

The HOUSING NUT - Revised

Despite being the cultural and economic center of Burlington—abounding with business, shopping, dining, entertainment and waterfront recreation—downtown Burlington has an extreme shortage of housing. Yet Burlington’s downtown is a location that is a highly desirable place to live for young professionals, empty-nesters, students and others because of its urban convenience and vitality.

With almost 30% of the housing units in the downtown and waterfront considered “affordable” under typical definitions, Burlington and its non-profit housing partners have done an outstanding job of providing for the needs of many low income, seniors and disabled tenants. On the other end of the spectrum, condominium development in recent years has demonstrated the ability of the market to provide higher-end housing. Yet in the middle there is a growing divide between the two where many prospective residents can’t afford the high-end market-rate units, yet have too much income to qualify for subsidized “affordable” units. And very few new units of any kind – low, middle or high – are coming on-line to meet the demand. This is not unique to Burlington - it’s a common and deep problem that affects many cities and college towns in particular, resulting in a loss of economic activity and missed opportunities to build social capital.

More Housing Period...

Previous studies have all called for more housing in Burlington, citing the importance of enabling a full cross section of people to live downtown and the surrounding area. Increasing the amount and diversity of housing can help to address several important community objectives – particularly economic vitality, energy consumption reductions, decreased traffic congestion and social equity. Dramatically changing demographics here and across the country are working in our favor – the baby-boomers are looking to downsize and live in close proximity to work, entertainment, culture and services, while the millennials (students and young professionals) are looking to become active participants in an urban lifestyle, drive less (or at all), and also want to live close to job and entertainment centers. The city has also seen its population diversify with the coming of many refugees. Fifty or so languages are now spoken in our schools. Affordability of housing is also an issue as is the lack of larger units that can accommodate extended families living under one roof.

A greater diversity of housing choices will ensure a broader and healthier customer and employment base to support new and expanding downtown business, in turn boosting economic vitality. Each additional household can bring as much as another \$16,000 of annual spending in the downtown. This in-turn helps to support local businesses and can help to diversify the retail mix with things like hardware, electronics, grocery and general retail. More housing will support rapidly growing businesses that are desperate to attract and retain this highly educated and mobile workforce. More housing will also support the retail, hospitality and service workers that are the backbone of our service economy and urban entertainment culture.

Urban dwellers typically have lower energy costs and a smaller carbon footprint than their rural counterparts given the reduced transportation costs and access to an energy system heavily weighted towards renewables and conservation. More housing also is the single most effective tool at reducing downtown traffic congestion and parking demand because more people can walk, bike or take transit to work thereby making it possible to own just one car (or even none). More than 25% of Burlington residents already walk or bike to work – more than 3 times the rate of the rest of the region.

With a historic residential vacancy rate of less than 3%, the creation of additional housing has proven to be **a tough nut to crack**. However, there are a number of strategies that can and should be employed to encourage the creation of significantly more housing – particularly affordable and affordable market-rate units. The time is especially good given historically low interest rates and construction costs.

So time to bring out the nutcracker!

Reducing Regulatory Barriers

Despite an incredibly low vacancy rate, and a high demand and desire for more housing downtown, the current zoning prohibits new development from having more than 50% housing in the downtown core. While originally intended to maintain a balance between residential and non-residential uses, this is effectively preventing the creation of any meaningful mixed-use development, and has got to go if Burlington's economic potential is ever to be realized. While allowing for even taller buildings isn't necessarily the answer, efforts to encourage development to more fully utilize the permitted development envelope needs to be supported. Then there's the cost of providing the required off-street parking - at a construction cost of \$25-30,000 per space (if built underground or in a structure), parking increases the "per unit" cost to a point where they are out of reach for those who don't own, or don't want to own, a car. While a national model at the time, the 1990-era inclusionary housing requirement is in need of a fine-tuning to ensure that it is encouraging more of the housing that is so badly needed, which in turn will also help create additional perpetually affordable inclusionary units. Finally, development in Burlington can be hindered by a highly discretionary approval process. Time is money and this uncertainty dissuades many developers from moving forward with potential development plans. Transitioning to a form-based code where context-appropriate infill can be permitted "by-right" will make it easier for the community's vision for expanded economic vitality and housing opportunities to become a reality.

Diversity in Housing Choices

More choices can meet the diverse needs of more people – a little something for everyone. Burlington's existing residential housing stock is limited to a few common building types, including single family homes, duplexes, apartments above shops, and condo buildings. More and more, the residential neighborhoods surrounding the downtown are becoming dominated by a single housing type (large 4+ bedroom units in converted historic homes) that only students are able and willing to pay for. This dominance is mostly due to residential zoning densities and parking requirements that make it extremely difficult to create smaller units like studios and 1-2 bedroom units as well as detached units in varying configurations. Yet there are many additional building, unit, and ownership arrangements that can be introduced and priced in a way that works to encourage a greater diversity of residents including young professionals, couples, empty-nesters, retirees and students. This is simply a case where more is better - more choices, more types, more affordable, more diversity... **more housing period.**

A Wider View

While this plan focuses primarily on the downtown and waterfront area of the city, when it comes to housing opportunities one needs to step back and take a wider view of the city. While just a few thousand people live within the downtown core of Burlington, many thousands more live within a short half-mile walk. This area – encompassing the entire Old North End, extending up the hill to the University, and south to the Shelburne Street rotary – provides a better context for considering where additional housing opportunities should be pursued. These neighborhoods typically have lower land values and development costs than in the core of the city making it easier to create units that are more affordable to more people. These neighborhoods already include many opportunities for rehabilitation, redevelopment and infill that can help to support and enhance the vitality of the downtown area as well as improve neighborhood quality of life. More on-campus housing for younger undergraduate students, as well as infill around the university and hospital to help serve the needs for older and graduate students and people who work up on the hill, will all have benefits that extend into the downtown.

Downtown Infill Housing

A significant number of downtown properties are underutilized and under-developed when compared to what the zoning would allow. New infill buildings and adaptive reuse of existing buildings in and surrounding the downtown core should be a high priority. Creating small, high density, modern and eclectic living spaces would attract and meet the needs of several demographic groups highly interested in urban living. New construction and rehabilitated urban housing designed at a variety of price points could change the economics and enable many new people to live in the downtown - including students, young professionals, couples, empty-nesters and retirees. New Americans have expressed the need for centrally located, larger affordable units. The largely City-owned "superblock" at the corner of Main and S.

Winooski and the Burlington Town Center are examples of ideal locations to experiment with both new construction and adaptive reuse.

TOOLS

Amend the zoning to:

- Eliminate the 50% Gross Floor Area (GFA) limit for residential use in a downtown project
 - Increase the development threshold that triggers Major Impact Review in the downtown area
 - Eliminate off-street parking requirements for downtown and waterfront development
 - Facilitate infill, allow for a more diverse range of unit and building types, and simplify the public approvals process by developing a form-based zoning code for the downtown area.
 - Increase the threshold that triggers the creation of inclusionary units
 - Simplify the review process for projects creating inclusionary units
 - Create meaningful incentives for projects that creating new inclusionary units
 - Revise the payment-in-lieu and off-site options for the creation of new inclusionary units
 - Revise the minimum unit size limits to allow for smaller inclusionary units
- (Planning & Zoning Department)

Explore the creation of additional incentives for the creation of more shared equity and perpetually affordable housing options. (CEDO)

Explore the creation of Employer Housing Assistance Programs with major employers such as FAHC, UVM, and even the City itself, to remove barriers and make it easier for employees to live closer to where they work. (CEDO)

Make enforcement of existing regulations a priority. (Code Enforcement Office)

Develop financial incentives and programs to encourage and facilitate the renovation rehabilitation and adaptive reuse of the existing housing stock. Examples include grant and revolving loan funds, tax stabilization and abatements, and historic façade easements. (CEDO)

Restore the revenue collected for the City's Housing Trust Fund to the full 1-cent dedicated tax originally approved by the voters to help support the creation of additional affordable housing. (Mayor's Office)

Note for TPUDC:

Change the callout on page 50 for: "The housing vacancy rate is less than 3% in the city."

Change the graphic on page 50 for : A nut cracking image of some sort...