



COMMUNITY & ECONOMIC DEVELOPMENT OFFICE

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INCLUSIONARY ZONING WORKING GROUP (IZWG)

Thursday, September 28, 2017, at 8:00 a.m.

Burlington City Arts, 135 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), Nancy Owens, John Davis

IZWG Members Absent: David White (Director of Planning)

Staff Support Present: Gillian Nanton

Public: Erhard Mahnke

I. Agenda

J. Knodell called the meeting to order at 8:12 a.m. E. Hoekstra made a motion to accept the Agenda and is seconded by M. Monte.

II. Public Forum

No members of the public spoke.

III. Approval of Minutes – 09/14

B. Pine made a motion to approve the minutes of the IZWG of September 14, 2017. This was seconded by B. Baker.

IV. Recommendations – January 2017 draft IZ Evaluation Report

J. Knodell recalled how the IZWG was going to carry out its work. It had been decided to walk through the recommendations of the January 2017 draft IZ Evaluation report and determine where there is consensus among the Group. Additionally, the IZWG could offer other ideas and recommendations, not contained in the consultant's report.

J. Knodell also noted that the Working Group had not reached closure on the appropriate level to which the threshold for inclusionary zoning should be increased, although it was agreed it should be increased.

It was noted that certain data, including the distribution in the size of residential projects, number of housing units produced which complied with the IZ ordinance and those not covered by the ordinance, needed to be analyzed to determine how many fewer IZ units would have been produced if the threshold had been higher.

It was observed that CEDO has several data sets, including all permitted and completed projects over a 25-year period, which will be shared. The data was collected in preparation for stepped-up monitoring of inclusionary units being undertaken by CEDO immediately after the draft IZ Evaluation report had been released, and this was one recommendation.

It was suggested that the appropriate threshold to trigger IZ units could be linked to a range of housing units produced and this could encourage more units. The importance of undertaking pro forma analysis which would demonstrate the economics of inclusionary development was underscored. The Group should determine who will undertake this work.

The view was shared that IZ should be made more attractive with various types of development incentives to offset the economic impacts the inclusionary policy has on developers. These included: elimination of parking requirements and the provision of density bonuses by right.

The question of sustaining a significant level of market-rate development as the most important factor in determining the success of IZ policies, was raised. It was noted that boosting the production of affordable housing is dealt with in recommendations contained in *'Moving the needle,'* the third path of Part 3 – Choices & Recommendations, of the Report.

The lack of clarity with regard to interpreting certain aspects of the IZ ordinance was discussed. For example, it was observed that there's a lack of clarity around 'rounding up or rounding down' when the percentage requirements for inclusionary units carries a decimal point. Further, the lack of clarity in interpreting the IZ ordinance had led to unpredictability for developers. The view was taken that there ought to be internal policies and procedures which provide guidance for implementation of the IZ ordinance.

J. Knodell in summing up this particular discussion noted the following:

- (i) CEDO would provide data on the completed and permitted projects it has compiled.
- (ii) A sub-committee comprising E. Farrell, E. Hoekstra and N. Owens will develop pro formas (new construction and conversion projects), with the view to

demonstrating the economics of housing production and its intersection with inclusionary zoning.

The IZWG discussed the second recommendation contained in the draft IZ Evaluation report **'Generalize unit comparability.'**

The IZWG agreed that the current square footage minimum requirements of bedroom sizes were too large and these minimums should be eliminated.

The view was shared that comparability between market-rate and affordable units should be maintained, particularly as this relates to size and exterior appearance, e.g. doors and windows and bed-room mix.

Specifically, on bed-room mix, it was noted that while there should be comparability with market-rate units, there ought to be flexibility, given the demand from New Americans families for larger size housing units. In this regard, it was observed that maintaining comparability between market-rate and affordable units may not necessarily align with current needs.

The IZWG agreed that inclusionary units should be dispersed rather than concentrated in residential housing projects, although the view was shared that locational differences ought to be allowed within 'permitted projects,' that is, IZ units don't have to be in areas with prominent views, etc.

The IZWG observed that amenities and common areas in residential housing projects should be accessible to all tenants in the building. As well, inclusionary housing units should have the same energy efficiency and sound proofing as market-rate units.

The IZWG agreed that parking should be treated as an amenity, although it was observed that it might be available to all for a fee. However, it was noted that parking has never been part of affordable housing calculations costs. There was no final determination on this item by the IZWG.

V. Any other Business

J. Davis shared a one-pager on data and research requirements captioned: 'Significant Pieces of Research NOT Found in the IZ Report which are Needed by the IZ Working Group Before Recommending Changes.'

The next meeting of the IZWG will take place on Thursday, October 26th beginning at 8:00 a.m., in Conference Room 12, City Hall.

VI. Adjournment

The meeting adjourned at 9:40 a.m.