



COMMUNITY & ECONOMIC DEVELOPMENT OFFICE

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INCLUSIONARY ZONING WORKING GROUP (IZWG)

Thursday, September 14, 2017, at 8:00 a.m.

Conference Room 12, 149 Church Street, Burlington, VT, 05401

MINUTES

IZWG Members Present: City Council President Jane Knodell (Chair), Mike Monte, Eric Farrell, Bruce Baker, Brian Pine, Erik Hoekstra, Noelle Mackay (Director, CEDO), David White (Director, Planning & Zoning).

IZWG Members Absent: Nancy Owens and John Davis.

Staff Support Present: Gillian Nanton, Ian Jakus.

I. Agenda

J. Knodell called the meeting to order at 8:05 a.m., and requested an amendment of the Agenda, to include a public forum. M. Monte made a motion to accept the amended Agenda and is seconded by B. Pine.

II. Public Forum

No members of the public spoke.

III. IZWG - Organization and Operating Procedures

Members reviewed the 'IZWG Operating Procedures' document that was distributed. J. Knodell observed the following:

- The goal is to reach consensus on the issues, rather than take a vote.
- All materials of the IZWG should be placed on a special landing page on CEDO's website.
- Members should decide and advise G. Nanton which email address they wished to use for communicating on IZWG matters, being mindful that information held in private email accounts (such as "gmail" or "hotmail") can be subject to FIOA requests. All emails should be copied to Gillian Nanton: gnanton@burlingtonvt.gov.

IV. IZWG – Duties and Responsibilities

J. Knodell observed that the IZWG’s ‘Duties and Responsibilities’ were broadly outlined in the ‘Operating Procedures’ document.

N. Mackay noted that, in some instances, interpreting the existing Inclusionary Zoning (IZ) ordinance, was not always clear and technical changes were needed for greater clarity. In particular, she referenced the ‘monitoring and enforcement’ aspects of the ordinance and its policy intent.

D. White also suggested that Planning & Zoning would have some technical recommendations with regard to the IZ ordinance.

J. Knodell acknowledged that there might be technical aspects of the current IZ ordinance to be dealt with, but didn’t wish the IZWG to become an ordinance committee. Rather, such matters could be done at the Ordinance Committee, she opined.

V. Work Planning

J. Knodell suggested that the IZWG should begin its work by going through the recommendations of the January 2017 draft IZ Evaluation report and determining where there is consensus among the Group. Additionally, the IZWG could offer other ideas and recommendations, not contained in the consultant’s report.

E. Hoekstra raised the question of the intent of the IZ ordinance. He opined that, while IZ is a great policy tool for providing affordable housing, it ought to be tailored to the particular market and its implementation should not constrain housing development.

E. Hoekstra also made reference to a number of IZ studies produced by the [Lincoln Institute](#) and [Urban Land Institute](#) and encouraged members to review these documents.

B. Pine mentioned a 2012 RAND Corporation study in which Burlington had participated, along with 10 other jurisdictions. The study, which looked at the socially inclusive aspects of IZ policies, found that the typical IZ home is located in a low-poverty neighborhood and its effect on educational outcomes is positive.

D. White referenced IZ studies on [Policy Link](#). He observed that the housing market was different in 1990, when the IZ ordinance was adopted. He added that, regulations must be flexible and IZ policy monitored periodically, to ensure it is meeting current needs.

M. Monte referenced the IZ studies produced by [Grounded Solutions Network](#).

It was agreed that the referenced IZ studies would be posted on the IZWG landing page, for members to review.

The IZWG agreed on the following upcoming meeting dates, beginning at 8:00 a.m., with location to be determined:

- Thursday, September 28th, 2017
- Thursday, October 26th, 2017
- Thursday, November 9th, 2017
- Thursday, December 7th, 2017

J. Knodell proposed that members should undertake the following tasks for the next meeting of the IZWG:

- (i) Review the January 2017 draft IZ Evaluation report
- (ii) Review the current IZ ordinance
- (iii) Review related IZ studies and reports

The IZWG began reviewing the first recommendation, in 'Part 3 – Choices & Recommendations' of the January 2017, draft IZ Evaluation report, that is, under *Status quo plus*: **Increase development threshold.**

The IZWG discussed the pros and cons of this recommendation, noting that increasing the threshold trigger improves the economic viability of projects in larger developments, as cost of IZ units are spread over more units. Further, it was noted that, the production of IZ units works best when non-profit partners are participating in the proposed housing development. Private developers, on their own, are unable to generate sufficient return to make the project viable, as cost off-sets (e.g. density bonuses) do not work.

It was agreed that a sub-committee of the IZWG will prepare a brief, demonstrating the economics of inclusionary development and why IZ is easier with larger developments.

The findings of the draft IZ Evaluation report indicate that a lot of IZ units have been built in RH zones or mixed-use areas. The question was raised as to whether or not the threshold for inclusionary zoning might be linked to zoning classification. Further, the meeting observed that the IZ policy is failing in certain sections of the city, for example, the Old North End, which is broadly integrated. As well, because the South End is zoned RL, it will never be fully integrated.

It was suggested that a sliding scale could be used in determining the number of IZ units to be produced. Also, for smaller developments within a particular range where IZ units won't be required, a payment in lieu might be made to the Housing Trust Fund.

Reference was made to the 'aggregation' concept in the existing IZ Ordinance (Section 9.1.5). It was agreed that this should be deleted.

It was agreed that an increase in the supply of market rate housing will increase the inclusionary housing stock in Burlington. Further, it was noted that IZ is just one tool in a suite of policies outlined in Burlington's Housing Action Plan intended to address the affordable housing challenge.

The IZWG agreed that the threshold for inclusionary zoning should be increased, however, the question remained as to the appropriate level. While it was also agreed that the right number of units (e.g. 10 units? 20 units?) to trigger the inclusionary policy will be dependent on other elements, including maximum household income, it was decided to table this recommendation and continue working through the remainder.

VI. Any Other Business

There was no other business.

VII. Adjournment

The meeting adjourned at 9:35 a.m.