

Housing Action Plan:
Building a More Affordable, Livable, Walkable, Sustainable, and Vibrant Community
11/10/14 DRAFT

For over 30 years, the City of Burlington has identified housing affordability as one of its most significant challenges. The City and its residents have responded to this challenge by investing resources and policy focus on low- and moderate-income housing, and this effort has made living in Burlington affordable for thousands of households.

And yet, the cost of housing in Burlington remains a major challenge for residents across much of the income spectrum. The Downtown Housing Strategy Report commissioned by the City in the spring of 2014 found that Burlington renters (about 58 percent of the community) spend an average of 44 percent of their income on housing, one of the highest ratios of any American city. Further, the report found that Burlington is lagging behind the region and peer cities in the production of new downtown housing – housing that is particularly important for serving low-income families, young professionals, empty nesters, and seniors.

Creating a strong housing market in the City's downtown is crucial to making Burlington more affordable, livable, walkable, sustainable, and vibrant for all its residents. More housing downtown means less need for cars, less congestion, less environmental impact, improved active transportation options, job creation, and increased economic activity. Further, the lack of sufficient housing supply is having a negative impact on historic neighborhoods near the University of Vermont (UVM) and Champlain College, and it is likely contributing to the deterioration of much of the City's historic housing stock.

In short, it is time for Burlington to re-dedicate itself to addressing its housing affordability challenge and to consider initiatives that go beyond the City's current approach. While strengthening its commitment to serving low-income households through traditional housing programs and its nationally and internationally celebrated affordable housing non-profits, the City must also pursue new strategies to substantially increase housing options for all Burlingtonians.

This Housing Action Plan defines the parameters of the City's housing policy by establishing the 17 housing strategies the City will pursue. These strategies are grouped into four focus areas. Importantly, substantial advancement of every strategy will require further collaboration with and action by the City Council. As articulated by residents in the City's inclusive public engagement planning effort *planBTV – Downtown and Waterfront*, the Burlington community envisions significant new housing that is consistent with the City's current character and helps make the future of Burlington more vibrant, green, pedestrian and bike-friendly, healthier, and more affordable. This Housing Action Plan is a step in translating that community vision into reality that benefits all residents.

I. Reduce regulatory barriers and disincentives to new housing production.

Unnecessary or ineffective local land use regulations and fees can have a dramatic impact on the cost and feasibility of new housing. The City should pursue reforms in a number of areas:

1. Eliminate Parking Minimums in the Downtown. Current regulations do not allow existing or new parking to be built and utilized efficiently, and unnecessary parking requirements can increase the cost of a housing unit by 15-30 percent.¹ This pushes the cost of housing out of reach for many, helps deter the development of new housing, and results in the waste of considerable public dollars used to subsidize ultimately underutilized parking infrastructure. Recent research has demonstrated that, even at its busiest times Burlington has large numbers of underutilized parking spaces in public and private facilities. Burlington should join the large and growing number of cities of all sizes in eliminating downtown zoning parking minimums while also addressing concerns of the residents in the neighborhoods in the transition zones around the downtown—who have different parking needs—with targeted, well-designed parking protections.
2. Implement a Form-Based Code in the Downtown and Waterfront to Encourage New Housing Investment. The City's Zoning Ordinance includes provisions that require permitting officials to make subjective decisions, thereby making the permitting process inherently uncertain for developers and neighbors alike. This uncertainty has played a significant role in the lack of new housing being built in downtown Burlington. Across the country, numerous communities are turning to Form-Based Codes to both reduce the uncertainty of development permits and improve the quality of new development. On October 20, 2014 the City Council passed a resolution that stating that “overall purpose of the proposed form-based code to promote and advance new infill development and adaptive re-use in the Downtown and Waterfront areas that reflects Burlington’s character and sense of place while taking advantage of limited opportunities for new development at modestly larger scales and densities where appropriate.” The City should complete this effort.
3. Consider Revisions to the Inclusionary Zoning (IZ) Ordinance to Better Meet Housing Goals. Testimony submitted and research conducted in preparation for this Housing Action Plan have raised serious concerns about the effectiveness of the IZ Ordinance in meeting its stated goals and its impact on new housing construction. The Community and Economic Development Office (CEDO) should be tasked with considering improvements to the IZ Ordinance to better achieve its affordable housing production and economic integration goals, and reporting back to the City Council within 90 days.
4. Reform the Building Code. Numerous parties have raised concerns about the manner in which the City has chosen to create and implement its building code. The Fiscal Year (FY) 2016 budget should include funding for the City to hire a consultant to (i) undertake a thorough review of the City’s construction-related code of ordinances, (ii)

¹ See the “Downtown Parking Amendment,” memorandum of April 30, 2013, prepared by David White for the City Council’s Ordinance Committee (information in the memorandum was obtained from the national parking consultancy, Nelson-Nygaard). Parking requirements are also estimated to reduce the supply of housing by 15-25 percent.

recommend reforms to update, revise, eliminate, and consolidate the building code, (iii) apply relevant best practices from other communities, and (iv) ensure that our code truly reflects what is needed to address housing safety, affordability, accessibility and availability.

5. Explore the Adoption of a Rehabilitation Code. “Rehab Codes” have been successful in other cities in encouraging reinvestment in older buildings. The Building Code consultant referenced in recommendation #4 above should also make recommendations to the City with respect to the adoption of a rehab code.
6. Reduce Inappropriately High Residential Zoning and Building Fees. High building fees can unnecessarily increase the cost of housing and impact project feasibility by driving up early, high-risk project costs. Some of Burlington’s construction-related fees are unusually high and should be adjusted to ensure the rates reflect the City’s costs of permit processing. The Planning and Zoning Department should be directed to review the fee schedules for residential development and consider revisions during the FY16 budget process.
7. Review South End Zoning and Housing Policies as Part of the planBTV: South End Process. The South End is a dynamic and growing part of the City with a thriving arts community and wonderful historic neighborhoods. There are also numerous surface parking lots and underutilized sites within the South End that potentially could provide substantial housing opportunities but that do not currently permit residential use. The planBTV: South End process that has just begun should carefully assess the full range of community needs and consider whether there are any opportunities – including in targeted areas such as the Railyard Enterprise Zone or Blodgett property, for example – for housing in the South End that will be consistent with or even enhance the dynamic South End arts and business communities and complement the area’s historic neighborhoods.

II. Pursue new strategies for housing college students to improve quality of life in historic neighborhoods and reduce student pressure on rents.

Approximately 3,000 undergraduates currently live off campus in Burlington’s residential neighborhoods.² Multiple students living in housing that was originally built for families can increase parking pressures, create lifestyle conflicts with long-term residents, and drive up market rents. The City should directly engage this issue:

8. Over the Next Five Years, Create Approximately 1500 New, Purpose-Built, Well-Managed Student Housing in Locations (on Campus and in the Downtown) and Facilities Where They Will Not Conflict with Residential Neighborhoods. Meeting this goal will reduce the number of students living off-campus in Burlington off-campus by approximately 50 percent and restore a better balance to many historic neighborhoods.

² Approximately 3650 undergraduate students who attend the University of Vermont live off-campus in a given year. However, many of these students study abroad, live with family, or live off-campus but not in Burlington. UVM believes 2200 is a better point-in-time estimate. Approximately 1000 Champlain students also live off campus, and similar caveats apply. This means that roughly 3000 students live in Burlington and compete for the limited housing options available in the City.

9. Negotiate Significant Extensions of College Housing Commitments. UVM and Champlain College are both currently operating under agreements with the City that ensure that additional students will be housed on campus. The City should seek extensions of these agreements to ensure that strategy #7 is not undermined.
10. Create a Neighborhood Stabilization Program For Neighborhoods Heavily Impacted by Students. Creating new purpose-built student housing would create the opportunity for quality of life improvement in the neighborhoods near the colleges. However, residents of those neighborhoods are calling for a pro-active initiative to accompany strategy #7 and ensure this outcome, and the City's spring 2014 *Downtown Housing Strategy Report* found some examples of such efforts in other cities. One concept is the creation of a fund designed to encourage a greater proportion of owner-occupied homes in neighborhoods with large concentrations of college students. CEDO should be tasked with proposing a new Neighborhood Stabilization Program to the City Council within 90 days.

III. New Homeless Housing and Low-income Housing Strategies

Building on the City's strong record of creating and preserving low-income housing, the City should pursue these additional strategies.

11. Increase Revenues for the Housing Trust Fund: Over the last decade, federal cutbacks have significantly reduced the availability of housing subsidies in Burlington. In addition, the FY05 changes to the Inclusionary Zoning Ordinance have reduced locally generated Housing Trust Fund (HTF) revenues. During the FY16 budget cycle, the City should prioritize a tax-rate neutral increase in revenues to the HTF (allocating a full penny per every \$100 of property value would increase annual funding from around \$190,000 to \$360,000) and during CEDO's review of the Inclusionary Zoning Ordinance strategies that restore revenues to the HTF should be considered.
12. Explore Housing First: A tremendous amount of good work is already underway in Burlington, including rapid re-housing tools and programs like a risk guarantee fund for landlords, transitional and permanent housing programs through Spectrum, Howard, COTS, Lund, and others, and homeless prevention through the Housing Resource Center. Innovative new initiatives, like Family Supportive Housing and the Opportunities Fund and Compass program, also hold promise for strengthening our response to chronically homeless families and individuals. To help support a particularly vulnerable population, the chronic homeless, CEDO is examining a model successful in other locations known as Housing First in consultation with the Continuum of Care partners. A Housing First approach prioritizes offering the choice to move into permanent housing to the most vulnerable chronic homeless members in the community. Permanent housing is combined with available supportive or wrap-around services, but this approach does not require individuals earn the right to housing via employment, sobriety or health. Should the Continuum of Care support the approach, a likely next step would be a coordinating a set of policy changes among homeless service providers to prioritize permanent supportive housing to those most at risk with a goal of housing 2.5 percent of the homeless per month.
13. Explore Establishing a Low-Barrier, Cold Weather Shelter: In concert with the Housing First approach, the City should explore establishing a low-barrier, cold weather shelter in Burlington. The existence of such a shelter should decrease the number of people in

encampments and allow consistent access for social workers to homeless persons. The low-barrier shelter thus serves as an important node among social service providers, the chronic homeless, and access to programs like Housing First.

IV. Provide Appropriate Housing Options for an Aging Population

Nearly 10 percent of Burlington's population is over 65, with that percentage expected to grow in the decades to come as by 2017 one in three Vermonters will be 55 years of age or older. Burlington's changing demographics offer an opportunity to make our City a tremendous place to grow old.

14. Explore Strategies to Expand Accessibility: CEDO should undertake an evaluation of best-practices regarding accessibility issues and new construction and issue a report to the City's Accessibility Committee within one year of the adoption of this report by the City Council.
15. Consider Expanded Home-Sharing: There are currently about 20 Home-Sharing arrangements in Burlington through HomeShare Vermont. This model provides affordable housing without the expense of development while also allowing seniors to age at home. CEDO should explore options to support more home-owners entering into Home-Sharing arrangements.
16. Review Accessory Dwelling Units: These units are separate housing units built within single family homes or in a smaller structure on the same piece of land, and can help relieve pressure on a community's housing market as well as allow an aging population to remain in their home. CEDO, in consultation with the Department of Planning and Zoning, should evaluate the consequences of incentivizing this kind of construction within one year of the Housing Action Plan's adoption by the City Council.
17. Code for our Community: The practice of Universal Design can dramatically reduce the cost of converting conventional housing to Americans with Disability Act (ADA)-compliant, accessible housing in the future. The Code Review proposed in recommendation #4 above should include consideration of additional Universal Design requirements.