




MEMORANDUM

To: Max Tracy, President, Burlington City Council

From: 
Eric Farrell, BC Community Housing, LLC
PO Box 1335, Burlington VT 05402, 802-861-3000

Subject: Request for Amendment to Development Agreement

Date: April 23, 2020

Our Request

We respectfully request an increase in the housing density limit at Cambrian Rise from 770 to a maximum of 950 units. The current zoning for the Cambrian Rise zoning district (NAC-CR) does not limit residential density, but rather, only total buildable area is limited by FAR, as further explained below.

Therefore, the only place the 770-unit limit is to be found is in the Development Agreement, executed on January 7, 2016 by and between BC Community Housing, LLC (developer), the City of Burlington, Champlain Housing Trust and the Vermont Land Trust.

I have been working closely with Mayor Miro Weinberger's office and other City departments on this initiative for several months. Our request is consistent with and goes a long way towards furthering the goals put forth last year in the Mayor's "Housing Summit" by bringing desperately needed housing, including substantial affordable housing, to our City. The Mayor has been very supportive of Cambrian Rise and has provided important leadership to us in this endeavor.

In support of our request, the following is intended to provide you with important information and context to our request in the form of historical data and the current state of development at Cambrian Rise.

Burlington's New Lakeside Community

Cambrian Rise is on its way to becoming the city's first sustainable living community, where residents can live, work, grow and play in a dynamic, inclusive neighborhood near the shores of Lake Champlain.



Liberty House – Liberty House (former orphanage), the neighborhood’s crown jewel and first residential building, opened its doors in July of 2017, offering 64 market-rate apartments, plus one condominium. The building program includes small, attractive and well-constructed living units, with generously sized common areas that are impressively warm and welcoming. The result fosters a strong sense of community with resident-driven initiatives to gather together for holidays, monthly potlucks, baby showers, dog playdates and more.

The success of this housing model was evident within one year when the initial lease terms were ending, and Liberty House experienced a 90% renewal rate among its residents. Additionally, there is a perpetual waitlist for available units.

Laurentide – The Laurentide building was developed by Champlain Housing Trust and opened in October 2019, providing high-quality affordable apartments for 76 families.

Juniper House – Juniper House is currently being developed by Cathedral Square Corporation and is scheduled to open late Fall 2020, providing high-quality affordable apartments for 70 seniors.

The Rise – Situated along our North Avenue frontage, at the cornerstone entrance to Cambrian Rise, The Rise (former Burlington College classroom renovation + new addition) commenced construction in 2019 and is now scheduled (slightly delayed) for completion by July 2020. The Rise will offer 90 high-quality market-rate apartments, plus 20,000 sf of neighborhood commercial uses.

Informed by the successes at Liberty House, the programming for this building includes primarily studio and one-bedroom units with generous common living areas on every floor. Furthermore, in response to the residents’ recreational lifestyles at the Cambrian Rise, The Rise will feature expanded bicycle storage and maintenance facilities, plus added storage for kayaks, canoes, and paddle boards.

Anticipation is high as The Rise is expected to enliven the street frontage along North Avenue with commercial storefronts on the first floor and a state-of-the-art public Transportation Hub at the strategic corner entrance to our new neighborhood.

Sunset House – Sunset House is situated along (new) Cambrian Way, across from Laurentide. Construction is scheduled to start late Summer 2020 with completion in the Spring of 2022. Sunset House will offer 125 high-quality market-rate apartments, plus 3,000 sf of neighborhood commercial uses.

Cambrian Point – Cambrian Point will be the first new condominium (for-sale) building constructed at Cambrian Rise. It will offer a mix of market-rate and affordable residences for a total of 117 units. We are scheduled to start construction late this year with completion scheduled for Spring 2022.



Cambrian Rise Commitment to the Environment

The Cambrian Rise neighborhood development is committed to sustaining the environment. Here are just a few of the initiatives we are undertaking:

- Sustainability – Cambrian Rise is committed to achieving a sustainable neighborhood relative to protecting Lake Champlain, supporting renewable and energy efficient strategies in building construction, creating transportation alternatives, supporting open space and gardening, and creating an economically inclusive community.
- Environmental Monitoring – Cambrian Rise has partnered with IoT Conduit and pledged \$400,000 to be a 5-year test site for state-of-the-art environmental monitoring and research to be used in “Smart City” growth and technology.
- Alternate modes of transportation – In addition to our membership in CATMA, Cambrian Rise offers several alternatives to transportation by automobile, including bicycle support facilities, on-site car share, on-site bike share (coming soon), Green Mountain Transit’s busiest route and a direct connection to the Burlington Bike Path. We will also offer EB charging stations.

Cambrian Rise Commitment to Our Community

The Cambrian Rise neighborhood development remains committed to the community initiatives outlined in the Development Agreement. Described here are some of those pledges and commitments:

- St. Joseph School – Cambrian Rise has pledged \$100,000 to sponsor the Community Room at St. Joseph School to support the revitalization of its neighboring Old North End.
- Rock Point Natural Area – Cambrian Rise has pledged \$100,000 to the neighboring Rock Point Natural Area for its 94-acre conservation project.
- Sara Holbrook Community Center – Cambrian Rise has pledged \$50,000 to the Sara Holbrook Community Center in support of its expansion and new building project.
- City of Burlington Parks and Recreation – Cambrian Rise conveyed a portion of its land, including Texaco beach, to the City of Burlington for use as a new public park. The \$2.0M sale price represented a discount of 32% below the appraised market value of \$2.95M. Cambrian Rise also facilitated a \$250,000 private pledge for the build out of a paved connection to the Burlington Bike Path. The Department of Parks & Recreation has determined that its preferred design for the connection is \$200,000 over the \$250,000 budget, so Cambrian Rise has offered to redesign and construct the connection in collaboration with Parks and Recreation, utilizing the \$250,000 pledge and covering all other costs.



CAMBRIAN RISE

- Neighborhood Aesthetics – Cambrian Rise remains committed to balancing surface parking areas with structured parking below most buildings. This strategy will allow for the potential future reclamation of surface parking areas for other (green) uses, in the event we are successful in our goal of reducing overall dependence on cars by the residents at Cambrian Rise.
- North Avenue Improvements – Cambrian Rise has been working closely with Department of Public Works for over one year on a plan to slightly widen North Avenue along the entire street frontage of Cambrian Rise, to accommodate much-needed on-street parking in this neighborhood. The planned improvements implement the objectives of the North Avenue Corridor Study and will transform this section of North Avenue from an arterial road into a neighborhood street, calming traffic and enhancing the experience of pedestrians and bikers. The \$325,000 estimated costs will be paid for in-full by Cambrian Rise.

Market Conditions

Cambrian Rise is a complex, multi-year, urban project subject to the uncontrollable risks of increasing construction costs and uncertain interest rates. These market-driven factors impose tremendous constraints on the financial model for all development projects, including Cambrian Rise. One way to offset these challenges is to increase the number of (smaller) housing units, broadening their market appeal.

Notwithstanding these drivers, this represents a very positive change for the City in the form of more housing, including more affordable housing. Any additional commercial area would be targeted towards enhancing the living experience and workplace opportunities at Cambrian Rise and to support economic development within the City.

Implementing 950 Residential Units

The additional housing units will be integrated into the existing mix of 14 buildings already approved in two primary ways, as follows:

- Redesigning floor plans to reflect the national trend towards smaller units
- Increasing the height of some buildings to the limit allowed under the new NAC-CR zoning district

Notwithstanding an increase in the building height of some buildings, the revisions to the overall project design will be little noticed by the general public.

Cambrian Rise will continue to meet the letter and spirit of the prescriptive requirements of the Comprehensive Development Ordinance, including parking, lot coverage, setbacks, shading, floor-area-ratio and inclusionary housing.



Currently Permitted in the NAC-CR District

- Number of Buildings – The approved Master Plan for Cambrian Rise includes 14 buildings, which will not increase.
- Buildable Area – The Cambrian Rise development parcel measures 943,074 sf (21.65 acres). Under the NAC-CR zoning district for Cambrian Rise, the allowable building area is 1,886,148 sf, determined by a floor-area ratio (FAR) multiple of 2. Cambrian Rise is currently permitted for approximately 1,070,000 sf for a FAR of 1.13, meaning an additional 818,000 sf is allowable. The final buildout will remain significantly below the maximum allowed.
- Residential Density - The amount of residential development allowed in the NAC-CR zoning district is controlled by Floor Area Ratio (FAR), as set forth above, not density. There are 14 buildings approved at Cambrian Rise, which number will not change as a result of an increase in density. The market trend here and across the country is towards smaller and smaller units. We need the flexibility to respond to these changing market conditions. Building more but smaller units by itself, will have little or no impact on the overall size of buildings.
- Non-Residential Building Area – The current zoning for our district does not limit non-residential building area, but rather, total buildable area is limited by FAR, as set forth above. Cambrian Rise could theoretically increase the amount of non-residential area by 818,000 sf, provided it remains in compliance with all other technical requirements.
- Lot Coverage – The current zoning for our district allows total lot coverage of 72%. The approved master plan reflects total lot coverage of 64%. This metric is not a function of residential density and therefore will not change, as a direct result of the number of residential units.
- Building Height – The current zoning for our district allows total building heights of 75' above grade, as that term is defined in the Ordinance, including the IZ bonus. Cambrian Rise is now and will remain in full compliance with that requirement, regardless of the number of residential units.

Inclusionary Zoning

The underlying zoning for the NAC-CR zoning district requires that 25% of the number of rental units, plus 25% of the number of for-sale units, be designated as “inclusionary units” (“IZ units”), as defined in the CDO. At 770 total units, there would be a combined total of 193 IZ units. At 950 total units, there would be a combined total of 238 IZ units, for a net increase of 45 IZ units.



Champlain Housing Trust and Cathedral Square Corporation are providing a combined total of 128 IZ rental units, in full satisfaction of the 25% IZ requirement for up to 512 total rental units at Cambrian Rise (the 512 includes CHT's and CSC's combined total of 146 rental units). The 128 IZ rental units provided by CHT and CSC will not change even if the final number of rental units at Cambrian Rise is less than 512.

If the final number of rental units at Cambrian Rise is greater than 512, the number of IZ rental units will be increased accordingly. The same applies to for-sale units at Cambrian Rise in that 25% of all for-sale units will be priced to meet the City's IZ requirements.

Workforce Housing

Pursuant to the Development Agreement, BC Community Housing, LLC agreed to endeavor (but is not required) to provide a component of "workforce housing". Workforce housing is loosely defined as housing that targets units that are above the IZ requirements, but less than fully market-rate, higher-end units. Workforce Housing is also generally considered to be that which serves families with households' incomes between 80% and 120% of the median income for the Burlington MSA, adjusted for family size.

Cambrian Rise is committed to providing a component of workforce housing. One strategy for addressing this market, that has been successfully employed in many other metro markets, is to offer smaller, more energy efficient units. Nationally, there is a general trend towards smaller, more energy efficient units, especially in urban markets that offer transportation alternatives (public transit, bike amenities, pedestrian pathways and transit sharing, both cars and bikes).

Traffic Impact Study

Cambrian Rise has provided an updated traffic analysis (Memo dated 4/18/19 from RSG, traffic consultant) to DPW in support of its request for additional residential density.

The Memo concludes "... the aggregate impact of the proposed development land uses changes on the adjacent street network is expected to be nearly the same as the previous (approved) iteration of the development program, in both the AM and PM peak hours."

In light of the traffic memo from RSG, DPW issued a memo dated August 12, 2019, wherein it stated that it "... takes no exception to the developer's actions to amend their permitting ...". DPW did ask that we pre-fund \$67,000 of our traffic impact fees this summer, so that it can proceed with certain planned improvements to the Berry Street/North Avenue intersection in 2020.



Generally speaking, residential uses are much less impactful on traffic, both in terms of trip generation and parking requirements, than nearly all non-residential (commercial) uses. Accordingly, our request for additional density, in lieu of significantly more commercial area, which does not require an amendment to the Development Agreement, is not only appropriate for this district, but also more beneficial to the neighborhood and the greater Burlington community.

Conclusion

Cambrian Rise promises to be a very dynamic, mix-use, inclusive neighborhood bringing significant and diverse housing and economic development opportunities to the City of Burlington.

Cambrian Rise will provide a substantial net benefit to Lake Champlain in the form of state-of-the-art stormwater management and best practices.

An increase in residential (housing) density, in lieu of adding even more non-residential uses, is consistent with the City's long-standing vision for this property, formally zoned "Waterfront Residential – Medium Density". Residential uses are less impactful, than non-residential uses, in terms of static parking requirements and overall traffic demand on the local street network.

Increasing the allowable residential density at Cambrian Rise from 770 to 950 units represents an indisputable WIN-WIN for all stakeholders.