

Commentary on BTV Downtown Housing Strategy Plan

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Thank you for the opportunity to comment on the Downtown Housing Plan prepared by HR&A Advisors. I have five observations, offering a mix of praise, caution, and criticism.

COMMENT #1: Density should be encouraged. The report's most praiseworthy recommendation is to target and to encourage dense, multi-use development in the CBD and along the Pine Street corridor. Pine Street, in particular, could support the construction of hundreds of new housing units and the addition of dozens of shops and offices. Pine Street will never come to resemble the Pearl District in Portland or SoBro in Nashville, but significantly increasing the corridor's density and variety could transform this area into a vibrant urban village.

A major obstacle to achieving such development is the bias *against* density, embodied in the attitudes and politics of the proximate neighborhood and in the municipality's own regulatory environment. It's going to require a great deal of political courage on the part of the city's leadership to push past deep-seated resistance to any plan involving higher buildings, more units, and less land devoted to parking.

But the other obstacle is transportation. The only way to protect the livability and to ensure the vibrancy of a densely developed Pine Street will be to solve the problem of too many cars and too many bottlenecks along that corridor. Building the Southern Connector at long last would help (depending on the route eventually approved), but the Southern Connector will not do enough. It is not bold enough.

If the city is truly committed to encouraging dense, multi-use development along Pine Street, it needs to consider making a major investment in transportation infrastructure: namely, a streetcar (not a bus) running up and down Pine Street from Main Street to Queen City Park Road (or beyond). A **Queen City Streetcar** would not only spark development and relieve congestion along Pine Street; it would also reduce the number of cars entering the CBD, relieving downtown auto congestion as well.

COMMENT #2: Inclusion is the purpose of inclusionary zoning. The report offers a worthy observation with regard to *regional* inclusionary zoning. Although the way in which the report's recommendation is couched for extending Burlington's IZ requirement countywide *could* be read as a subtle slap at Burlington for daring to enact IZ on its own, I shall accept the report's recommendation at face value. The authors of the report seem to believe that a regional fair share commitment to affordable housing, implemented via IZ, would warrant the expenditure of staff time and political capital by Burlington's present mayoral administration to make it happen. I agree.

I heartily *disagree* with another IZ recommendation. The report wants to make it easier for developers to buy their way out of providing affordable housing on site; that is, within the

confines of their newly constructed projects. Remember, however, that the public purpose and social ideal that inclusionary zoning was intended to achieve was not merely to create more *affordable housing* but to ensure a more *inclusive community*.

When inclusionary zoning was debated and enacted in 1990, it was with a clear understanding and prescient vision of **not** wanting the waterfront, the downtown, or any other developing area or redeveloping neighborhood to become an exclusive enclave, where families with children and people of modest means could not be found. Portland, Nashville, and Austin might tolerate (and encourage) glittering districts of affluent young professionals, areas becoming less affordable and more homogenous every year, but that was not the direction that Burlington's leaders and citizens wanted to go.

It is no accident that Burlington's ordinance makes it difficult and expensive for developers to buy their way out of their inclusionary obligations, discouraging them from excluding affordable housing from their projects. Inclusion was the whole idea.

COMMENT #3: Attracting Yuppies won't make housing more affordable for families.

Despite repeated references to Burlington's housing affordability crisis, the report's central concern is the loss of affluent young professionals to the suburbs and to other states. The report's principal recommendation, accordingly, is to encourage the production of more market-rate rental housing to serve as a magnet for this desired demographic.

I have no objection to attracting more young urban professionals into Burlington (dubbed "Yuppies" by demographers long ago). It might even be true that more market-rate rentals would make Burlington marginally more attractive to this demographic, although I believe the report exaggerates the pent-up demand for this type of housing. If you build it, they might *not* come.

I do object to the report's disingenuous attempt to link this perceived problem of too few Yuppies to the documented problem of too little affordability. The report suggests that expanding the supply of market-rate rentals for well-heeled professionals will somehow relieve the shortage of affordably priced housing for low-income and moderate-income families in Burlington's neighborhoods. It won't.

Trickle down – or what housing economists call "filtering" – only benefits households in the middle of the market or at the bottom of the market when the pricey new housing being constructed at the top of the market is occupied by people moving out of existing housing within the same locality. This frees up older housing, according to the filtering model, for households who are less affluent than the ones who are moving up to new housing.

But if the housing being produced at the top of the market is being filled by Yuppies moving into Burlington from the suburbs or from other states – which is the report's whole reason for encouraging the production of this type of housing – filtering won't work. Not only will existing housing not be opened up for less affluent families, existing housing may actually become more expensive since new construction at the top of the market tends to pull prices upward, not to push them downward (unless the supply is growing much faster than the population).

In short, there is a contradiction at the heart of the consultants' report. You can either provide market-priced housing for out-of-town Yuppies or you can provide affordably priced housing for in-town residents, but you cannot do both at the same time with the same strategy.

COMMENT #4: College housing should be created by local colleges, not by the public.

While the report is wrong in suggesting that more market-rate rentals in Burlington's downtown would open up more family housing in Burlington's neighborhoods, the report is correct in saying that producing more *student* housing would have this salubrious effect. College students already occupy hundreds of units of housing in Burlington's residential neighborhoods. Drawing them out of these neighborhoods would indeed free up many units for families – and might moderate housing prices as well.

The question that must be asked, however, is whether municipal resources should be used to subsidize the production and operation of housing for a student population residing in Burlington for a few special years? The report says yes. I say no. Other projects and populations have a higher claim on these scarce resources.

The city has no business using its lands, grants, loans, or regulatory favors to help in housing college students. That should be the responsibility of the tax-exempt institutions that recruited them, not the taxpaying citizens that reside beside them.

COMMENT #5: Public resources should be invested in permanent assets with a lasting public benefit. Whenever scarce municipal resources are used to subsidize affordable housing, the municipality should invest only in projects where the public purpose is perpetuated; where the affordability created by the public's investment lasts a very long time. This has in fact been a priority and policy of the City of Burlington for over 30 years and of the State of Vermont, via the Vermont Housing and Conservation Board, for over 25 years.

It is notable and regrettable that the Housing Plan prepared by HR&A Advisors makes no mention of this prudent, fiscally conservative policy, one that has enabled Vermont to avoid many of the failures of vanishing affordability, deferred maintenance, and mortgage foreclosure that have marred the subsidized housing of other states.

The Plan may be right in suggesting that the time has come for the City of Burlington to reevaluate what mix of household incomes and what mix of housing tenures are needed to ensure sustainable and equitable development in the city's downtown neighborhoods. It may be reasonable for the city to target resources and incentives to easing the housing burden not only of the poorest families, but also of office workers, first responders, teachers, artisans, and entrepreneurs earning a moderate income.

But adjusting (and mixing) the WHO to be benefited by the public's investment should *not* be done by abandoning the HOW that has proven its worth over several decades. Burlington should stay the course. Invest only in housing that remains accessible and affordable for the same population for which it was created, protecting it against the boom and bust of a volatile economy. Invest only in housing that lasts.