

Housing Action Plan:
Building a More Affordable, Inclusive, Livable, Walkable, Sustainable, and Vibrant
Community
3-20-15 DRAFT

Introduction

For over 30 years, the City of Burlington has identified housing affordability as one of its most significant challenges. And, over the past 30 years, the City, its residents, and a collection of dedicated affordable housing non-profits have worked together to meet this challenge and developed innovative ways to make Burlington affordable for thousands of low and moderate income households. Some of these approaches – like the shared-equity home model that keeps housing perpetually affordable – have garnered national and international recognition. Even with our community’s great history, necessary work remains to create new housing options for the City’s low-and moderate-income residents. As this Housing Action Plan outlines below, the City intends not only to continue supporting these successful efforts, but also to expand upon them.

The Housing Action Plan also contains proposals to help reduce the cost of housing in Burlington for all residents, in addition to supporting what is traditionally described as affordable housing.¹ The cost of housing in Burlington remains a major challenge for residents across much of the income spectrum, and in particular those who make enough money that they are not eligible for subsidized housing, but struggle to compete in an unhealthy housing market where demand has far outstripped available supply. For example, 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.

Addressing the inadequate supply of both subsidized and non-subsidized housing in a way consistent with the community’s character is therefore crucial to creating a healthy housing market in the downtown and across the City that helps residents of all income levels. A functioning housing market would help make Burlington more affordable, inclusive, livable, walkable, sustainable, and vibrant for all its residents, since more housing downtown means less need for cars, less congestion, less environmental impact, improved active transportation options, job creation, and increased economic activity.

To achieve this end, the Housing Action Plan outlines 18 proposals in five categories in the sections that follow. Several of these proposals are already underway and represent the Administration’s highest housing-related priorities – for example, the proposals around the form-based code and parking minimums have been the subject of substantial Council discussion over the past year and follow previously-established Council timelines. These

¹ “Affordable housing” is defined here as housing built with subsidy and generally intended to help those at or below 80 percent of average median income (AMI). In Burlington, 100 percent AMI is roughly \$80,000 for a family of four. “Low income” is roughly 65 percent of median and below, while “moderate income” is about 65-80 percent AMI.

proposals are also included in the Housing Action Plan because of their direct and substantial impact on the City's housing policy. The substantial advancement of these and every proposal detailed below will require further collaboration with and action by the City Council.

The first section focuses on addressing some of the regulatory barriers that have sharply limited Burlington's ability to create new subsidized and non-subsidized housing options over the last 15 years – a time period when other cities around the country experienced a renaissance in their downtowns.² In the second section, the Housing Action Plan focuses on using existing municipal tools strategically and expanding public resources to develop perpetually affordable low-income housing, promote the value of inclusion described in the City's inclusionary zoning ordinance, and better support those not eligible for subsidy but unable to compete within Burlington's housing market.

The final three categories, while in important ways related to the fundamental challenge in Burlington – a lack of housing stock – focus on enduring community challenges that extend beyond questions of supply and demand. First, the lack of sufficient housing is exacerbating quality of life issues in our historic neighborhoods, particularly near the University of Vermont (UVM) and Champlain College. Students are competing with residents for rental units, and the volume of demand encourages some landlords to allow the quality of their housing to deteriorate. Second, the Housing Action Plan codifies the City's support for the Housing First approach as presented by the Continuum of Care (and community efforts to create a sustainable warming shelter). And third, the Housing Action Plan outlines a number of proposals intended to help Burlington consciously take steps now to support an aging population in the future.

In short, after 30 years of great progress as a community, it is time for Burlington to re-dedicate itself to addressing its housing affordability challenge by expanding the resources dedicated to low- and moderate-income residents for affordable housing while also adopting new initiatives that increase housing options for all

Burlingtonians. 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 – which has benefited from extensive public comment over the previous several months and substantial input from the City Council's Community Development and Neighborhood Revitalization Committee – is a step in translating that community vision into reality that benefits all residents.

² At a time when other cities across the nations revitalized their downtowns, Burlington built only 18 market rate rentals in its downtown (551 units of all types were built across the City). Over that same time period of 2002 – 2013, 2841 units were built in Chittenden County, with all the attendant health and environmental impacts associated with suburban sprawl and the development of far-flung exurbs.

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. Consider Eliminating 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.³ 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. Pending the results of the parking studies now underway, Burlington may 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 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 Council also established a joint committee with the Planning Commission to review the Form-Based Code. The City should complete these efforts.
3. 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) 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. If the FY16 budget is approved by the Council, Community and Economic Development Office (CEDO) will lead this effort.

³ 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.

4. Explore the Adoption of a Rehabilitation Code. “Rehab Codes” have been successful in other cities in encouraging reinvestment to help restore older buildings without compromising preservation values. The Building Code consultant referenced in recommendation #3 above should also make recommendations to the City with respect to the adoption of a rehab code.
5. 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 may be unusually high or timed in ways that dis-incentivize the construction of new units and should be adjusted to ensure the rates reflect the City’s costs of permit processing, with particular attention to staffing costs. The Planning and Zoning Department should be directed to review the fee schedules for residential development and consider revisions during the FY16 or FY17 budget process.
6. 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, St. Paul Street, 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. As part of this process, the Planning and Zoning Office will be investigating, developing, and implementing strategies to prevent over-gentrification and preserve the affordability of existing housing, artists’ work-spaces, and small-business spaces in the South End.

II. Expand and Strategically Apply Municipal Resources to Support New Low-Income Housing Construction and Better Assist Those Ineligible for Subsidy but Unable to Compete in Burlington’s Housing Market.

7. Prioritize Affordable Housing Preservation: Take active steps to preserve affordable housing, including engaging and supporting the affordable housing stock at Farrington’s Mobile Home Park.
8. Focus and Expand the Housing Trust Fund (HTF): The HTF provides valuable “seed” capital for necessary but high-risk pre-development work and capacity grants for affordable housing projects. Beginning in FY16, the HTF should focus primarily on providing this support to projects benefiting low- and moderate-income residents (those below 80 percent AMI). At the same time, 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)
9. Consider Revisions to the Inclusionary Zoning (IZ) Ordinance to Better Meet Housing Goals and Better Complement the HTF. Testimony submitted and research conducted in

preparation for this Housing Action Plan has raised concerns about the impact of the IZ Ordinance new housing construction. One idea proposed at the CDNR discussion would be to better complement the HTF by focusing reforms to the inclusionary zoning ordinance to better help the low-to-moderate income population of the City, but altering the IZ thresholds to focus on City residents with incomes in the 80 to 120 percent of AMI range for rental properties, while maintaining its 65 percent AMI threshold for home sales. Another proposal involves returning to the pre-2007 formulation of IZ in which builders had viable option of contributing to the HTF instead building all inclusionary units on site. 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 of the adoption of this plan.

10. Consider Continued Assistance for 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 low-income residents or seniors to age at home. The City supported HomeShare Vermont with a \$7500 capacity grant through HTF in FY15, and CEDO should consider continued support for home-owners entering into Home-Sharing arrangements.

III. 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.⁴ Multiple students living in housing that was originally built for families increases parking pressures, creates lifestyle conflicts with long-term residents, and drives up market rents. The City should directly engage this issue by: working to hold the institutions accountable for student behavior, encouraging the maximum amount of students appropriate to be housed on campus, supporting potential on campus housing development opportunities, and prioritizing efforts to address enduring quality of life concerns in the City:

11. Over the Next Five Years, Create Approximately 1500 New, Purpose-Built, Well-Managed Student Housing Beds 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's historic neighborhoods by approximately 50 percent and restore a better balance to many of those neighborhoods. The City will not use public resources to subsidize student housing. Of the 1500 beds, approximately 300 are accounted for by Champlain's Eagles project, 300 are accounted for by UVM's redevelopment of the dormitories being rebuilt as part of the hospital expansion project (which will result in a net increase in on campus beds of that amount), leaving approximately 900 beds to make the goal.

⁴ 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.

12. 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 #11 is not undermined, and should emphasize the importance of housing as many students on campus as possible.
13. 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 #11 and ensure this outcome, and the City's spring 2014 *Downtown Housing Strategy Report* found some examples of such efforts in other cities. As part of the Eagles Landing settlement agreement, Champlain College agreed to work with the City and members of Preservation Burlington to create a Neighborhood Stabilization Program known as the "Neighborhood Project." All three entities will contribute to the program, which will hire housing, planning, historic preservation, and real estate professionals to create "an overall strategy and toolkit of policies and programs based on national best practices" for enhancing neighborhood quality of life in the historic neighborhoods surrounding Champlain College and the University of Vermont. The City's contribution will be included in the FY16 budget proposed to the City Council and CEDO will be tasked with coordinating the work of the Neighborhood Project in FY16. The study will consider whether an Employer Assisted Housing Program could be a viable element of the Neighborhood Project.

IV. New Approaches to Chronic Homelessness in Our Community

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

14. 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, BHA 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 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. The City would seek to support non-profits and philanthropic entities to increase the available housing stock for homeless individuals and families where possible.

15. Explore Establishing a Permanent Low-Barrier, Cold Weather Shelter: In concert with the Housing First approach, the City should explore establishing permanent 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. This winter, thanks to the efforts of the Champlain Valley Office of Economic Opportunity and many others, a temporary warming shelter was established from February 6 – April 1, 2015.

V. 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.

16. 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.
17. 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 and establish clear protections that prevent such units intended for the elderly to be monopolized by students within one year of the Housing Action Plan’s adoption by the City Council.
18. 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.