.

Status: No action taken to date.

Timing: 2023

Partners: City Planner, City Fire Department, Vermont Department of Health, Downstreet Housing, City Attorney, City Council

Notes: Barre City has a Minimum Housing Ordinance that could be further amended to strengthen the city's minimum housing standards. The current code is based on the HUD minimum standards. Consideration should be given to incorporating additional standards related to energy-efficiency and healthy living conditions. The Vermont Healthy Homes Program has produced a rating tool and reference manual that could be consulted, and Burlington's housing code could be used as a model.

4. Encourage home-sharing as a means of keeping larger single-family homes intact.

Status: No action to date.

Timing: 2021

Partners: City Planner, Downstreet Housing and Community Development; HomeShare Now

Notes: Encouraging home-sharing is one way to avoid conversion of larger homes to rental or multi-family units and would provide additional benefit of helping residents afford and invest in the older housing stock that was at one time prime single-family housing. Rental units within the neighborhoods have begun to depreciate neighboring homes and neighborhoods making them less desirable.

5. Consider implementing a Housing Preservation Loan Program to help with the repairs needed to homes in the City.

Status: No action to date.

Timing: 2020-2021

Partners: City Council, City Clerk/Treasurer, City Finance Director, City Planner

Notes: Montpelier’s Housing Preservation Loan Program could serve as a model guide to implementing something similar for Barre City.

benchmarks

Barre City should measure progress towards achieving our vision for a healthy future against the following benchmarks:

1. Percentage of Barre City households spending more than 30% of their income on housing.

Households that spend too much of their income on housing often find themselves unable to afford other necessities such as food, health care, transportation, child care, and clothing. The generally accepted rule of thumb is that housing expenses (including utilities and taxes) should constitute no more than 30% of household income. *Source: Vermont Housing Finance Agency’s Housing Data*

In 2010: 44%
In 2017: 48%
Target for 2025: 35%

2. Home ownership rate in Barre City. Home ownership provides many benefits including tax benefits, collateral for financial emergencies, and opportunities for wealth creation. Home ownership is associated with increased residential stability and creates incentives for personal investment in home maintenance, neighborhood improvement, and community involvement. *Source: US Census Bureau, Decennial Census*

In 2010: 43%
In 2017: 48%
Target for 2024: 50%

3. Percentage of rental housing in Barre City that is owner-occupied. Owner-occupied rental properties are less likely to have tenants that are disruptive to the neighborhood (noisy, disorderly conduct, criminal activity, trash accumulation) because the landlord lives nearby and will likely not want to live next to a bad neighbor. Owner-occupied rental properties can make home ownership more affordable both through the direct rental income and through various tax benefits. *Source: Barre City Grand List*

In 2010: 20%
In 2019: 23%
Target for 2025: 25%

4. **Percentage of rental units in Barre City inspected and brought up to code each year.** Homes that are poorly designed, constructed or maintained can make residents sick. Homes with inadequate heating or ventilation can lead to the growth of mold and dust mites, resulting in asthma and respiratory allergies. Older homes may have lead-based paint that can cause lead poisoning, particularly in young children. The likelihood of physical hazards in a home is related to housing affordability. *Source: Barre City Fire Department*

In 2010: unknown

In 2018: 46%

Target for 2024: 75%