

# Burlington Planning Commission

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Andy Montroll, Chair  
Bruce Baker, Vice-Chair  
Yves Bradley  
Alexander Friend  
Michael Gaughan  
Emily Lee  
Julia Randall

## Burlington Planning Commission Thursday, January 19, 2023, 6:30 P.M. Hybrid Meeting via Zoom and in the Bushor Conference Room Draft Minutes

City Council Members Present:	In-Person: Maea Brandt Virtual: Ben Traverse
Planning Commission Members Present	In-Person: A. Montroll, B. Baker, M. Gaughan Virtual: J. Randall, A. Friend, Y. Bradley, E. Lee
Staff Present	M. Tuttle, C. Dillard, S. Morgan
Public Attendance	S. Bushor, B. Pine, K. Sturtevant, J. Caolo (need to confirm spelling), C. Bates, M. Arnold., D. Viens

### I. Agenda

Call to Order	Time: 6:30pm
Agenda	No changes.

### II. Public Forum

Name(s)	Comment
S. Bushor	S. Bushor is speaking in support of some proposed amendments. The one that allows for more than just market rate number of bedrooms. Sometimes there are two or three bedrooms for multigenerational families (9.1.14a). However, the second part of amendment (9.1.11.b), it negates that point of 9.1.14a. It seems as though you can make any number of size units. Didn't feel comfortable about how those two worked together and stood alone, especially when it's in form based code where it's by right. Units will be purchased or rented, but that doesn't mean we are meeting the needs of the community. Is also concerned about our marketplace and the number of bedrooms, concerned city place is going to be mainly residential. Is concerned that we aren't looking our own personal wellbeing, and we aren't guaranteeing a healthy mix of residential and commercial. Wants to make sure we aren't the bedroom town for South Burlington and Williston.

### III. Proposed ZA-23-02 Inclusionary Zoning

Action: Commission Discussion		
Motion by: n/a	Second by: n/a	Vote: n/a
Type: Discussion	Presented by: C. Dillard	

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Introduction:

- Two overarching changes proposed:
  - Bedroom Mix: Larger IZ Units
  - Bedroom Mix: Gross Floor Area Ration
  - Unit Size: Gross Floor Area Ratio

Commissioner Discussion

- B. Baker Didn't see anything addressing when there are 1 br units in market rate vs. inclusionary. In that situation the gap is fairly narrow in terms of rent, but when you get to a 4 br, it progressively by br count goes up. Is this amendment addressing this?
  - CD: Per affordable housing developers, there is not a waitlist for 4br
  - M. Tuttle: This first issue allows the flexibility. One unintended consequence of the way that ordinance has been written in the past is that the presumption was that everyone would want to build smaller IZ units than market rate units, but this allows flexibility if development is primary 1br or studios that some of the IZ units could be 2br.
  - B. Baker: The solution for this may be at a different part of the ordinance at a different time, which is FAR instead of DU/Acre, which tends to incentive the marketplace to produce larger units. Suggests putting that on to-do list.
  - B. Pine: There's the cost of development combined with the access to subsidies that makes these projects work that sadly, these larger units don't pencil out for them. Waitlist for demand continues to be for 1 to 2 bedroom units. The organizations providing the affordable housing are seeing decline in the household size.
  - M. Tuttle: Wants to acknowledge point S. Bushor made that this conflicts with point in next amendment, but felt it was important to make this change explicit.
- E. Lee: Not clear what problem this is solving. Why would the developer that is required to build a certain # of units would ever want to build a larger unit. Why would developer want the flexibility to build bigger units and incur more costs?
  - C. Dillard: At a time when market rate project is coming, lets say affordable developer has a certain demand for units. This amendment could be helpful.
  - B. Baker: A market rate developer is looking at revenue for square footage. If you look at student rental for example (4 br), would incur more revenue for the developer because they garner square foot for rental income. However, this is not always the case for 1br luxury units.
  - E. Lee would like to see data on those numbers about what the inclusionary unit goes for as opposed to a regular unit. Is concerned that the larger IZ unit would be filled with students who do not make a lot of \$\$ and apply to these units and the older adults who might not want roommates cannot live there. Low income college students deserve access to support, but if we build more 4br units to satisfy IZ requirements, it'll make low income residents have to live with roommates.
- B. Pine: When a household is applying to IZ, there are certain standards. The market development at Cambrian Rise had very small market units in tandem with the affordable development with large units. There may be times where there is a mismatch in this development direction. It may not be as critical in this change being included in adoption.
- M. Gaughan makes a comment that underscores that the affordable housing developers are the ones concerned about the unit mix because they have investors/studies and are concerned about anything more than 2brs considering the market. Want to ease apprehension for investment.

- A. Friend is in favor of giving more flexibility for units, but questions what the unintended consequences are. Are there experiences from other cities that are informative?
  - M. Tuttle: The intent of this standard originally was likely because at the time, city was concerned we would have a lot of very large market rate and very small IZ units. Concern was the opposite at the time when family sizes were larger.
  - B. Pine: The demographic shift has changed since the 1990s when this was adopted. Household formation rates have moved to mid-30s, which has impacted household size.
- B. Pine shares that in some cases the developer makes calculations and comes to CEDO but calculations are often incorrect because they include what IZ prices would be in calculations. Nowhere is it cleared up how to calculate IZ rents.
  - M. Tuttle states that there will be an upcoming correction to this that explicitly states how to make this calculation, alongside large number of upcoming technical corrections.
- B. Traverse: Why don't we get rid of the bedroom mix requirements for all projects and not do this square footage analysis if affordable housing developers want to develop units that are in demand? Guess is because there is concern that AH developers meet their 15% IZ unit demand by building all efficiency apartments. As we move into GFA discussion, understands by allowing units to be <90% threshold, it may result in more units overall in that equation. From a policy standpoint, is there concern by adding FAR, are we allowing developers to build efficiency as opposed to market size?
- M. Tuttle: One technical piece about why these two pieces work together is that if you end up with a project where the market rate is 4br and IZ is 2, there is no unit of equal bedroom mix to compare it to.
- M. Gaughan: There might be a point to Ben's comment. If you're going above 15%, you're probably doing it in a structured way with subsidy. If you're doing less than 15% you're trying to do the bare minimum. Once you're above 15%, there are more guardrails on development. It's important to have equity there.
- Y. Bradley: States that what he's not hearing in this conversation is an understanding or analysis of costs and rents. With great respect, the reason units are getting smaller because its harder for private developers to make these numbers work. The only way for deal to pencil is to make units smaller to get more revenue. There is a market trend for people thinking smaller is better, but the reality is the demand for lots of bedrooms is low. However, families with lots of kids or new American families want more space, but these developments cost money. Is there some sort of a bonus for units with lots of bed rooms? Incentivize it, not demand it.
- B. Baker points out that this is not the case with students, but overall correct. Important to recognize how these get developed – ie: Cambrian rise. For a lot of reasons, folks at CR would rather have separate building, equally as nice, but built and managed by CHT.
- B. Pine: Every development is unique. Provides context for approaches before CR as well. Bruce is correct. When you have developers just meeting 15%, that's usually an in-house financed deal and handling the fact that it does depress long time income stream. But when project is done like city place with IZ requirement financed and managed by CHT as a separate entity, that's the most likely the approach.
- Y. Bradley: Agrees with Brian but is having a hard time imagining that with a 1/studio mix with a 4br thrown in the mix. If you have units in a building that are a family building, that makes a lot of sense. What we're looking to do makes sense, but we need to be careful how we do it. Market can't bear another layer of costs that make it harder for developers to pencil. It's hard to make these housing deals work right now. We're already charging Boston level rents.

- J. Randall: Wants to come back to original reason for hearing this now (City Place). The desire of developer is to have a larger bedroom mix for market rate units, which is not the mix for IZ units. This situation sounds similar to Cambrian rise, in that affordable units will be in a separate building managed by CHT. Also asking question about minimum unit size – can this support the dignity of affordable units to market units? Does the city have any current ordinances that cover minimum bedroom unit size?
- B. Baker: Was on the inclusionary committee and there was a unit size requirement, but because the ordinance is so slow to react to marketplace, the unit size requirement was impossible for Brian to administer because it was beyond what was produced in the market. Is reluctant to put a requirement of a minimum size because the zoning ordinance is so slow to react to the market.
- M. Tuttle: Points out that city also have minimum housing codes for life safety standards for safety in housing code.
- M. Gaughan: Reluctant to change unit mix parity under 15%. Is it worth saying that up to 3br in terms of parity up to 15%? If you go over 15%, you have that flexibility in the mix. We are not observing this change in the market that could come back in a relatively short order.
- B. Baker: It's important to stick to this and not make too many small changes.
- J. Randall: Wonders how this ordinance treats future conversions in response to the market. That's beyond the scope of immediate change but this does have implications for the future.
- M. Brandt: Idea of flex walls is popular elsewhere for builders to work with changing requirements. Questions why IZ units are in other building?
  - B. Pine: It is allowed for this to be in separate buildings. Idea that you don't have exclusive neighborhoods, but can have exclusive addresses.
- E. Lee: What do affordable housing developers need in Burlington? How are we measuring our success in this? What does our community need right now?
  - B. Pine: We do have a demographic shift that will continue on for quite some time. Houses aren't turning over like they used to, there is a need for high quality senior rental housing. A market study will show that you can fill 1br apartments all day in this community.
  - E. Lee: It seems like Bedroom Mix: Gross FAR will actually create more units, which is what the community needs. But is concerned about large units being a work around for square foot requirements.
  - B. Pine & Bruce: Difference is pretty dramatic. Brian doesn't have IZ rents memorized, but the delta gets more significant with much bigger units. Developers are interested in developments that will be profitable. Not a lot of risk to seek loophole route if there is not a demand.
- B. Baker: Isn't there also a phasing issue? If we're here to solve problem of multiple buildings on a lot, funding source might not be in sync with when market
  - M. Tuttle doesn't believe there is a phasing issue. Cambrian rise has helped provide a reference point. The conditions of approval did acknowledge that IZ units would come online during first couple years, and DRB deemed that appropriate for allowing types of buildings across that project. DRB has discretion to approve phasing plan.
- B. Traverse: Highly technical question. Doubling back to first amendment that allows projects to always build IZ units regardless of 15% threshold, this could theoretically allow construction of larger bedroom unit without hitting 15% threshold and that unit does not have correlating market unit. Nothing to determine 90% -- what is the threshold in that case?
  - M. Tuttle: The more we've talked through this, the second two provisions would satisfy what we're trying to achieve. Staff would be okay taking first change out.

- J. Randall: Question about standard of parity – are there other things to be clarified regarding that standard of is this sufficient? Or is that envisioned down the line?
  - C. Dillard: Today there is required parity and they are sufficient.
  - B. Pine: Energy efficiency has to be comparable if not better.
- A. Montroll: Hearing the lack of need for larger units raises all sorts of questions about the mix of our community. As we get to the broader housing discussions, its something to keep in mind. Look at existing stock that’s already there and preserve those as affordable and available for families.
- M. Gaughan: Very difficult to find a 3 bedroom house for small families. We still need to focus on the community. Encourage people who might be in what might be starter homes for families to downsize.
- B. Baker: Demand in areas of town is different. We’ve taken a blanket approach in DU/Acre and we should debate whether we replace that with FAR.
- B. Pine: Commission took huge step with Trinity. We have lots of 3-4 homes that are likely occupied by communities that they weren’t intentionally built for.
- A. Montroll: Where are we moving from here? We need to see another version of this. Are you envisioning more of these?
  - Staff can bring revised amendment to PC. Does envision another joint meeting – possibly Feb 5<sup>th</sup>.
  - M. Gaughan: Is it something where we could move it at our next PC meeting
  - C. Dillard: We could warrant a Feb 14<sup>th</sup> public hearing date. We can bring a revised amendment to the PC next week, then warrant public hearing.
  - B. Baker: Are we close enough to warrant it now?
  - A. Montroll: wants to have a more finalized version before warning public hearing to have something closer.
  - Y. Bradley: Thinks if we get ordinance committee buy in, overall process could be more rapid. Having everyone here allows us to get to a consensus in a faster manner. If we want to fast track, it would be more efficient time-wise to do this together.
  - A. Montroll: We will meet next Tuesday and wants to hold off until next week. Wants to hear from ordinance committee on what the desire would be.
  - M. Brandt: Acknowledges she is learning and observing tonight and will lean on Ben for this.
  - B. Traverse: Mindful of the reasons we got together jointly. Understanding there is time sensitivity. Ordinance committee wants to work in the most efficient manner. Wants to seek feedback from CW Hightower.
  - A. Montroll: Can we warrant it for public hearing next Tuesday, then have hearing, and ordinance committee can attend hearing.
  - Everyone agrees on Andy’s plan, where commission will likely move it forward next Tuesday and then meeting warned.

JOINT MEETING WAS ADJOURNED

**IV. Public Hearing: Proposed ZA-23-01 South End Innovation District**

Commission Discussion		
Motion by: n/a	Second by: n/a	Vote: n/a

Type: Discussion	Presented by: C. Dillard
M. Gaughan cannot make next week's PC meeting and wants to know what changes for Land Use are. Moving on to item 5 – SEID.	
<ul style="list-style-type: none"> <li>• Land Use framework on SEID                     <ul style="list-style-type: none"> <li>○ Reduce Primary-Secondary ratio from 1:1 to 1:2</li> <li>○ Added health studio into secondary uses</li> <li>○ Moved parking lots/garages into primary permitted category</li> </ul> </li> </ul>	
Commission Discussion:	
<ul style="list-style-type: none"> <li>• B. Baker: City Council doesn't have capacity to consider this with the March election coming up. Likely very little what we are doing will be heard by council until early April. We aren't holding anything up by continuing to debate.</li> <li>• M. Tuttle: Unless the council makes changes to this, PC hopefully will not see this again.</li> <li>• J. Randall is ready to approve it, but A. Montroll wants to have a better discussion.</li> </ul>	

**V. 2023 Meeting Schedule**

N/a		
Motion by: n/a	Second by: n/a	Vote: n/a
Type: n/a	Presented by: n/a	

**VI. Commissioner Items**

Action: n/a		
Motion by: n/a	Second by: n/a	Vote: n/a
Type: n/a	Presented by: n/a	

**VII. Adjourn**

Adjournment	Time: 8:45 pm	
Motion: M. Gaughan	Second: B. Baker	Vote: Approved Unanimously