



THE PATH TO AFFORDABILITY

SOUTH BURLINGTON 2013 AFFORDABLE HOUSING REPORT

Affordable Housing Committee:

Leslie Black-Plumeau
Sr. Margaret Brault
Charlie Baker
Sandy Dooley
Eric Farrell

Joe Larkin
Erhard Mahnke
Bob McDonald
Larry Michaels
Michael Monte

Kenn Sassorossi
Ken Schatz
Kathy Searles
John Simson
Amy Wright

Kimberly Murray, AICP, City of South Burlington Development Coordinator



Prepared for the City of South Burlington by:

Brandy Saxton, AICP, PlaceSense
Sharon Murray, AICP, Front Porch Planning & Design

24 April 2013

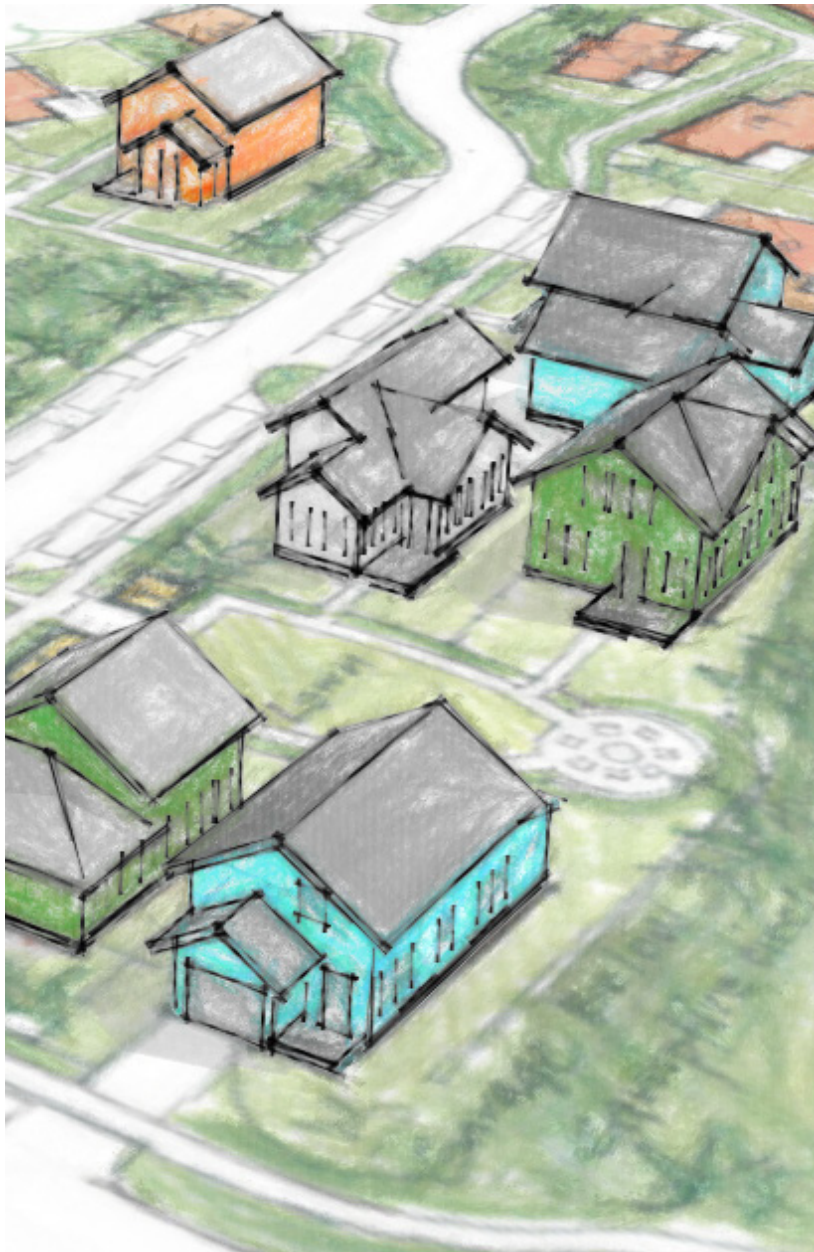


table of contents

EXECUTIVE SUMMARY

forward.....	1
project background.....	2
existing conditions.....	2
public outreach.....	3
recommendations.....	3

EXISTING CONDITIONS

VHFA report summary.....	7
regional studies.....	8
housing stock and demographic analysis.....	14
current land development regulations.....	29

PUBLIC OUTREACH

public outreach summary.....	33
housing summit meeting notes.....	37
neighborhood meeting notes.....	41
focus group meeting notes.....	55
community meeting notes.....	61
community opinion survey.....	62

RECOMMENDATIONS

city plan.....	65
equal treatment of housing.....	73
building types.....	77
accessory dwelling units.....	80
bonuses and incentives.....	84
inclusionary zoning.....	87
preservation of affordable housing.....	95
housing trust fund.....	97
housing programs.....	100

EXECUTIVE SUMMARY

forward

The South Burlington Affordable Housing Committee is pleased to present this report, including our recommendations for affordable housing retention and development, to the City Council, Planning Commission, Form Based Code Committee and to city residents. Over ten months, the committee reviewed demographic and other data describing housing conditions and needs in the city and Chittenden County, spoke with private and nonprofit developers, learned about the anticipated impact of adopting a form based code, collected best practices from other communities, and heard from citizens and public officials. Based on this comprehensive process, it is clear that:

- ❑ There is a critical need for more housing in South Burlington that local residents can afford – including young adults just starting out, young families looking for a first home, employees of local businesses and a growing number of seniors on fixed incomes.
- ❑ South Burlington, by virtue of its location, supporting infrastructure, and plans to develop a vibrant city center and neighborhoods served by public transit, is uniquely situated within the region to accommodate new residential development.
- ❑ Yet, because of the high cost of new development – for land, materials and labor – new ways of thinking and doing business in the form of public and private partnerships, new city policies and programs, and new forms of housing development will be necessary to fully meet this need.

A clear and commonly understood definition of “affordable housing” needs to evolve, given a housing market that is increasingly out of reach for households of moderate means. It is time for the city to step up and actively promote and engage in the preservation of our existing neighborhoods, and the development of new housing that will allow South Burlington to remain a strong, diverse and vibrant community.

The recommendations presented in this report should be viewed as first steps – as works in progress for further consideration by the City Council and Planning Commission. South Burlington is at a turning point as plans for City Center are coalescing and a new approach to guiding growth and development is being drafted. The emerging Form Based Code represents a new world and in that new world, affordable housing needs to be more than just accommodated, it needs to be strongly encouraged, promoted and supported.

The success of our work will be realized through the dedicated efforts of others to take the next steps to move South Burlington closer to our vision of:

“ A city that, each year, increases the availability of safe and affordable rental and owner-occupied housing especially for households whose incomes, based on family size, are below 80% of the median for Chittenden County and, in doing so, gives highest priority to promoting availability of affordable housing for household types for which such housing is in shortest supply.”

We would like to thank city staff, our consultants on the project, and everyone who participated in public forums, neighborhood meetings, focus groups and community surveys. We ask that, at minimum, the City Council appoint and provide staff support to a permanent housing committee to advance the proposed housing initiatives.

Respectfully submitted on behalf of the South
Burlington Affordable Housing Committee,

John Simson, CURRENT CHAIR
Sandy Dooley, FORMER CHAIR

project background

Nearly one-third of homeowners and one-half of renters in South Burlington spend more than 30% of their income on housing, according to the most recent U.S. Census Bureau estimates – an amount that is considered unaffordable. The widening gap between housing costs and household incomes has exacerbated the need for more affordable housing in South Burlington for current and future city residents.

Recognizing this need, the South Burlington City Council formed an Affordable Housing Committee in 2012 and commissioned this study to explore what can be done to address the need for more affordable housing. The committee was charged with:

- ❑ Enhancing the City of South Burlington's identity as a regional leader in the retention and development of affordable rental and owner-occupied housing.
- ❑ Identifying the types of households having the greatest difficulty securing affordable housing in South Burlington and the housing types appropriate for these households.
- ❑ Identifying land suitable for development of affordable housing and proposing adoption of zoning consistent with its use for affordable housing.
- ❑ Researching and recommending regulatory mechanisms (ordinances, land development regulations, or other municipal structures) supportive of affordable housing.
- ❑ Identifying public funding mechanisms targeted to affordable housing that the city might establish.
- ❑ Identifying potential partners willing to work with the city on the retention and development of affordable housing.
- ❑ Assessing the need for a city task force (or other entity) and staff support that would be directed to the retention and development of affordable housing.

This report summarizes and documents the Affordable Housing Committee's work and recommends actions for South Burlington to pursue to increase the supply of affordable housing in the city.

existing conditions

The Affordable Housing Committee's work began with analysis of demographic, housing, economic and regulatory data for the city. Pages 7 to 32 of this report summarize the current state of housing affordability in South Burlington. The examination of current housing and demographic trends for South Burlington showed that:

- ❑ The city has nearly 8,500 housing units, which is 13% of housing in the county.
- ❑ During the 2000s more than 1,900 housing units were built. Development has slowed significantly since 2008, coinciding with the "Great Recession."
- ❑ About 18,000 people, comprising 8,000 households, live in South Burlington.
- ❑ The number of households in South Burlington is growing twice as fast as in Chittenden County – 1% per year in the city as compared to 0.5% in the county.
- ❑ Around 70% of the city's households consist of 1 or 2 people.
- ❑ Only 25% of the city's households are families with children under age 18.
- ❑ Around 40% of the city's households are headed by someone age 55 or older. The number of older households is expected to increase over the next decade.
- ❑ Around 44% of the city population is between age 20 and 35 – including those who are entering the housing market, or looking to buy their first home.
- ❑ Around 65% of the city's households are homeowners, but the number of renter households is growing at a faster rate than homeowners.
- ❑ Approximately 2,800 city households spend more than 30% of their income on housing; around 1,000 spend more than 50% of their income on housing.
- ❑ The median rent in South Burlington is around \$1,000/month. Nearly 600 of the city's renter households spend more than 50% of their income on housing.
- ❑ Around 600 apartments are affordable because of project-based government support; 60% of these units are restricted to elderly or disabled residents.
- ❑ The median income for city households is about \$61,000/year. Approximately 2,000 city households have an annual income of less than \$40,000.
- ❑ The 2011 median sale price of a single-family home was \$310,000 and of a condo was \$186,000. A household earning the city's median income can afford a home priced at no more than \$205,000 (based on standard assumptions, including good credit, a 30-year fixed mortgage and 5% down).

public outreach


As part of this project, the Affordable Housing Committee hosted a kick-off Housing Summit, followed by five Neighborhood Housing Meetings held around the city during November 2012, and three Focus Groups with city officials, housing developers, and housing non-profits, respectively, held in December 2012. A final community forum was held and a community opinion survey was conducted in March 2013 to present and receive feedback on draft report recommendations. The comments received at these meetings, from the survey and through other communication with city staff and committee members helped to inform the committee's work and guided the development of the recommendations included in this report. A summary of public input is presented on pages 33 to 64 of this report.

recommendations

The Affordable Housing Committee recommends adoption of the following measures as a means of achieving by 2025, defined targets for the supply of affordable housing in the city. To this end, the committee submits these recommendations to the City Council and Planning Commission for consideration. A more detailed discussion of each of these recommendations can be found on pages 65 to 102 of this report.

City Plan. The report recommends a series of minor revisions to the city's draft Comprehensive Plan aimed at strengthening the policies related to affordable housing and providing an adequate foundation for other implementation mechanisms recommended in this report. The most substantive recommendation relates to incorporating targets for affordable and moderate-income housing development into the plan. The target to be achieved by 2025 is the construction of 880 housing units affordable to households earning up to 80% of the area median income and


200 housing units affordable to households earning between 80% and 120% of the area median income.

-  The Affordable Housing Committee recommends that the Planning Commission and City Council incorporate the targets and other changes to the draft housing policies into the revision of the city's Comprehensive Plan currently in progress.

Equal Treatment of Housing. The city's currently adopted Land Development Regulations (LDRs) have not been updated to reflect recent changes to state law regarding the equal treatment of housing. The report includes some specific language and revised definitions that should be incorporated into the LDRs as part of the comprehensive overhaul currently underway.

-  The Affordable Housing Committee recommends that the Planning Commission, Form Based Code Committee and City Council incorporate the revised housing provisions and definitions as part of the comprehensive overhaul of the city's Land Development Regulations currently in progress to ensure that city regulations do not have the effect of excluding protected forms of housing under state law.

Building Types. Much of the recent housing development in South Burlington has been either (a) high-end single-family homes or (b) condominium or rental units in larger multi-unit buildings. The report recommends that the LDRs encourage medium-density options like duplexes, multiplexes, cottage clusters, accessory dwellings, row houses, and live-work units.

-  The Affordable Housing Committee recommends that the Form Based Code Committee incorporate and encourage residential building types that will provide smaller single-family and medium-density multi-family housing as appropriate for each zone. The form based code currently under development should be crafted to ensure that affordable housing is accommodated in particular within City Center and areas served by transit.

Accessory Dwelling Units (ADUs). ADUs can increase the supply of affordable rental housing, make home ownership more affordable by generating rental income, and provide alternative living and care-giving arrangements for families. While state law requires the city to allow accessory dwelling units that meet specific criteria, few ADUs are being built in South Burlington.

The report recommends revising the provisions in the city's LDRs to make ADUs a feasible option for more homeowners by streamlining review and permitting, expanding maximum ADU size for smaller homes (up to 720 square feet), allowing up to two bedrooms and potentially allowing the homeowner to live in the ADU and rent out the main house.


 The Affordable Housing Committee recommends that the Planning Commission, and City Council incorporate the suggested ADU provision into the comprehensive overhaul of the city's Land Development Regulations currently underway and that the Form Based Code Committee incorporate building types and standards that will accommodate ADUs within all zones that allow for single-family dwellings.

Bonuses and Incentives. The report outlines options for bonuses and incentives that could be used to encourage affordable housing development, and/or may be paired with a requirement for affordable housing under an inclusionary zoning provision as discussed below.

The city's current density bonuses are not adequate to spur the amount of affordable and moderate-income housing development needed and the report discusses how they could be revised to become more effective. The report also recommends a review of all city fees to assess which fees could be waived, reduced or deferred for affordable housing projects.

Parking requirements have been identified as a barrier to affordable and moderate-income housing development. The report recommends that parking requirements be reduced as

part of the comprehensive overhaul of the LDRs, which will lower the cost of housing construction in general.

 The Affordable Housing Committee recommends that the Planning Commission, Form Based Code Committee and City Council increase density bonuses and reduce parking requirements for affordable housing in particular as part of the comprehensive overhaul of the city's Land Development Regulations currently underway. The committee also recommends that a future Housing Committee, the Planning Commission and City Council, once the current work on the city plan and regulations is completed, review the city's fee structure and look for opportunities to reduce city-imposed costs for affordable housing development.

Inclusionary Zoning. The report also recommends that the city adopt inclusionary zoning, especially in association with a form based code, to require that at least 20% of all units in any housing development with 10 or more units to be affordable to low- or moderate-income households.


While the committee supports the development of a form-based code – particularly as this may expedite the permitting process – it is also concerned that such a code, in the absence of inclusionary zoning, does not inherently address housing affordability. Given that a form-based code is specifically intended to promote better designed, more attractive and higher quality forms of residential and mixed-use development, the code could spur construction of higher end housing and in effect preclude or further reduce housing affordability in the city.

 The Affordable Housing Committee recommends that a future Housing Committee, the Planning Commission and City Council consider and further evaluate inclusionary zoning provisions using the framework provided in this report, particularly in association with the development of a form based code, for incorporation into the city's land development regulations.


Preservation of Affordable Housing. South Burlington has a limited supply of existing single-family homes on their own lots that are affordable for moderate-income households. Given the cost of land in the city it will be very difficult to build more such housing in the near term. Yet, this is the type of housing that many residents would like to see more of and which attracts younger families.

The report recommends that the city establish a program, perhaps in partnership with the Champlain Housing Trust, to keep the existing moderately-priced homes affordable for future purchasers. The housing trust model through which the homeowner shares the appreciation in the home's value with the entity that subsidized the purchase appears to be the only viable option for supplying affordable single-family homes in South Burlington. Fortunately, the preservation of existing affordable homes is one of the most cost-effective options available to the city.

In addition, the report recommends that the city require the replacement of affordable and moderate-income housing if it is going to be converted to a non-residential use or demolished. The ongoing loss of housing around the airport, most of which is affordable to moderate-income households, is a matter of concern to many city residents.

-  The Affordable Housing Committee recommends that a future Housing Committee, the Planning Commission and City Council consider and further develop housing retention provisions based on the framework included in this report to be incorporated into the comprehensive overhaul of the city's Land Development Regulations currently underway. The committee also recommends that the city explore options (primarily funding) for expanding Champlain Housing Trust's portfolio of perpetually affordable single-family homes in South Burlington.





Housing Trust Fund. The city and local housing providers will need additional sources of funding to implement the recommendations of this report, and support the construction or preservation of affordable and moderate-income housing.

-  The Affordable Housing Committee recommends that the City Council establish a Housing Trust Fund (reserve fund) – to be funded through a mix of annual or special city appropriations, local option taxes, donations, grants and/or developer fees – for voter approval in March 2014, along with associated policies for the use of the fund.

Housing Programs. Implementing the report's recommendations will require ongoing resident volunteer leadership and effort, staff support, and resources to administer housing programs and to work with other partners to increase the supply of affordable housing in South Burlington.

-  The Affordable Housing Committee recommends that the City Council establish a permanent Housing Committee or Commission (under 24 V.S.A. § 4433) as a successor to this Affordable Housing Committee, to monitor and assess housing needs and housing development, to oversee housing programs enacted by the city as recommended in this report (housing trust fund, housing retention and inclusionary zoning), and to serve in an advisory capacity to the Planning Commission, Development Review Board and City Council.

Other Strategies. There are also potential strategies that the committee did not have time to address but merit mention and further attention by a future housing committee. These include:

-  A “rental registry” to identify and track the number of rental units in the city.
-  Strategies or programs to reduce household energy costs as a way to increase housing affordability, as recommended by the City Energy Committee.
-  A “university overlay district” to better address the conversion of single-family homes into student rental housing in neighborhoods bordering UVM.
-  Incentives, bonuses or requirements for universal design, to ensure that new housing and associated common areas and facilities, are accessible for residents with disabilities, including mobility and vision impairments.

EXISTING CONDITIONS

VHFA report summary

An initial analysis of South Burlington's households and housing needs was prepared by Leslie Black-Plumeau of the Vermont Housing Finance Agency for the Affordable Housing Committee and the Chittenden County ECOS Project (VHFA, November 2012). This analysis draws mainly from available U.S. Census data and American Community Survey (ACS) 5-year estimates for the city. Highlights from the VHFA report, as presented in subsequent public and neighborhood meetings, are summarized as follows:

Households

- ❑ South Burlington households numbered 7,987 in 2010 – representing 13% of the county total.
- ❑ The number of households in the city increased by 1,655 in the 2000s – an average of 166 new households per year.
- ❑ The city's rate of household growth has slowed – from an annual average of 2.3% during the 1990s to 0.9% in the 2000s – but the number of households in South Burlington continues to grow about twice as fast as the county average.
- ❑ According to VHFA projections, around 8,300 households will call South Burlington home by 2015—representing an additional 80 households per year, on average.
- ❑ Similar to the county as a whole, one-person households, non-family groups, and families without children led South Burlington's household growth 2000-2010. In 2010, families with children comprised only 25% of South Burlington's households—slightly less than in the county as a whole (27%).
- ❑ As a result, household size continues to shrink. In 2010, 1- and 2-person households made up 69% of the total, reflecting in part the city's aging population. This percentage is likely to continue to rise since this is the fastest growing segment of the population. The city's median household size in 2010 was 2.19 persons, compared with 2.37 for the county.
- ❑ The median age of the population of South Burlington (40.6 years) in 2010 was substantially higher than the county median (36.2 years) – 41% of South Burlington households were headed by people 55 years and older.

Housing Affordability

- ❑ In 2010, 65% (5,186) of South Burlington's households owned their homes, down from 69% in 2000.
- ❑ The number of renter households in South Burlington grew by 3.4% (820) during 2000-2010 –almost equaling the number of new owner households (835).
- ❑ The median household income for South Burlington, as reported for 2010 (ACS 5-year estimate) was approximately \$61,000—similar to the county median. An estimated 2,000 South Burlington households made less than \$40,000 a year.
- ❑ Housing is unaffordable for approximately 2,800 South Burlington households who spend more than 30% of their income on housing expenses. About 1,000 of these households— nearly 600 renter households and 400 owner households – are “severely cost burdened,” spending more than 50% of their household income on housing (ACS 5-year estimates). Especially among lower income households, households with this level of “cost burden” are at a higher risk of foreclosure, eviction, homelessness and frequent moving—all of which harm both residents and the community.
- ❑ The median price of a primary home (single family or condo) in South Burlington in 2011 was \$246,500 –virtually the same as for the county as a whole. Unfortunately, this price is well out of reach of the median income household, which could afford a home priced at no more than \$205,000.
- ❑ The estimated median rent of South Burlington apartments in 2010 (\$1,064) was higher than that for the county as a whole (\$959) and out of reach of lower income households (ACS 5-year estimates).
- ❑ Currently 605 units (13%) of the county's subsidized rental housing is located in South Burlington. These units are distributed among six neighborhoods. Most of the units (61%) are restricted to elderly or disabled tenants and almost all are 1- or 2-bedroom units.

Conclusions: Housing Needs and Opportunities

- ❑ 1,000 South Burlington households pay more than half of their incomes for housing. Combined with low vacancy rates and steady growth of new households, the need to develop additional affordably-priced housing remains critical for South Burlington.
- ❑ By virtue of its location, employment opportunities, and quality of life, South Burlington is ideally suited to continue its significant role helping the long-run sustainability of the region by accommodating new households.
- ❑ Most pressing needs are among renters, but additional affordable units are needed for South Burlington owners as well. Small units are more affordable and will best accommodate the 1 and 2-person households that will continue to dominate the city's population.
- ❑ Unmet needs for affordable rental housing among non-elderly households exceed those among elderly. Housing needs among the growing elderly population will be mainly for service enriched housing.

regional studies

Regional Housing Needs Assessments. The Chittenden County Regional Planning Commission (CCRPC) is required by law (24 VSA § 4345a), in conjunction with the Vermont Department of Housing and Community Development, to address regional housing needs and to provide guidance to its member municipalities in addressing affordable housing needs.

In 2004, CCRPC identified community housing targets for 2000 through 2010 based on projected housing growth and a recommendation that, at minimum, 10% of new housing in each community should be affordable to low income households (earning 80% AMI) and an additional 10% should be affordable to moderate income households (earning 80% to 120% AMI). At the time, South Burlington was projected to have an additional 1,444 units by 2010 – of which 288 should be affordable to low and moderate income households. These housing targets were not widely adopted for local use, and have not been incorporated in the updated regional plan, currently available in draft form (Draft ECOS Plan, 1/23/13).

The housing sections of the draft 2013 ECOS Plan reference two federally-funded housing studies under CCRPC's ECOS Project. These include a "Chittenden County Housing Needs Assessment" (October 2012) prepared by the Vermont Housing Finance Agency and a "Fair Housing and Equity Assessment" (January 2013) prepared by the CVOEO Fair Housing Project with the VHFA. Key findings included in these reports track VHFA findings specific to South Burlington, as highlighted above, but also provide the regional context for addressing affordable housing needs and development in the city:

- ❑ The county's population is expected to continue growing, albeit at a slower pace than in the past decade.
- ❑ The county's housing stock increased 10% between 2000 and 2010. Over 30% of the county's new housing was in South Burlington.

- ❑ The rate of housing growth between 2010 and 2015 is expected to be much slower, 2.2% over the five-year period, which is 47% slower than the county's average annual growth from 2000 to 2010. South Burlington is projected to have the highest rate of housing growth through 2015 (at 4.4%).
- ❑ Between 2000 and 2010, the county saw a greater increase in renter households than owners. Communities with the largest increases in renter households were Williston (52%), Milton (50%) and South Burlington (41%).
- ❑ Between 2010 and 2015, an estimated 1,500 additional households are expected in Chittenden County. It's likely that at least half of these additional households will be renters. In order to meet anticipated demand, the county will need approximately 1,000 additional rental housing units by 2015. There are 1,459 proposed new units in the county, in planning or permitting (Allen & Brooks 2011).
- ❑ There will likely be demand for a similar number of new owner homes (1,000) over the next five years. More than 2,500 homes are already in the planning and approval stages (Allen & Brooks 2011). Building just half of planned homes would meet expected demand at the county level. However, the location, characteristics and prices of these homes may not match demand from new home buyers, and merits further attention.
- ❑ More than 11% of Chittenden County residents commute 25 or more miles to work. The vast majority of Chittenden County's working residents pay more than 45% of their income for the combined cost of housing and transportation. Average combined household housing and transportation costs in 2010 was 53% of the county median income (Center for Neighborhood Technology H+T Index; 45% is considered affordable).
- ❑ About half of Chittenden County's households have no more than one wage earner, making the wages of individual workers the key factor in determining what home price is affordable.
- ❑ Few of the county's most prevalent jobs pay enough to afford prevailing rents. An average one-bedroom apartment in the county rents for \$921 per month. Although this level is affordable to the median income household, it requires many wage earners in the most common occupations (retail salespeople, cashiers, personal aides, and teaching assistants) to spend well over 30% of their income on housing, assuming they are at median wage levels and have no other sources of income.

- ❑ The county's lower income households outnumber the stock of rental housing funded through project-based subsidies and tenant-based rental vouchers by more than 2:1. Of the estimated 14,000 county households with incomes less than \$50,000, only 40% receive rental housing assistance.
- ❑ The availability of housing for all residents, regardless of their race, disability status, or membership in other protected classes, ensures that residents have an opportunity to reach their potential as contributing community members. Members of some protected classes (under state and federal fair housing laws) do not have equal access to housing opportunities in Chittenden County. The county's growing population of non-white county residents, residents with disabilities and single-parent families are more likely to experience poverty and less likely to become homeowners than other types of households.
- ❑ Nearly 60% of the county's housing stock was built before 1980—when lead-based paint was widely used, most home insulating, heating and energy technology was inefficient, and building and accessibility codes did not yet accommodate all types of residents.

As also reported in the draft 2013 ECOS Plan (regional plan), Chittenden County is blessed with a highly desirable quality of life. The notable exception is the affordability of housing, which was rated the lowest quality of life factor in an employers' survey, and the most commonly observed weakness in interviews with area employers (p.54).

Additional housing “concerns for the future” identified in the draft regional plan (p. 83) include:

- ❑ Low vacancy rates and affordability – While many rental and owner housing needs through 2015 (2,000 units) will be met through projects already in the pipeline, the plan suggests that this may be too conservative an estimate given very low vacancy rates – and that an additional 2,000 units may be needed through 2020 (pp. 68).
- ❑ Maintenance of existing housing – The county's existing housing stock needs to be adequately maintained as a viable option for the future.

REGIONAL HOUSING GOALS, STRATEGIES AND ACTIONS

draft CCRPC 2013 ECOS plan

Regional Housing Goal. Increase the opportunities for safe, decent, energy efficient, affordable, accessible and fair housing for all types of households in diverse neighborhoods.

Strategy. Strive for 80% of new development in areas planned for growth, which amounts to 15% of the land area.

Actions. Produce more affordable housing to meet basic needs, create jobs and hard 50-year assets. This is a critical part of the infrastructure of the community and economy.

Implement incentives that encourage more housing construction that is lower cost including, but not limited to affordable and supportive housing. This housing should be integrated within communities throughout the County to provide a mix of housing for different incomes and access to jobs and services. These actions include:

- Study the current and projected shortage of affordable housing units by type (rental, owner, single family, multifamily).
- Increase density in areas planned for growth, considering community character and design.
- Revise infrastructure requirements with a goal of reducing costs for developers.
- Consider fee waivers or other development review process incentives.

Maintain or increase local and state resources that fund additional affordable housing, make housing more affordable, and/or maintain existing affordable housing. These actions include:

- The state should fully fund the Vermont Housing and Conservation Board with 50% of property transfer tax revenues, to be used to increase the stock of permanently affordable housing in Chittenden County.
- Review and amend (if necessary) local ordinances impacting the maintenance and use of existing buildings to encourage maintenance and retrofits of existing housing stock without adding undue cost.
- Advocate for more Tax Increment Financing (TIF) districts to help fund infrastructure improvements.
- Take steps to preserve existing affordable housing (including subsidized housing) from being converted to market rate housing.

Continue and improve engagement and education efforts.

- Increase fair housing education and outreach.
- Provide fair housing and land use planning training for land use professionals and municipal officials.
- Train municipal officials and staff, the public, and developers to promote better development practices that achieve a higher level of density with quality design.
- Increase efforts to comply with fair housing requirements.
- Identify gaps in municipal implementation of state fair housing laws and ADA compliance, including municipal bylaw language regarding reasonable accommodations.
- Implement recommendations (within existing resource capacities) of housing impediment analyses, to include tracking zoning variances, local permit applications, application adjustments and denials to identify disparities and trends.

Increase enforcement and testing capacity of fair housing organizations to test protected classes under state as well as federal law.

Strategy: Development financing and governance systems to make the most efficient use of taxpayer dollars and reduce costs.

Affordable Housing Financing and Implementation. Increase resources for housing, including but not limited to: local housing trust funds, state housing trust fund, state housing tax credits, and strongly advocate for increased federal resources.

- ❑ Supportive housing – There's a need to increase the number of units of supportive housing (a combination of housing and support services) throughout the county.

Regional Housing Market Studies. South Burlington's housing market is necessarily affected by regional and national markets – including the effects of the “great recession” that began in 2008, which curtailed available financing for both home mortgages and new housing development. For state and federally funded housing assistance programs, South Burlington is also held to household income and fair market rent guidelines issued annually by HUD for the Burlington-South Burlington Metropolitan Statistical Area (which includes all of Chittenden, Franklin and Grand Isle Counties.)

HUD Housing Market Analysis (2011). South Burlington is included in the HUD-defined Burlington-South Burlington “Housing Market Area” (HMA) which corresponds geographically to the three-county metropolitan statistical area. This information is not specific to South Burlington, but incorporates available state and local data, and offers an indication of market trends affecting housing development in the city. Highlights from the 2011 HMA analysis include the following:

- ❑ The population of the HMA in 2011 was estimated at 212,300, representing 35% of the state total. The HMA grew by 1,225 people or 0.6% annually since 2000 – 80% of which occurred in Chittenden County. However, net out-migration has also occurred each year since 2006, resulting in decrease in the annual rate of population growth to 0.4%.
- ❑ Economic conditions are improving, with an increase in nonfarm payrolls. The economy is based primarily on education and health services, government, trade and manufacturing. The area's largest employers (including IBM and UVM) are located in Chittenden County, and are expected to lead job growth, though recent employment growth has been concentrated in the professional and business service sector, leisure and hospitality sector, and retail trade sub-sector. In the next three years (through 2014) nonfarm payrolls are expected to increase by 1,025 jobs (0.9%) annually.

- ❑ The sales housing market remains soft, even with an estimated vacancy rate of 1.5%. The number of home sales increased in 2010 after significant declines from 2007 through 2009. Chittenden County accounts for more than 75% of home sales in the HMA.
- ❑ The median sales price for homes in the county in 2010 was \$251,500 – up 4% from 2009. The median sales price for condominiums in 2010 was \$197,000 – up 3% from 2009. Home prices have remained stable partly because foreclosure rates within the HMA are among the lowest in the country.
- ❑ Rental market conditions within the HMA are tight. This has resulted in part because of an increasing demand for rental units, particularly among students. The apartment vacancy rate in Chittenden County in 2010 was 1.4%, down from 2.7% a year earlier.
- ❑ Rents increased 4% to 5% per year between 2006 and 2009. As of September 2010 the average rent in Chittenden County was \$1000. Rent increases have outpaced incomes, leading to less affordability in the rental market. An estimated 57% of rental households within the HMA pay more than 30% of their income for housing costs (5 percentage points higher than the national rate).
- ❑ Multifamily home building activity, as measured by permitted units, has increased since 2008, but remains below 2004-07 levels. Single family home building activity has begun to increase, reversing a downward trend that began in 2004.
- ❑ HMA demand is expected for an additional 1,525 new homes (including 100 mobile homes), and 630 additional rental units through 2014. Demand is expected to be strongest in Chittenden County for single family homes priced from \$300,000 to \$350,000 and for one- and two-bedroom apartments.

South Burlington TIF District Market Study. A 2012 market study prepared for South Burlington by Allen & Brooks in support of the proposed City Center tax increment financing (TIF) district includes information on the status of the county's apartment and condominium markets, including the city's share of current development in these areas.

Rental Market. Currently there are around 21,500 rental units, including apartments, condominiums and single family homes, in Chittenden County. South Burlington includes 13% of the

TABLE 1 | HMA DEMAND
MARKET-RATE SALES HOUSING 2011-2014

	Units	% Total
Price Range	\$200,000 to \$249,999	170 11.9
	\$250,000 to \$299,999	340 23.9
	\$300,000 to \$349,999	290 20.4
	\$350,000 to \$399,999	220 15.4
	\$400,000 to \$449,999	170 11.9
	\$450,000 to \$499,999	120 8.4
	\$500,000 to \$649,999	60 4.2
	\$650,000 and higher	55 3.9

Source: HUD Housing Market Analysis (March 2011)

TABLE 2 | HMA DEMAND: RENTAL HOUSING 2011-2014

		Units by Size			
		0 Bedroom	1 Bedroom	2 Bedroom	3+ Bedroom
Monthly Gross Rent	\$800 to \$899	40			
	\$900 to \$999		100		
	\$1,000 to \$1,099	10			
	\$1,100 to \$1,199		60		
	\$1,200 to \$1,299			90	
	\$1,300 to \$1,399		30		
	\$1,400 to \$1,499			120	
	\$1,500 to \$1,599		10		20
	\$1,600 to \$1,699			60	
	\$1,700 to \$1,799				30
	\$1,800 to \$1,899			30	
	\$1,900 to \$1,999				20
	\$2,000 to \$2,099				
	\$2,100 to \$2,199				10
\$2,200 to \$2,299					
TOTAL		50	200	300	80

Source: HUD Housing Market Analysis (March 2011)

county's rental stock (around 2,300 units), second only to Burlington (with 44%). Rental housing makes up 35% of the city's total housing stock. There is strong and growing demand in the rental market, as a result of low vacancy rates and several economic and demographic trends identified in the report:

- ❑ The county's current apartment vacancy rate (1.2%) is well below 2011 national (9.8%) and northeastern (8.0%) market averages.
- ❑ The population in the 24 to 34 age group is expected to grow by more than 9% over the next five years. This is the age group that is largely comprised of renters who are beginning their careers and saving for their first home purchase, which often occurs in their early 30s.
- ❑ The population in the 55 to 64 age group is expected to increase by more than 10% over the same period. This group includes "empty nesters" who want to downsize their living arrangements.
- ❑ Employers are starting to hire again – jobs in the Burlington-South Burlington labor market grew by 1,300 over the past year. Many new hires are entering the apartment market.
- ❑ Young adults living with their parents or in shared living arrangements are expected to move into their own apartments as the economy improves. This is fueling demand for efficiencies and one bedroom apartments.
- ❑ Despite low mortgage rates, renters are remaining in the apartment market due to tighter lending requirements, and because home ownership has lost much of its investment appeal – home equity growth is no longer viewed as a certainty.

The loss of the federal tax credit program for first time home buyers has also led to a tightening rental market. As a result, Chittenden County rental rates have been on the rise – rents over the past ten years have increased, on average, by 3.6% per year. The economic downturn and rising rents have caused "significant financial stress among renter households with lower incomes" (p. 18).

Over the past 12 years, an average of 164 apartment units has been built each year in the county – below the HUD-estimated

demand for new units (217 per year) over the next four years. Of the 218 new apartment units built in the county in 2011, 111 (51%) were in South Burlington. Allen and Brooks estimated that 388 units, all under construction, were due to come on the market in 2012 – of these 105 (27%) were in South Burlington. They conclude that, while the pace of new apartment construction has increased in recent years, new units are being rapidly absorbed by the market. All the new South Burlington apartment complexes that came on the market in 2010 and 2011 were fully rented within 1½ months of opening.

New apartments built in City Center with the benefit of infrastructure improvements to be funded in part through the TIF district “will likely be well received by the market (p. 21). They suggest this is also true given complementary land uses in the immediate areas, the location within walking distance of shops and services, the availability of public transit, convenience to I-89 and downtown Burlington, and the character of new housing stock.

Condominium Market. The market for condominium units, unlike that for rental units, declined rapidly in Chittenden County, and in South Burlington, since the condo market peaked in 2005. It’s noted that low interest rates and recent job growth have not been enough to buoy the market (p.22).¹ Unit sales in the city declined by 81% – from 440 units in 2005 to 84 units in 2011. Median sales prices peaked at \$215,000 in 2008 and then dropped by more than 10% in 2009 with the onset of the recession, but have since remained fairly stable. In 2011 the median price of

a condominium was \$192,500 – slightly less than the county median of \$198,000.

Condominiums have traditionally offered more affordable, entry level housing for first time home buyers. Allen and Brooks note that, at present, units are available in every price range and, as baby boomers downsize, they may drive demand at the upper end of this market. They conclude, however, that there is far more supply than demand for the foreseeable future. Absorption rates for new units decreased from 44.5 units per month in 2004 down to less than 0.5 units per month county-wide. It’s expected that at least some condo projects currently in the pipeline will be redirected to the apartment market, and others will be delayed or abandoned. Because of its location, however, the City Center TIF district is well positioned to benefit from an eventual upturn in the market. Condos are favored by developers for the density of development they afford, particularly in locations that are convenient to work, shopping, services and amenities.

1. Post-2009 changes in the underwriting requirements for federally-backed condominium mortgages and for new project development through the Federal Housing Administration has also made financing for condominium and mixed use housing development much more difficult to obtain, as noted by developers on the Affordable Housing Committee. Some lending relief may come from September 2012 FHA rule changes that increased the number of units that investors can own in a development from 10 to 50 percent, (provided that the other half are owner-occupied), and that relaxed liability rules related to condo association boards and officers.

housing stock and demographic analysis

Sources and Methodology. The analysis that follows is based on residential property data provided by the South Burlington Assessor's Office derived from the 2010 Grand List, as well as the city's 2010 tax parcel GIS data, Chittenden County Regional Planning Commission's 2010 housing units GIS data, and 2010 Census data at the block level.

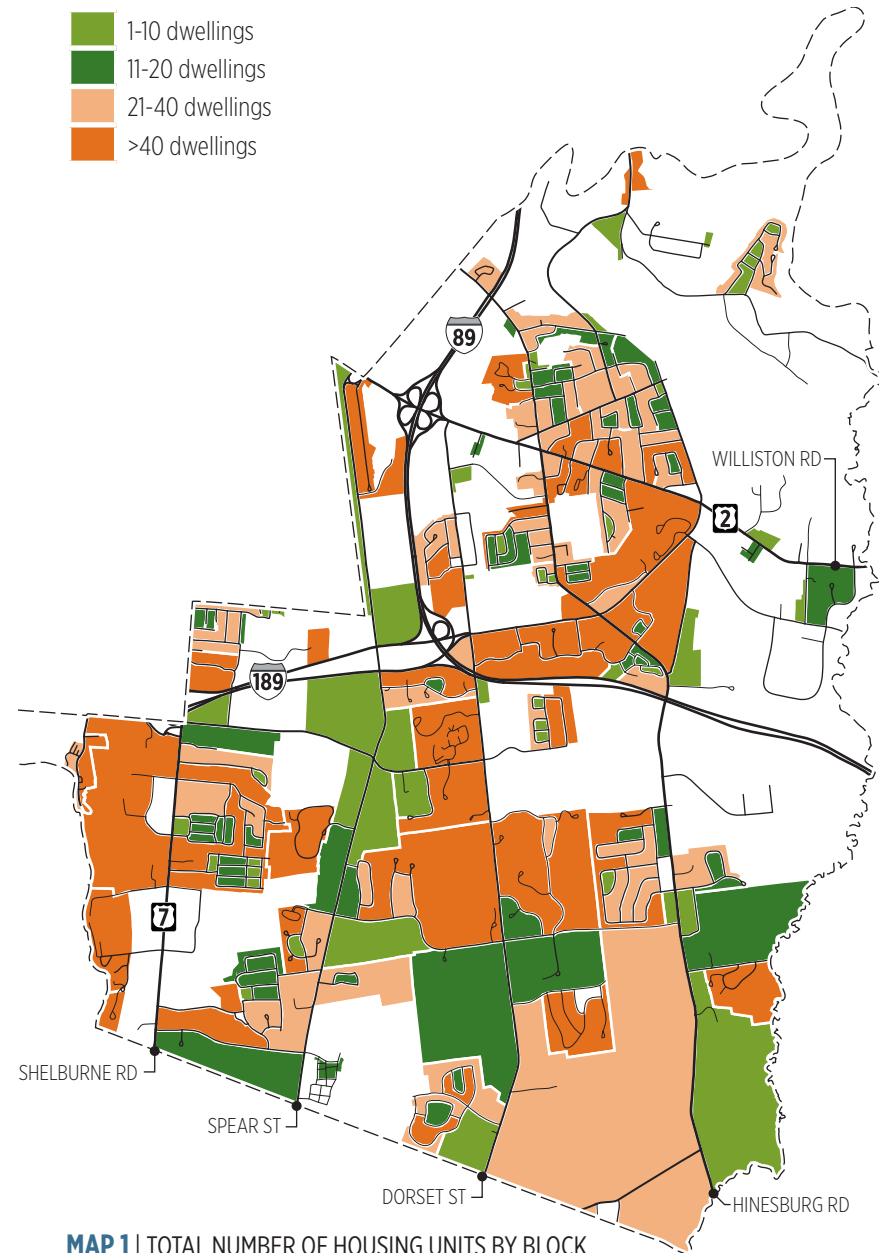
The Assessor's Office provided data for 3,649 residences with land and 2,680 condominiums. From these records, 98% of the residences with land and 99% of the condominiums were matched to GIS data and were able to be used in this analysis.

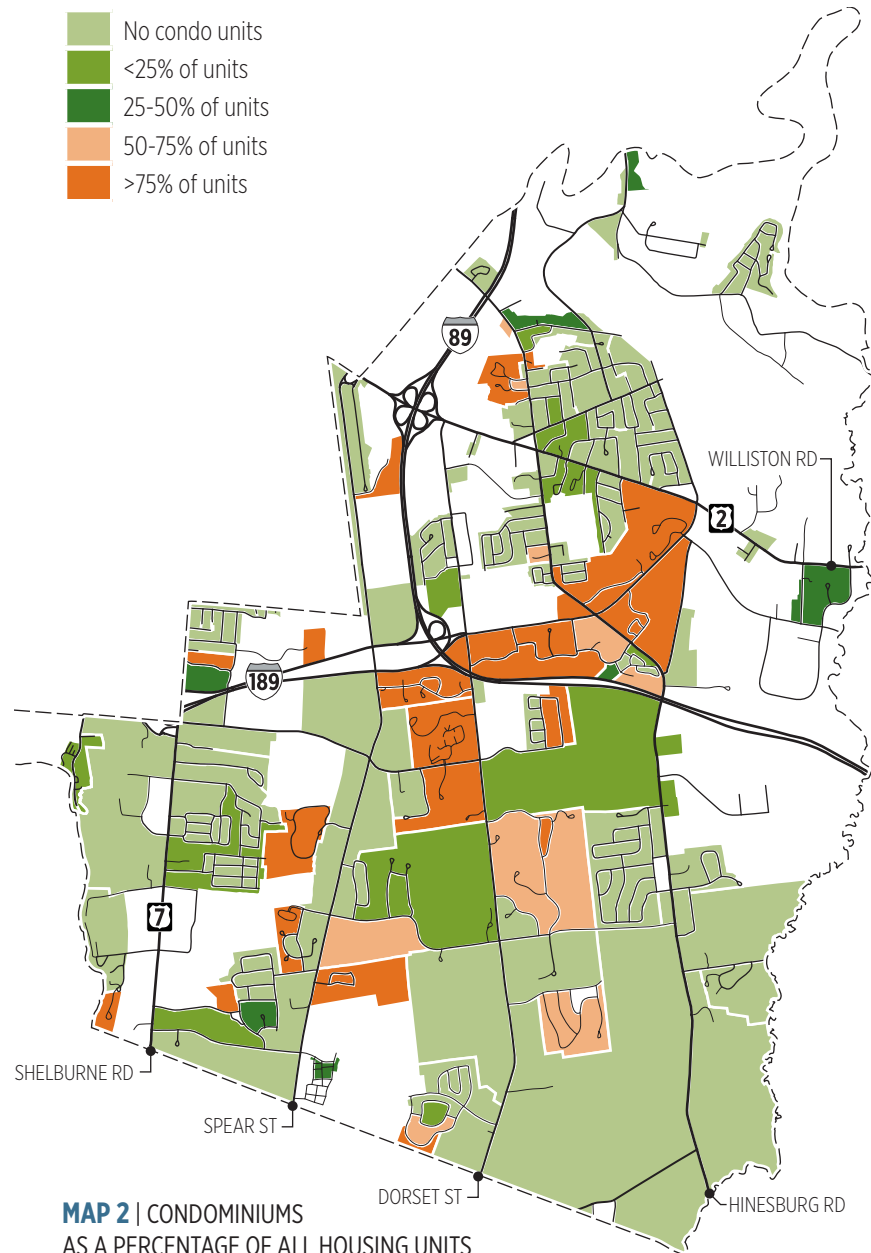
It was not possible to identify single-family homes with accessory dwelling units or duplexes consisting of an owner-occupied unit and a rental unit in the Assessor's data. Those properties appear as a single dwelling unit, rather than two dwelling units in the data. However, the Assessor estimates that there are not enough such properties in the city to affect the results of this analysis.

The CCRPC data included information about 51 multi-unit buildings not included in the Assessor's data, which contain 1,348 rental apartments. These units are shown in the total amount of housing in each block, but detailed information about the units (size, date built, value, etc.) was not available to be used in other aspects of this analysis.

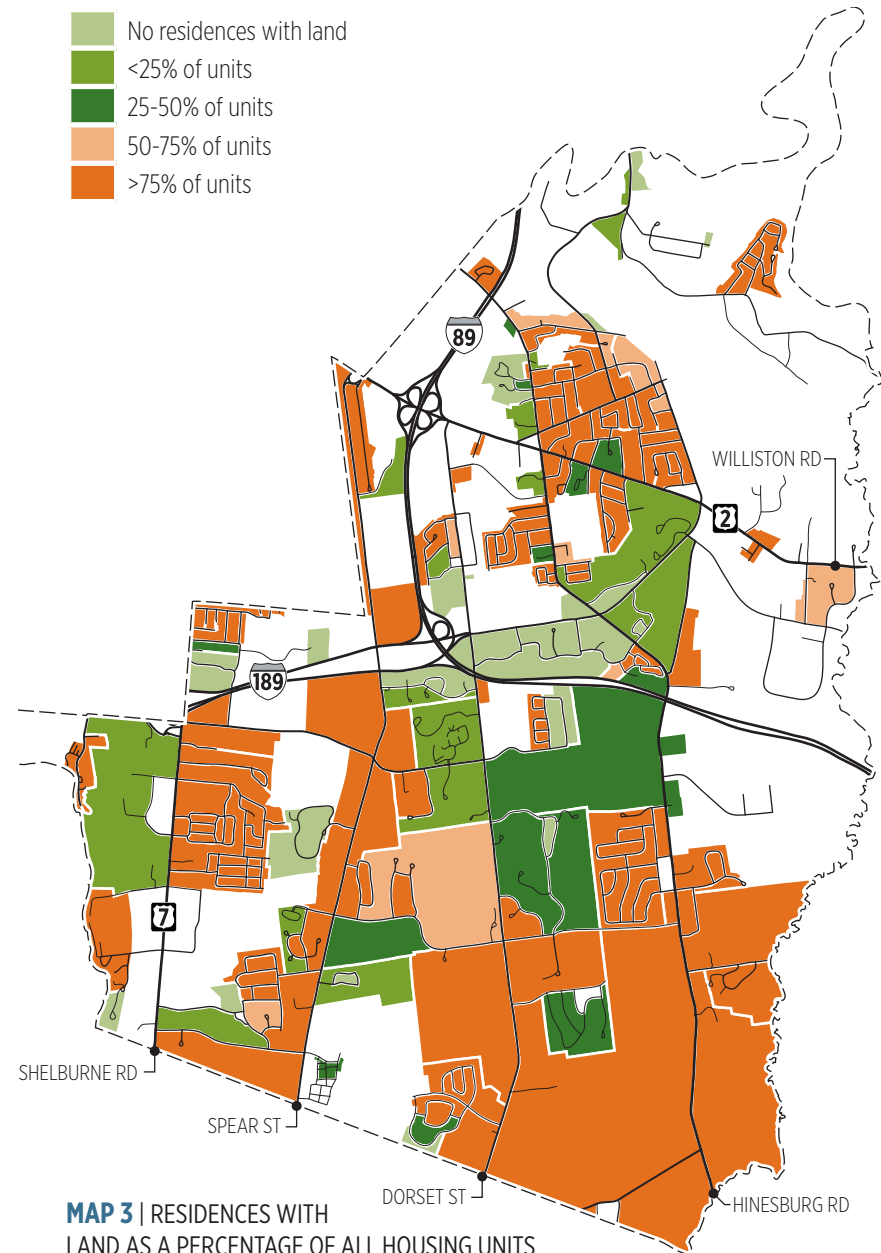
Total Number of Units. This analysis has found a total of 7,940 dwelling units in South Burlington as of 2010. Map 1 shows the distribution of housing units throughout the city.

Housing Units by Type. This analysis has found 1,348 (17%) apartments in multi-unit buildings, 2,873 (36%) condominium units, and 3,719 (47%) residences with land. Maps 2-4 show the distribution of each type of housing unit throughout the city.

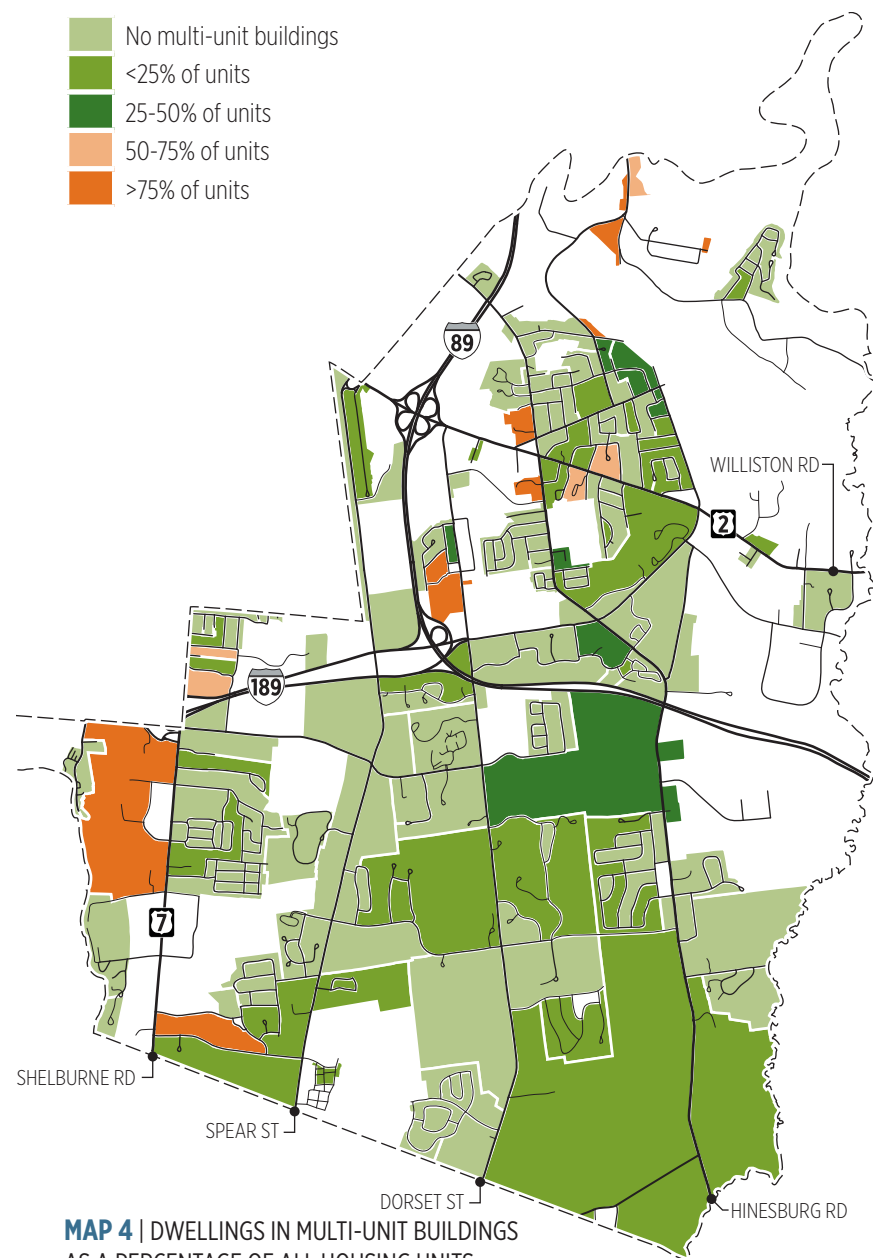




MAP 2 | CONDOMINIUMS
AS A PERCENTAGE OF ALL HOUSING UNITS



MAP 3 | RESIDENCES WITH
LAND AS A PERCENTAGE OF ALL HOUSING UNITS



**MAP 4 | DWELLINGS IN MULTI-UNIT BUILDINGS
AS A PERCENTAGE OF ALL HOUSING UNITS**

As the maps indicate, condominiums and multi-unit residential structures are concentrated within particular areas of the city.

TABLE 3 | DWELLINGS BY DATE BUILT

	# of DUs	% of DUs
BEF 1950	291	4%
1950s	968	15%
1960s	999	15%
1970s	849	13%
1980s	1,553	24%
1990s	576	9%
AFT 2000	1,269	20%

Housing Units by Date Built. This analysis has found that only 4% of dwellings (not including apartments in multi-unit buildings) were built prior to 1950 and 53% have been built since 1980.

Map 5 shows the average date of housing construction in each neighborhood.

TABLE 4 | MEDIAN SIZE BY DATE BUILT

	DUs w/ Land	Condos
BEF 1950	1,511 sf	
1950s	1,240 sf	
1960s	1,391 sf	988 sf
1970s	1,794 sf	1,189 sf
1980s	2,113 sf	1,234 sf
1990s	2,240 sf	1,939 sf
AFT 2000	2,720 sf	1,584 sf

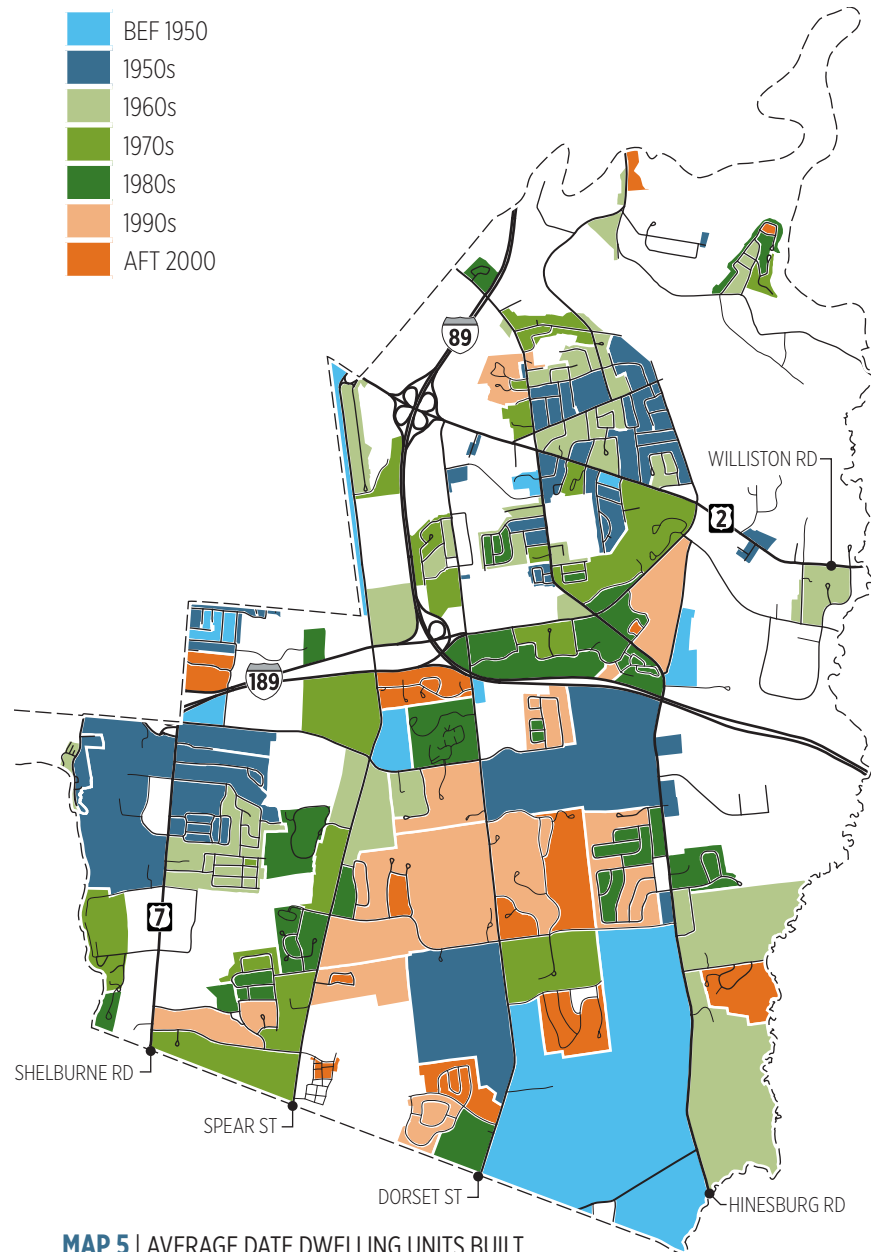
The Assessor's data lists the original date of construction for each dwelling, but the date of any major improvements or additions is not available.

Housing Units by Size. While more than half the homes in the city are smaller than 1,500 square feet, the size of dwellings has been increasing in recent decades. The average size of a residence built today is essentially twice that of a home built in the 1950s or '60s.

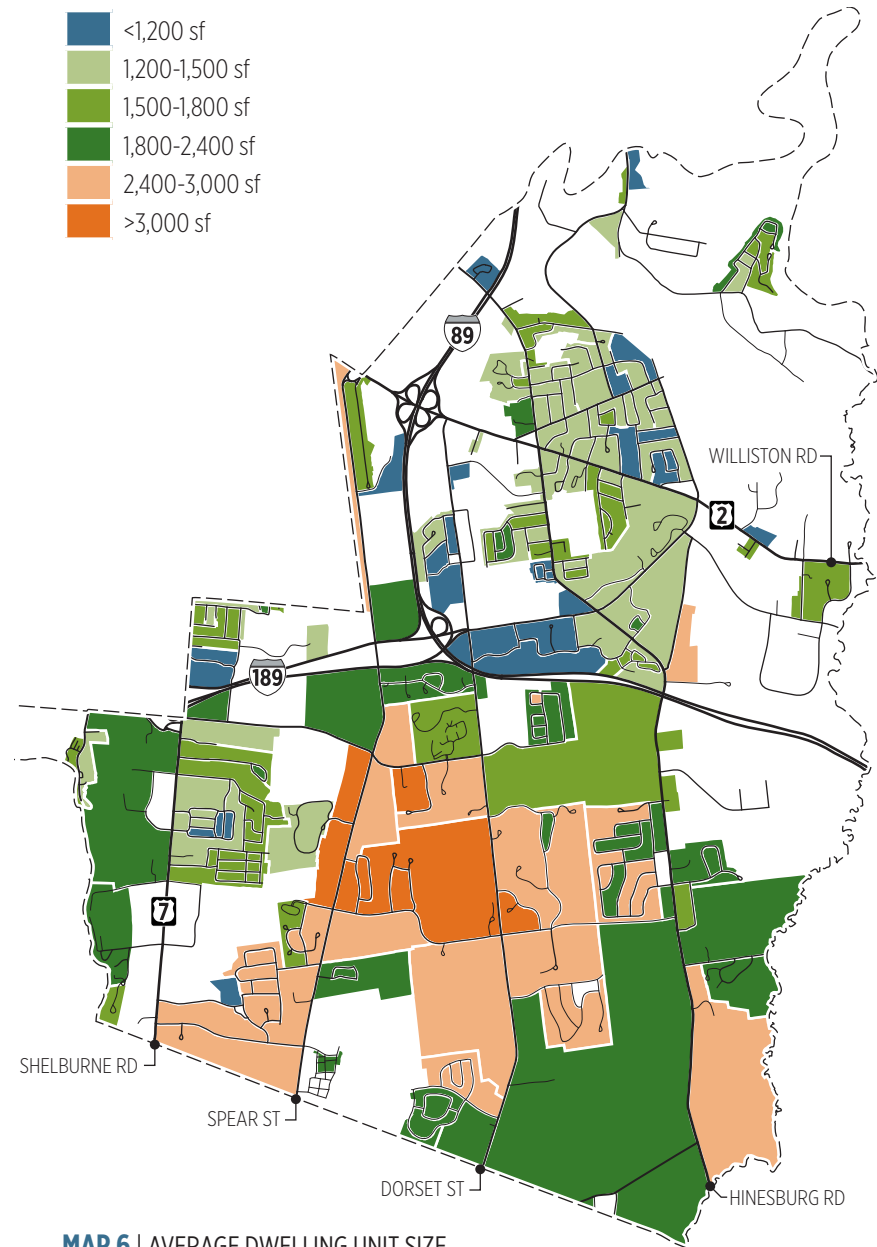
Tables 6 through 8 present additional statistics related to housing unit size and Map 6 shows the average size of housing by neighborhood.

TABLE 5 | DWELLINGS BY MEDIAN SIZE

	# of DUs	% of DUs
<1,200	2,077	32%
1,200-1,500	1,454	22%
1,500-1,800	941	14%
1,800-2,400	1,081	17%
2,400-3,000	619	10%
>3,000	333	5%



MAP 5 | AVERAGE DATE DWELLING UNITS BUILT



MAP 6 | AVERAGE DWELLING UNIT SIZE

TABLE 6 | DWELLING UNITS BY SIZE AND DATE BUILT

		Size (sf)						TOTAL
		<1200	12-1500	15-1800	18-2400	24-3000	>3000	
Date Built	BEF 1950	64	77	57	57	21	15	291
	1950s	434	242	155	104	18	15	968
	1960s	393	267	179	112	29	19	999
	1970s	394	185	106	74	54	36	849
	1980s	520	439	275	164	111	44	1,553
	1990s	24	69	72	259	87	65	576
	AFT 2000	248	175	97	311	299	139	1,269
TOTAL		2,077	1,454	941	1,081	619	333	6,505

TABLE 7 | RESIDENCES WITH LAND BY SIZE AND DATE BUILT

		Size (sf)						TOTAL
		<1200	12-1500	15-1800	18-2400	24-3000	>3000	
Date Built	BEF 1950	64	77	57	57	21	15	291
	1950s	433	241	153	104	18	15	964
	1960s	231	228	179	111	29	19	797
	1970s	56	70	36	69	54	36	321
	1980s	65	56	60	155	111	44	491
	1990s	12	10	51	134	73	65	345
	AFT 2000	6	13	30	75	182	126	432
TOTAL		867	695	566	705	488	320	3,641

TABLE 8 | CONDOMINIUM UNITS BY SIZE AND DATE BUILT

		Size (sf)						TOTAL
		<1200	12-1500	15-1800	18-2400	24-3000	>3000	
Date Built	1950s	1	1	2				4
	1960s	162	39		1			202
	1970s	338	115	70	5			528
	1980s	455	383	215	9			1,062
	1990s	12	59	21	125	14		231
	AFT 2000	242	162	67	236	117	13	837
TOTAL		1,210	759	375	376	131	13	2,864

The Assessor's data lists the current size of each dwelling (not including apartments in multi-unit buildings) and its original date of construction, so this analysis cannot account for later additions.

TABLE 9 | DWELLINGS BY VALUE

	# of DUs	% of DUs
Assessed Value		
<\$150,000	468	7%
\$150-200,000	1,370	21%
\$200-250,000	1,564	24%
\$250-300,000	1,030	16%
\$300-350,000	545	9%
\$350-400,000	465	7%
>\$400,000	1,063	16%

TABLE 10 | RESIDENCES WITH LAND

	# of DUs	% of DUs
Assessed Value		
<\$150,000	31	1%
\$150-200,000	223	6%
\$200-250,000	987	27%
\$250-300,000	745	20%
\$300-350,000	475	13%
\$350-400,000	399	11%
>\$400,000	781	21%

TABLE 11 | CONDOMINIUMS

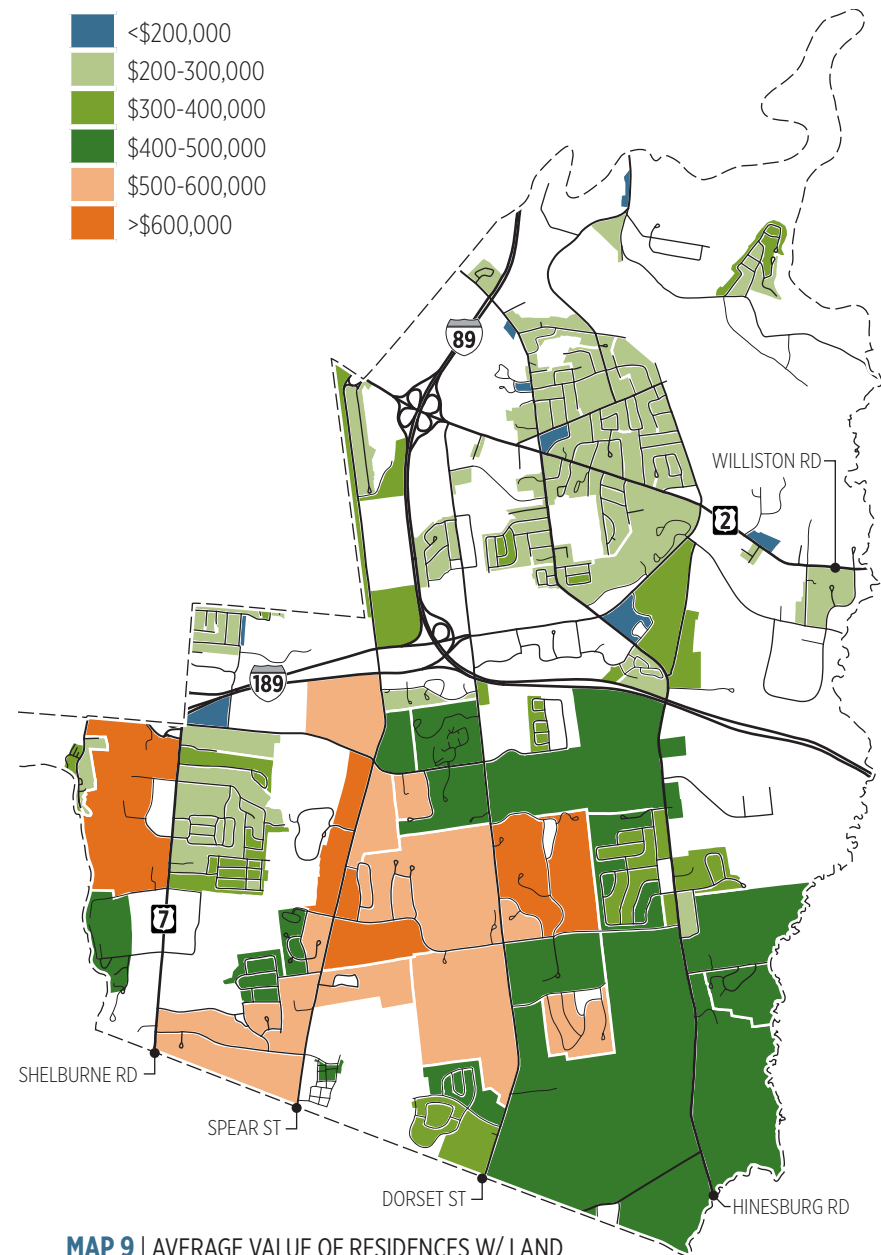
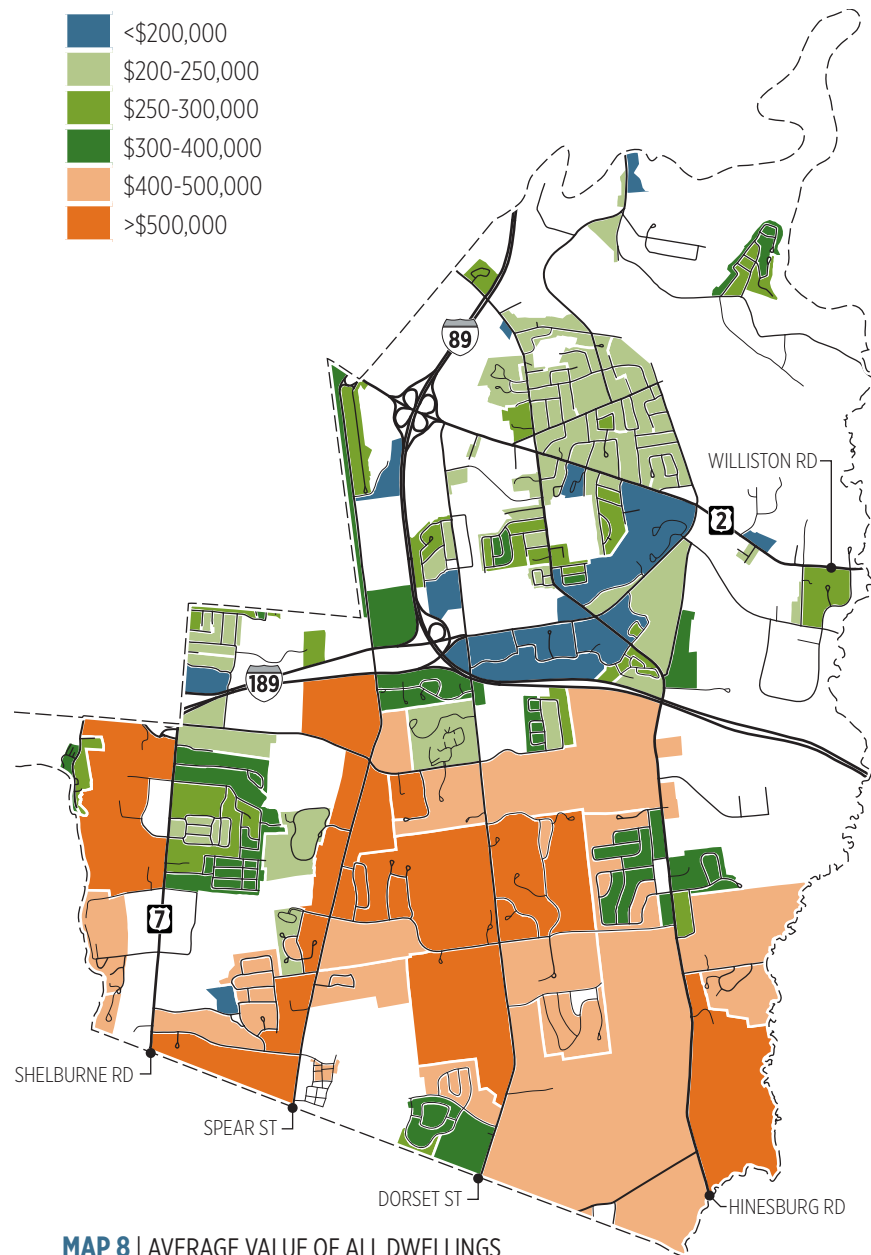
	# of DUs	% of DUs
Assessed Value		
<\$150,000	437	15%
\$150-200,000	1,147	40%
\$200-250,000	577	20%
\$250-300,000	285	10%
\$300-350,000	70	2%
\$350-400,000	66	2%
>\$400,000	282	10%

Housing Units by Assessed Value.

While around 28% of condominiums and houses on their own lot in the city are affordable, very few new affordable homes are being built. For the purpose of this analysis, affordable means a home valued at less than \$200,000, which would be affordable to a household earning around \$55,000 per year.

Condos are the primary opportunity for affordable home ownership in the city. There are approximately 250 affordable homes on their own lot, which is less than 4% of all the homes in the city. During the past decade, there were no new affordable homes on their own lots built in the city and only 230 affordable condos were constructed.

During the past decade, 70% of the new homes on their own lot built in the city were valued at more than \$400,000 and another 24% were valued between \$350,000 and \$400,000.



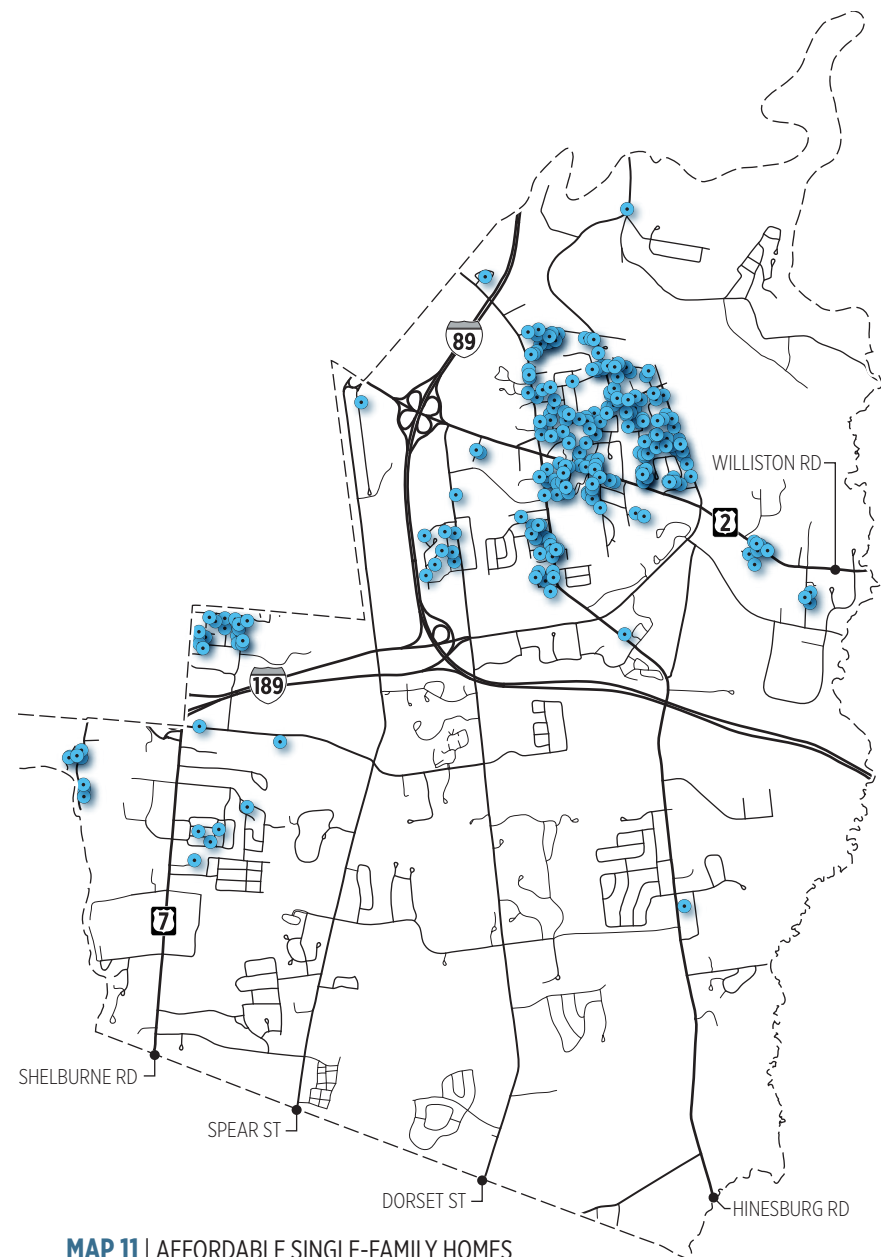
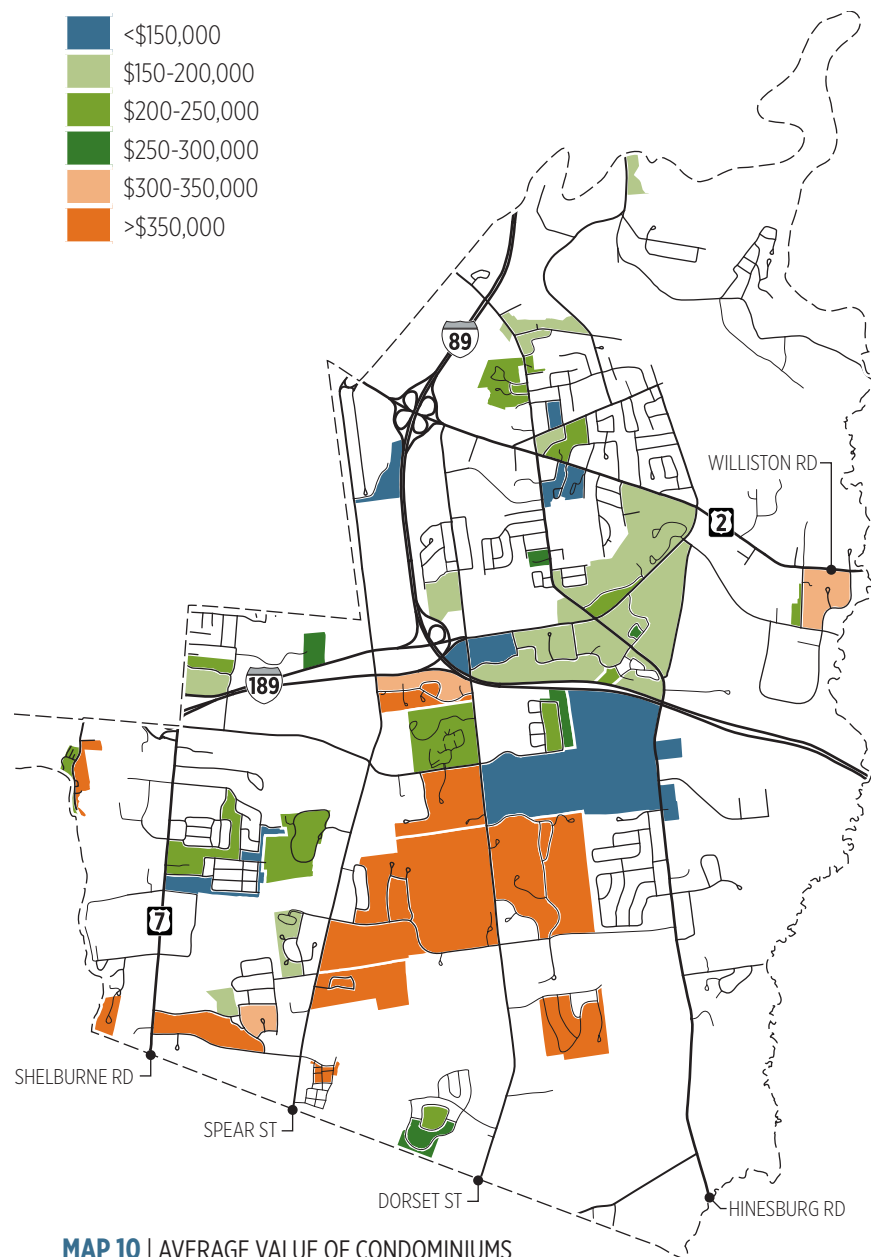


TABLE 12 | DWELLING UNITS BY ASSESSED VALUE AND SIZE

	Size (sf)						TOTAL
	<1200	12-1500	15-1800	18-2400	24-3000	>3000	
Assessed Value							
<\$150,000	447	9	1	11			468
\$150-200,000	944	412	9	5			1,370
\$200-250,000	530	654	312	67	1		1,564
\$250-300,000	130	284	329	272	13	2	1,030
\$300-350,000	11	81	176	227	44	6	545
\$350-400,000	7	8	51	260	118	21	465
>\$400,000	8	6	63	239	443	304	1,063
TOTAL	2,077	1,454	941	1,081	619	333	6,505

TABLE 13 | RESIDENCES WITH LAND BY ASSESSED VALUE AND SIZE

	Size (sf)						TOTAL
	<1200	12-1500	15-1800	18-2400	24-3000	>3000	
Assessed Value							
<\$150,000	18	3		10			31
\$150-200,000	184	29	9	1			223
\$200-250,000	514	320	131	21	1		987
\$250-300,000	128	249	219	136	11	2	745
\$300-350,000	9	81	146	191	42	6	475
\$350-400,000	6	7	51	202	112	21	399
>\$400,000	8	6	10	144	322	291	781
TOTAL	867	695	566	705	488	320	3,641

TABLE 14 | CONDOMINIUMS BY ASSESSED VALUE AND SIZE

	Size (sf)						TOTAL
	<1200	12-1500	15-1800	18-2400	24-3000	>3000	
Assessed Value							
<\$150,000	429	6	1	1			437
\$150-200,000	760	383		4			1,147
\$200-250,000	16	334	181	46			577
\$250-300,000	2	35	110	136	2		285
\$300-350,000	2		30	36	2		70
\$350-400,000	1	1		58	6		66
>\$400,000			53	95	121	13	282
TOTAL	1,210	759	375	376	131	13	2,864

TABLE 15 | DWELLING UNITS BY ASSESSED VALUE AND YEAR BUILT

	Year Built							TOTAL
	BEF 1950	1950s	1960s	1970s	1980s	1990s	2000s	
Assessed Value								
<\$150,000	6	13	95	143	165	9	37	468
\$150-200,000	47	126	149	273	565	16	194	1,370
\$200-250,000	118	521	272	102	304	90	157	1,564
\$250-300,000	58	211	250	139	129	107	136	1,030
\$300-350,000	22	66	168	64	87	72	66	545
\$350-400,000	13	16	40	30	96	107	163	465
>\$400,000	27	15	25	98	207	175	516	1,063
TOTAL	291	968	999	849	1,553	576	1,269	6,505

TABLE 16 | RESIDENCES WITH LAND BY ASSESSED VALUE AND YEAR BUILT

	Year Built							TOTAL
	BEF 1950	1950s	1960s	1970s	1980s	1990s	2000s	
Assessed Value								
<\$150,000	6	11	2	1	2	9		31
\$150-200,000	47	126	41	4	5			223
\$200-250,000	118	519	272	33	41	2	2	987
\$250-300,000	58	211	250	91	101	26	8	745
\$300-350,000	22	66	167	64	79	58	19	475
\$350-400,000	13	16	40	30	96	102	102	399
>\$400,000	27	15	25	98	167	148	301	781
TOTAL	291	964	797	321	491	345	432	3,641

TABLE 17 | CONDOMINIUMS BY ASSESSED VALUE AND YEAR BUILT

	Year Built							TOTAL
	BEF 1950	1950s	1960s	1970s	1980s	1990s	2000s	
Assessed Value								
<\$150,000		2	93	142	163		37	437
\$150-200,000			108	269	560	16	194	1,147
\$200-250,000		2		69	263	88	155	577
\$250-300,000				48	28	81	128	285
\$300-350,000			1		8	14	47	70
\$350-400,000						5	61	66
>\$400,000					40	27	215	282
TOTAL		4	202	528	1,062	231	837	2,864

The 250 existing affordable homes on their own lots are essentially a 'nonrenewable resource' as the cost of land in the city makes it extremely unlikely that a significant number of new affordable homes on their own lots will be built in the foreseeable future.

Tables 12 through 17 present additional statistics related to the assessed value of homes in the city. Maps 8 through 10 show the average value of homes by neighborhood.

Sale Prices. The VHFA report identifies trends in housing prices, based on the reported median sale prices of primary homes (single family, condominiums and mobile homes) in the city. As noted in public forums and regional market studies, the housing market softened during the recession but, for single family homes, is beginning to recover. The condo market, which now makes up a significant amount of South Burlington's housing stock, took a bigger hit as reflected in declining sale prices.

Condominiums remain a more affordable option for first-time home buyers. Despite low interest rates, new lending requirements have made both condominium mortgages and project financing difficult to obtain. South Burlington has a negligible supply of mobile homes.

Land Sales. Much of the cost of new housing is determined by the cost of land. Land sales specifically for residential development are hard to track, but the price of "open land" which includes land other than farm or forest land is reported in state property transfer data.

The number of reported land sales in South Burlington peaked in 2003 and dropped dramatically thereafter, while the average price per acre increased significantly. The average price of open land per acre in 2011 was \$208,000. The high cost of land clearly makes it difficult to construct affordable single-family homes

CHART 1 | SOUTH BURLINGTON PRIMARY HOME SALES BY TYPE

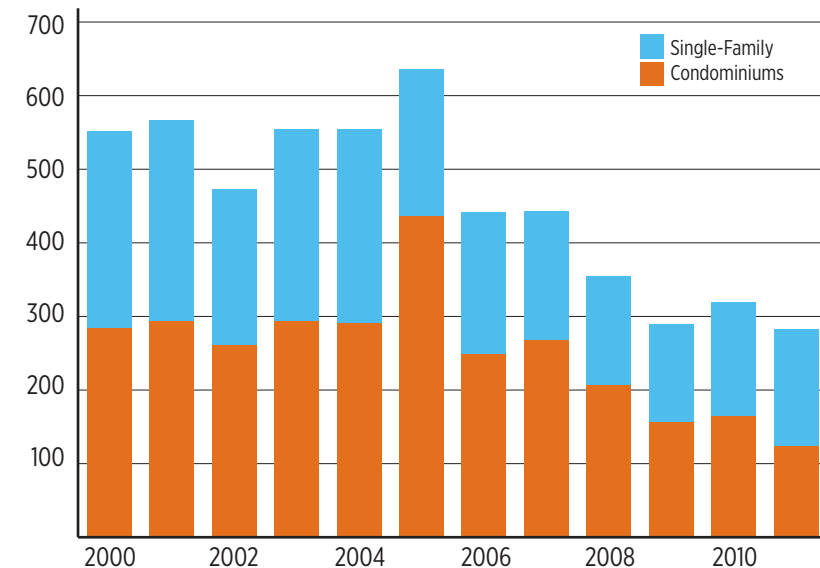
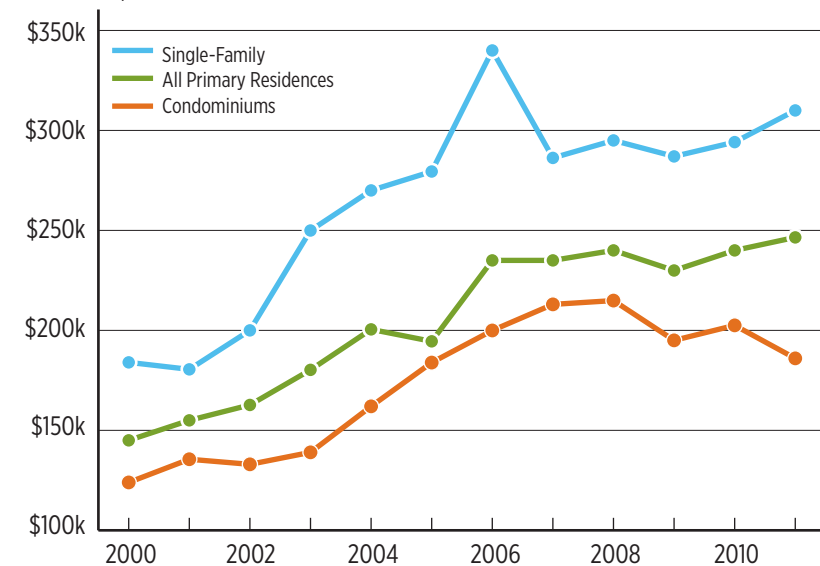


CHART 2 | MEDIAN SALE PRICE FOR HOMES IN SOUTH BURLINGTON BY TYPE



except on very small lots. Additional density is needed to reduce land (and construction) costs per unit.

TABLE 18 | RESIDENTIAL REAL ESTATE LISTINGS IN SOUTH BURLINGTON

Type	Listings		Range		<\$200,000	\$200-300,000
Single-Family	37		\$207,000 to \$1,310,000		0%	19%
Condominium	48		\$125,000 to \$515,000		52%	25%

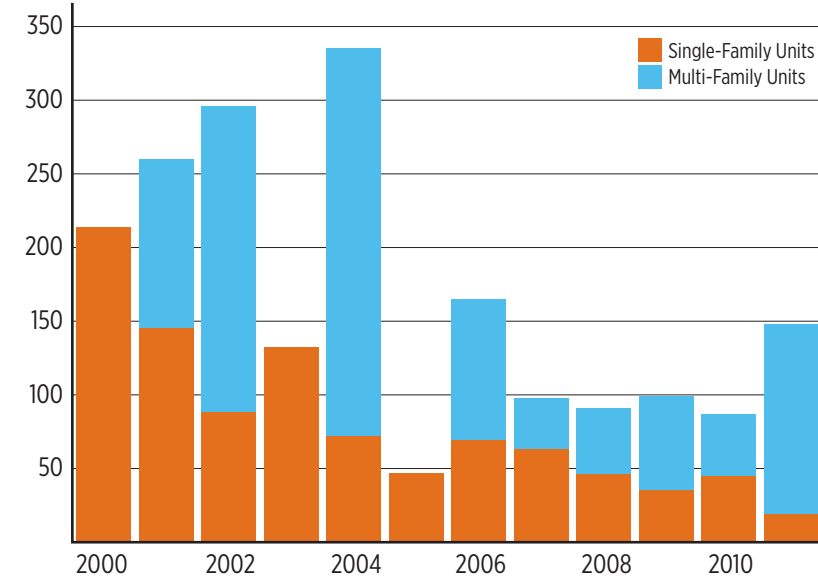
Source: Northern New England Real Estate Network (5 Feb 2013)

In February 2013, there were 92 properties on the market in South Burlington (11% of the county total), including 37 single-family homes, 48 condos or townhouses, and 7 residential parcels. The average price of all listed properties was \$322,000 (compared with \$354,000 for the county), and the average days properties remained on the market was 158 (compared to 224 days for the county). Few single-family homes listed would be considered affordable. Condos, as expected, were generally more affordable though higher-end units were also available.

The seven residential lots for sale ranged in size from 0.35 to 1.7 acres, and in price from \$159,900 to \$332,000. The average price of listed parcels was \$224,000, while the average price per acre was \$313,000. The price of lots currently on the market puts them out of reach for the construction of affordable single family homes.

Residential Permits. South Burlington has permitted an average of 160 residential units per year during the past decade. The new dwellings have been evenly split between single-family homes and units in multi-family buildings over the 10-year period. Virtually all of the multi-family units are in buildings with 5 or more units.

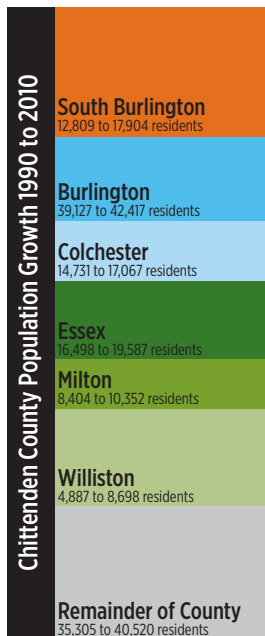
CHART 3 | RESIDENTIAL PERMITS ISSUED ANNUALLY IN SOUTH BURLINGTON



Housing Tenure. In 2010, there were 7,634 dwelling units in South Burlington. One-third were renter-occupied and two-thirds were owner-occupied. The amount of rental housing has been increasing more quickly than owner-occupied housing in South Burlington. According to the Census Bureau, the city added 835 owner-occupied and 820 rental units during the 2000s. That represented a 20% increase in owner-occupied housing and a 40% increase in rental housing.

Map 12 shows the percentage of occupied housing units in each census block that are rentals. As the map indicates, rental housing in the city is concentrated within several areas of the city where multi-unit buildings are located.

Maps 13 and 14 show the percentage of occupied housing units that are owner-occupied and the mortgage status of those homes. Approximately 75% of homeowners had a mortgage in 2010.



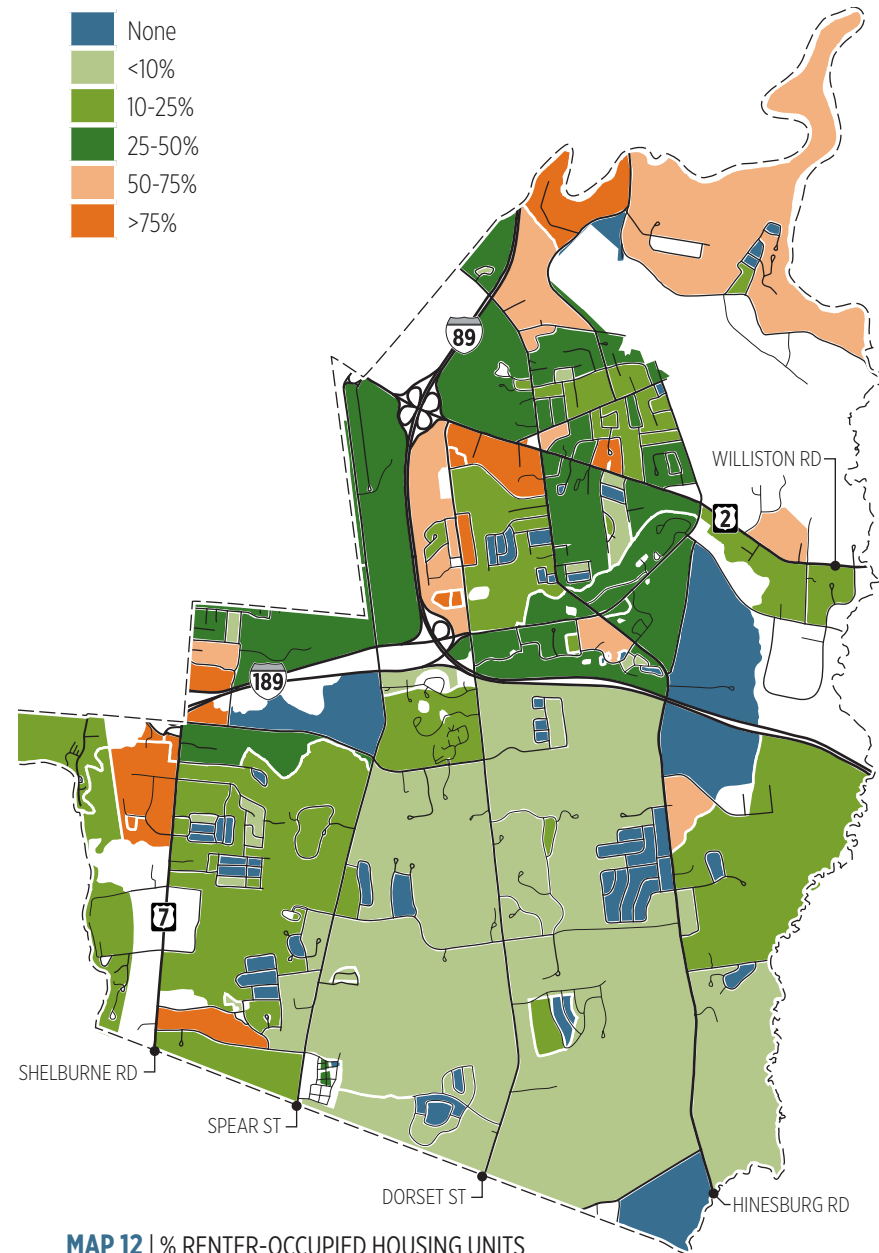
Demographics. South Burlington is the fastest growing community in Vermont. Between 1990 and 2010, South Burlington added more new residents than any other municipality in the county (5,095 people). There were 2,809 more households living in the city in 2010 than in 1990. An additional 2,992 housing units were built in South Burlington during the past two decades. Not only has the number of city residents increased, but the demographic profile of residents has changed.

In 1990, the average household size in South Burlington was 2.42 people; in 2010, it was 2.19 people. Map 15 shows average household size in each census block in 2010. Those areas of

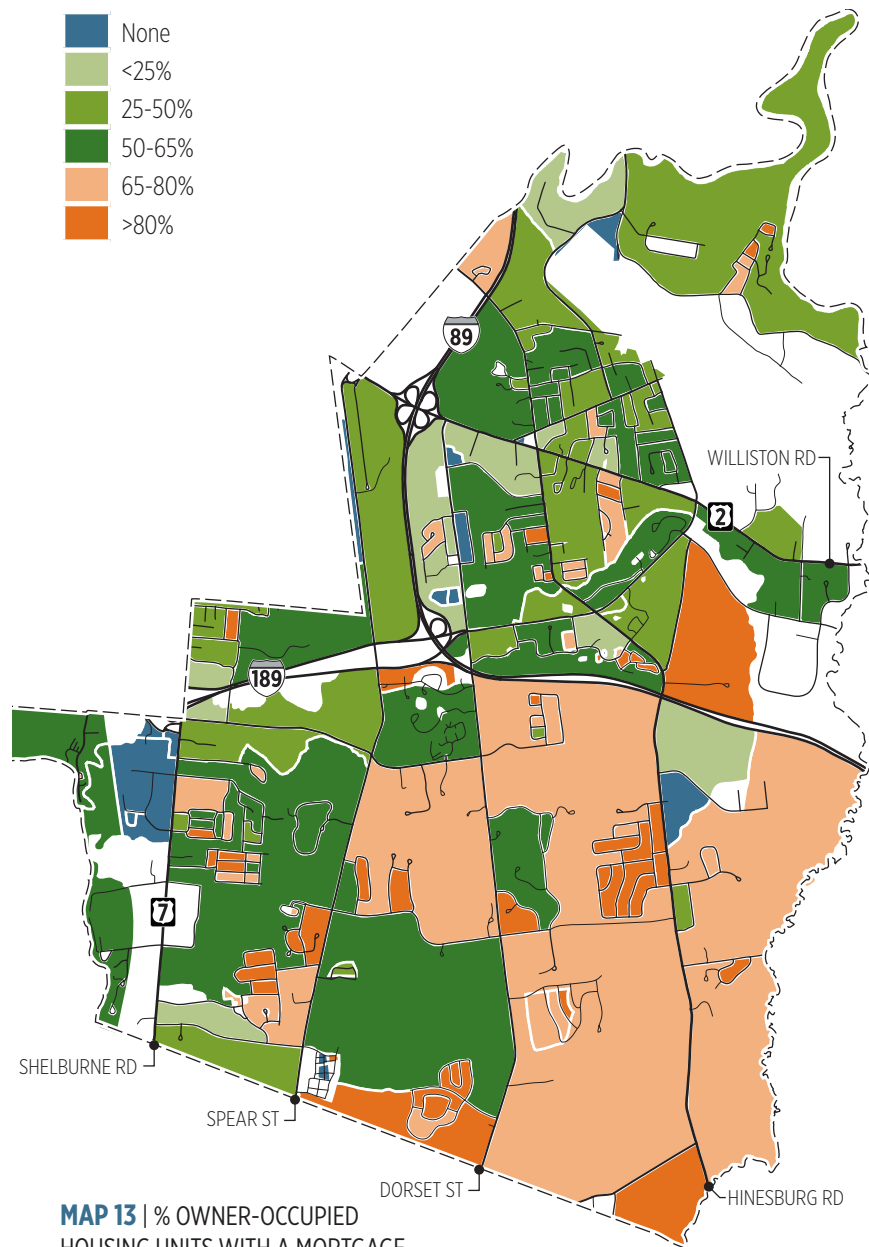
the city with greater number of condominiums and multi-family buildings have smaller average household sizes. In 1990, there were 1,281 single-person households in the city; in 2010, there were 2,648 single-person households.

The median age of South Burlington residents was 40.6 in 2010. Between 1990 and 2010, the number of South Burlington residents age 55 or older increased from 20% to 28% of the city's population. Over the same period, the percentage of the city's population that is under age 18 decreased from 22% to 19%. Map 16 shows median age of residents in each census block. Map 17 shows the percentage of residents in each census block that are under age 18. Map 18 shows the percentage of residents in each census block that are under 65 or older.

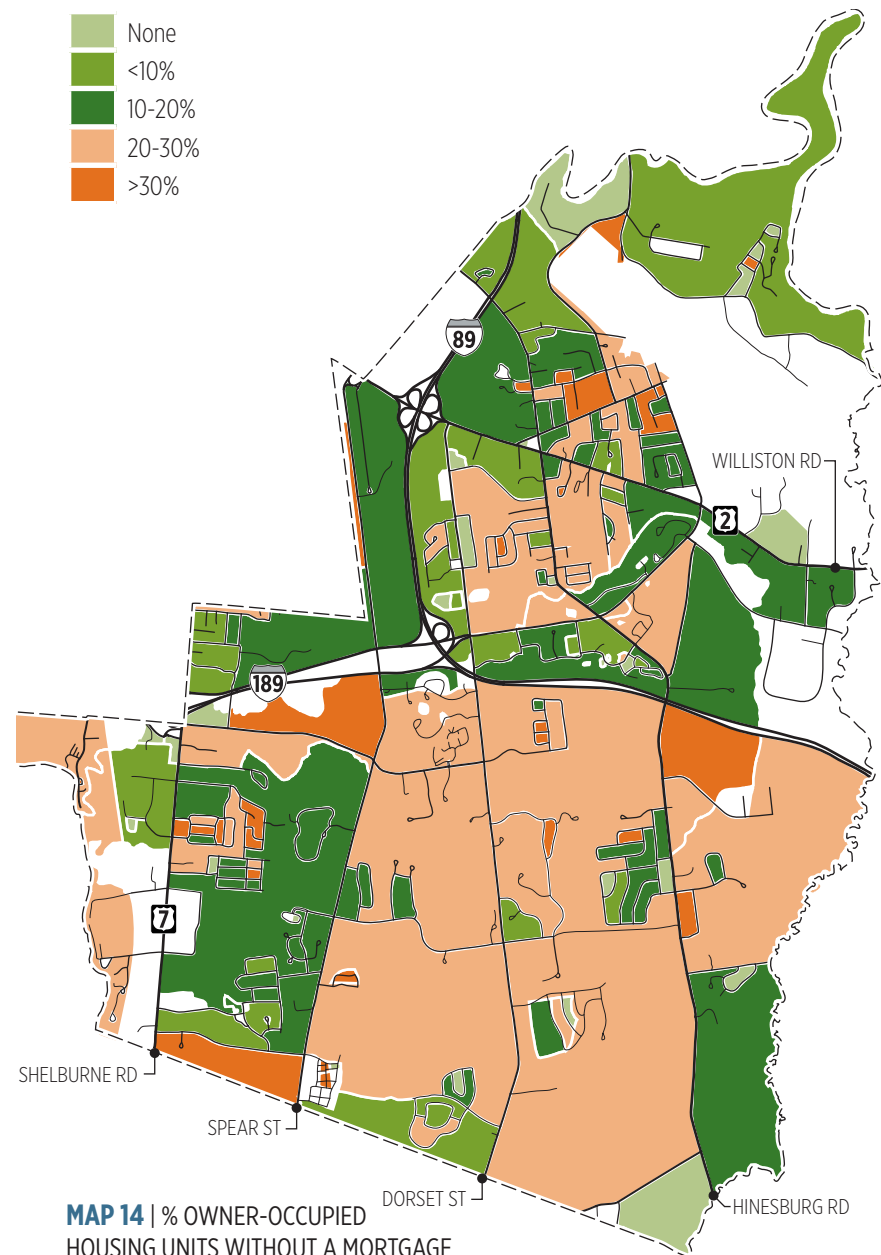
South Burlington's population, like that of the region and state, is aging. The greatest population growth in the 2000s occurred



MAP 12 | % RENTER-OCCUPIED HOUSING UNITS

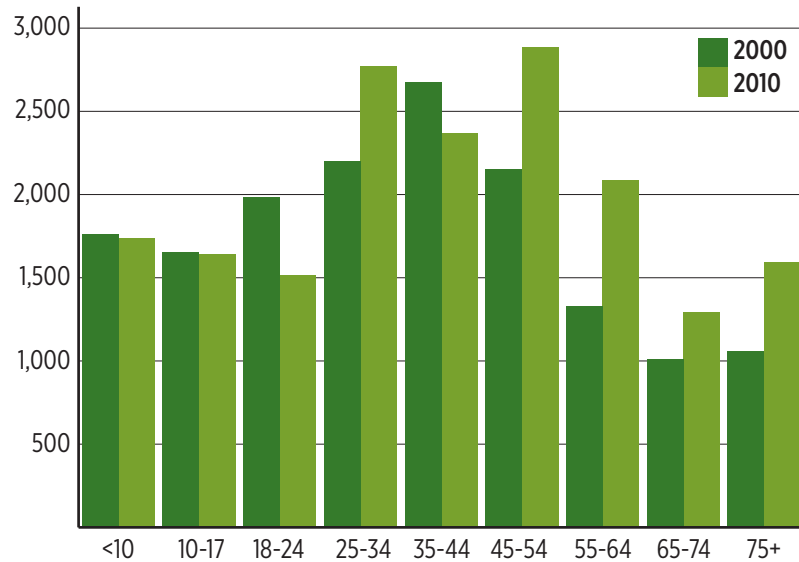


MAP 13 | % OWNER-OCCUPIED
HOUSING UNITS WITH A MORTGAGE



MAP 14 | % OWNER-OCCUPIED
HOUSING UNITS WITHOUT A MORTGAGE

CHART 4 | SOUTH BURLINGTON RESIDENTS BY AGE GROUP



in upper age brackets, especially in the 45 to 54 year age groups. Growth in this segment of the population will continue as the city's baby boom population ages. There also was significant growth in the "echo boom" population (the young adult children of the baby boom generation) now in their 20s and 30s including those now entering housing and job markets.

Growth in housing demand over the next few years is expected to be driven by population growth in the 55 to 64 age group, which includes "empty nesters" who want to downsize their living arrangements, and in the 24 to 34 age group, which is comprised largely of renters who are beginning their careers and saving for their first homes. This suggests that, in addition to housing for those entering their retirement years, there is also a growing need for housing that will be affordable to young families, as this generation enters their 30s and settles down. Given that this group is also more mobile, if they can't find employment or affordable housing locally, they are likely to look elsewhere.

TABLE 19 | WAGES AND HOUSING AFFORDABILITY

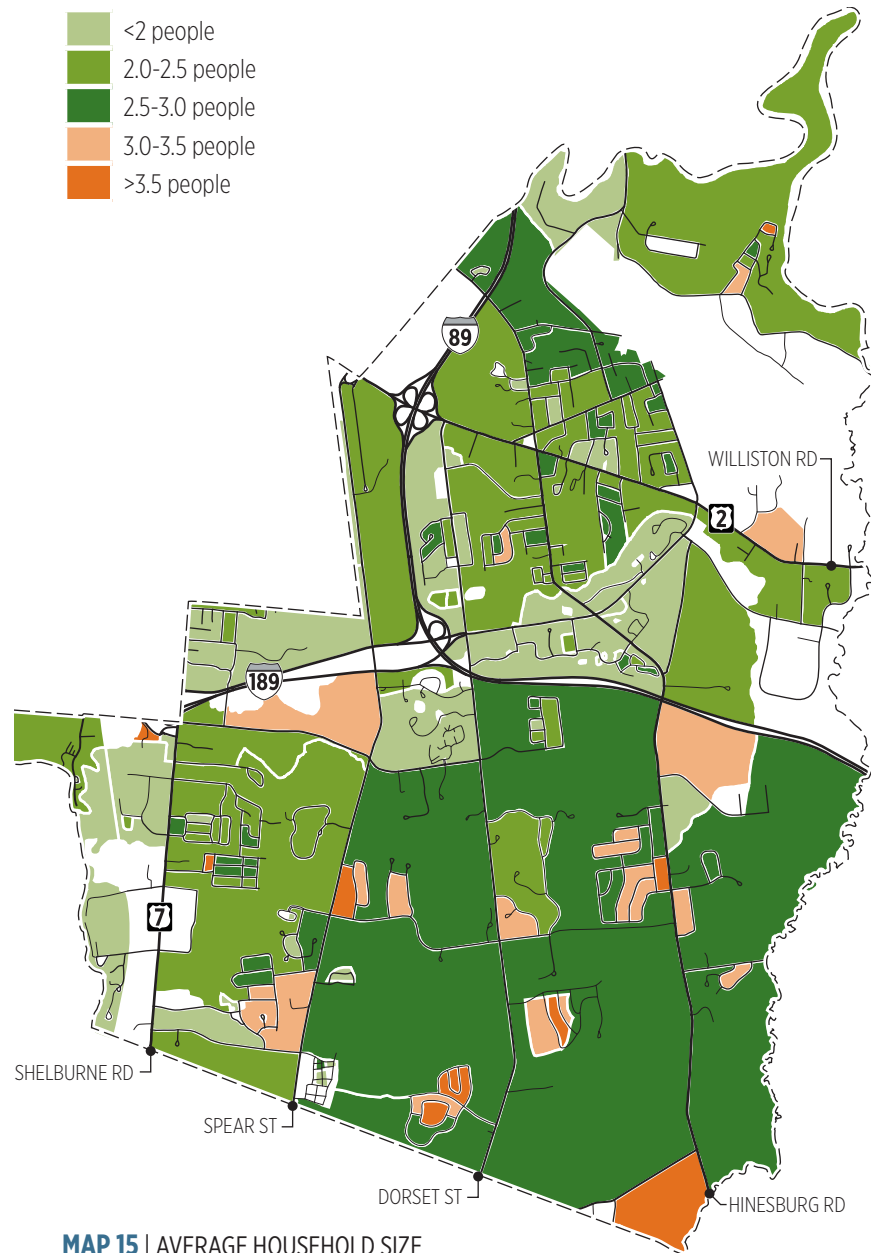
Job Category	Jobs	Ave Wage	Affordable	
			Monthly Housing Costs	Home Purchase
Retail Trade	3,476	\$28,100	\$700	\$102,000
Accommodations and Food Service	1,940	\$18,500	\$460	\$66,500
Health and Social Services	1,843	\$48,900	\$1,200	\$179,500
Professional and Technical Services	1,759	\$76,600	\$1,900	\$283,000
Administrative and Support Services	1,124	\$21,700	\$540	\$78,000

Source: Vermont Department of Labor and Housing Data Calculators

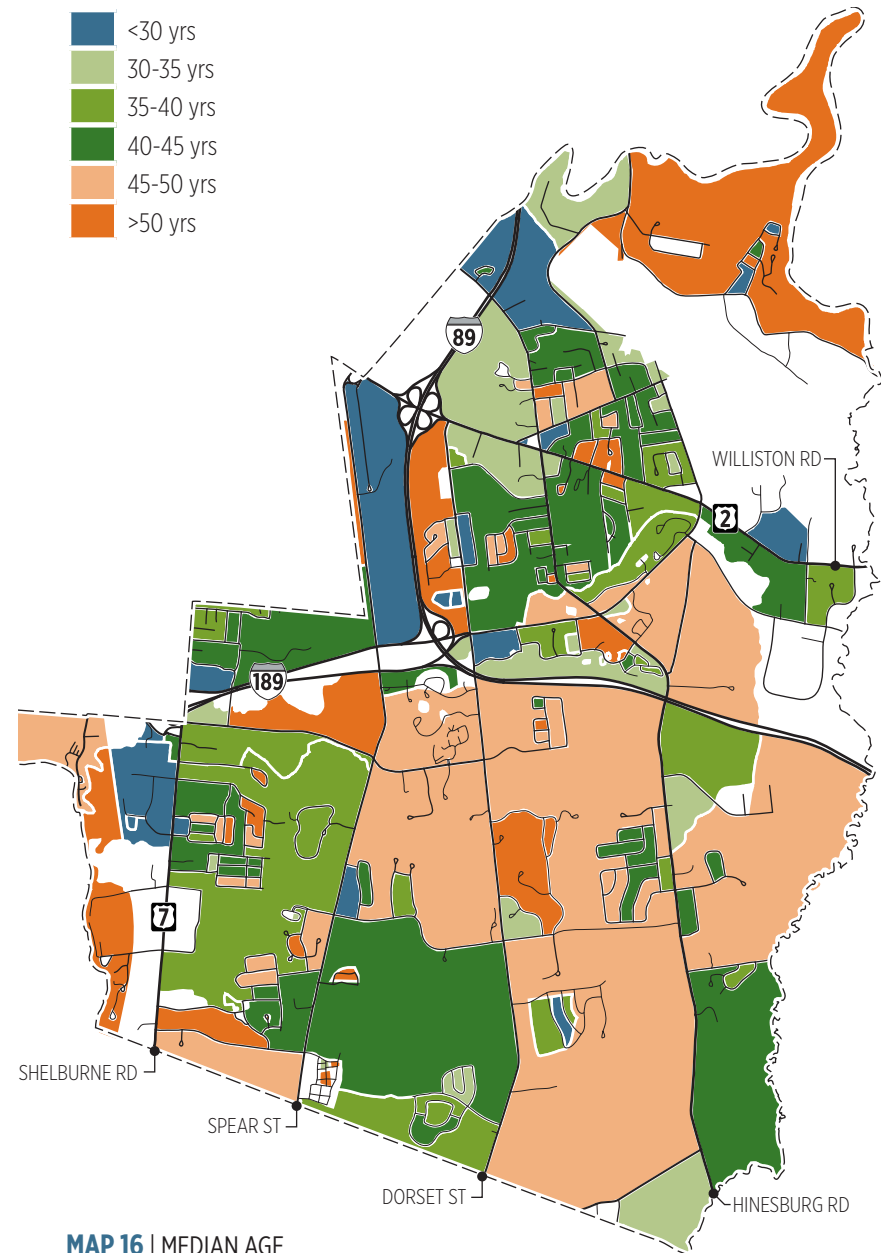
Employment and Wages. South Burlington is a regional job center – with nearly 1,100 employers and 18,000 jobs, as reported by the Vermont Department of Labor. However, only 13% of those working in South Burlington also live in the city (U.S. Census/LEHD). This suggests that many local wage earners do not earn enough to afford local housing. Employment data highlight the need for more affordable workforce housing, close to employment, in the city as well as in neighboring communities.

The majority of city jobs (82%) are in the service sector, paying an average wage in 2011 of \$41,500, enough to afford a home priced at \$152,000. Many of the most common jobs in this sector, including typically part-time retail employment, pay even less. City government jobs pay an average wage of \$46,000, enough to afford a home that costs no more \$168,500, assuming one wage earner and no other sources of income.

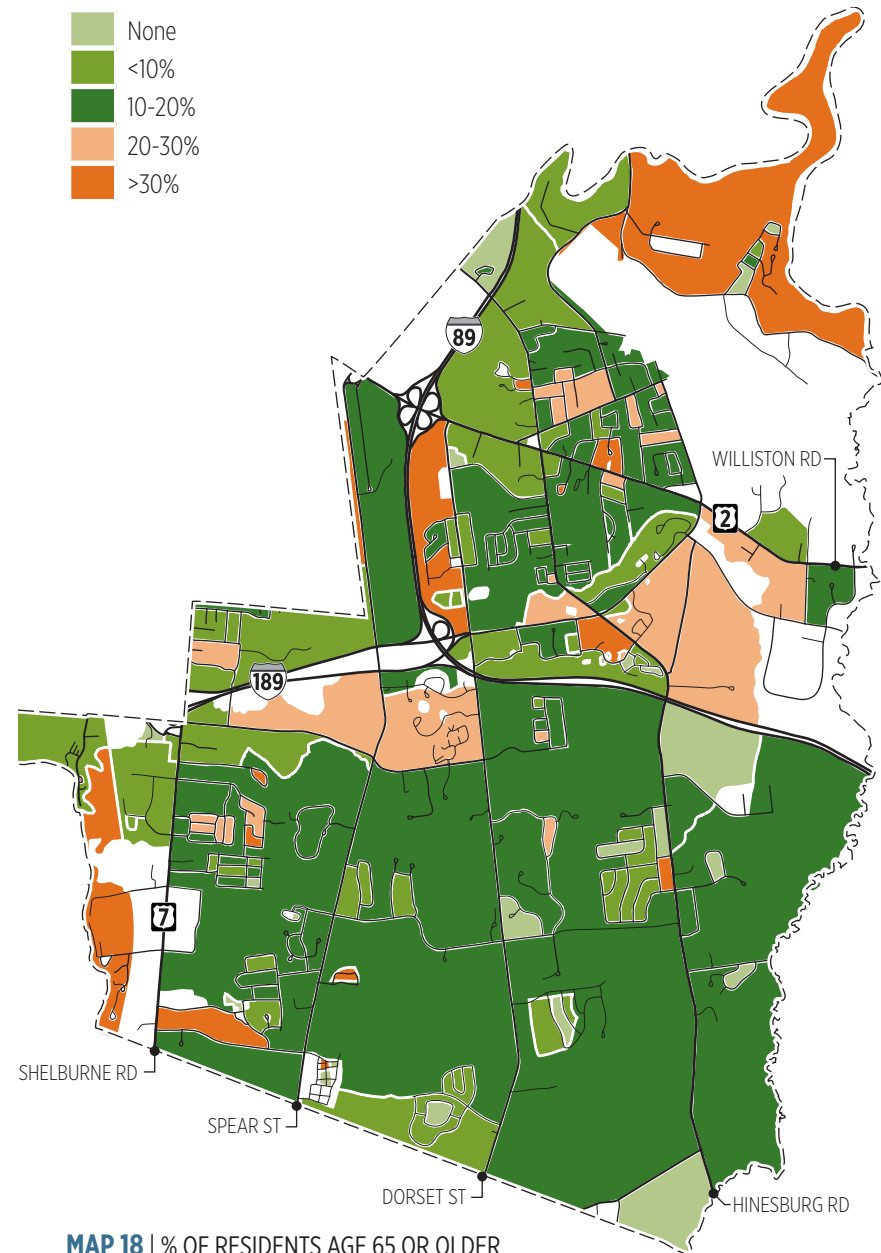
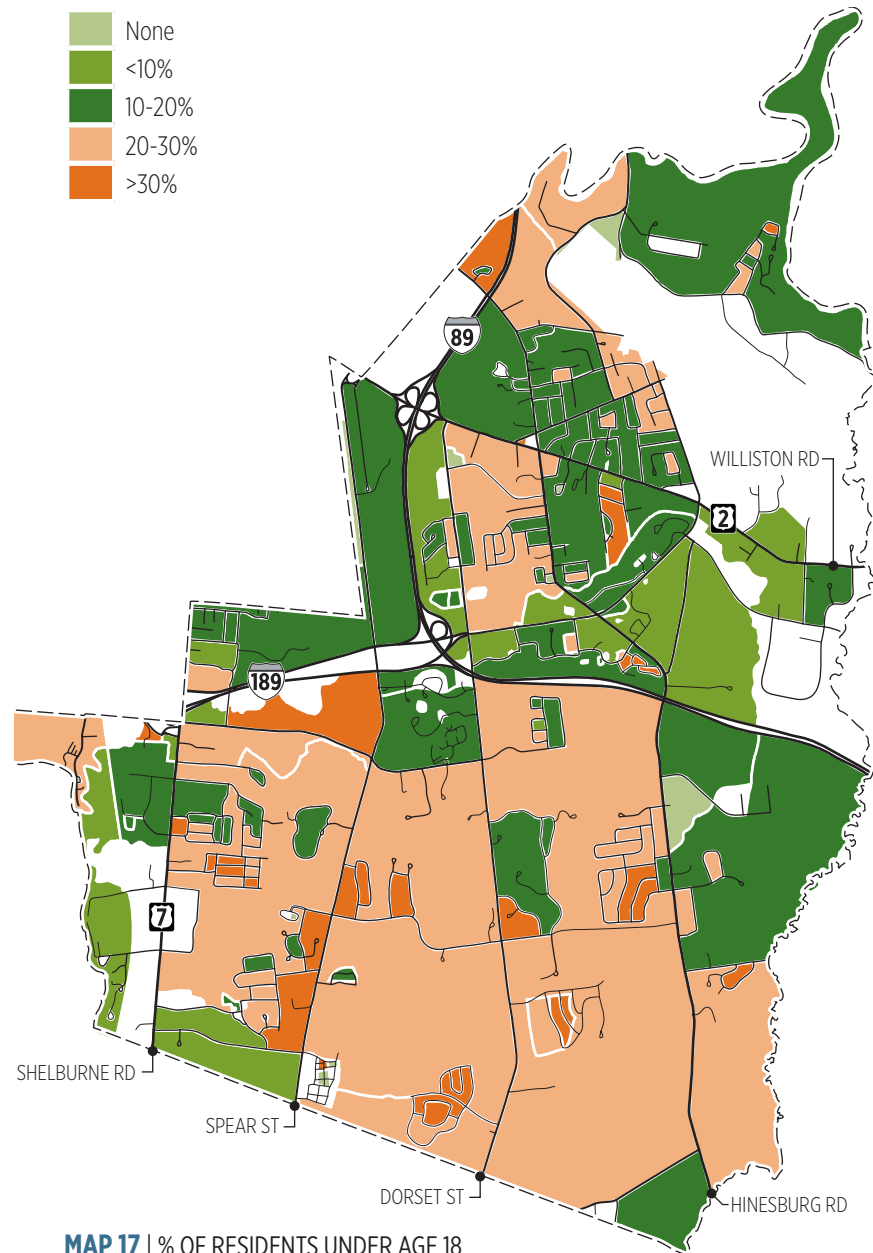
The "housing wage" required to afford a two-bedroom apartment, calculated for the MSA in 2011 using HUD fair market rents, was \$16.58 per hour – the equivalent of an annual wage of \$34,500 (National Low Income Housing Coalition). This suggests that many local workers cannot afford rental housing – in the city or in the greater Burlington area – on the wages they earn locally.



MAP 15 | AVERAGE HOUSEHOLD SIZE



MAP 16 | MEDIAN AGE



current land development regulations

Definitions. Statutory definitions for “affordable housing” and “affordable housing development” included under the Vermont Planning and Development Act (24 VSA § 4303) control for the purposes of municipal planning and land use regulation. Municipal definitions cannot be more restrictive or limiting than statutory definitions. All bylaw definitions related to housing and housing development should be consistent with state definitions, and with municipal goals and objectives for affordable housing, as identified in the draft comprehensive plan.

Current bylaw definitions of “affordable housing” (under § 2.02) predate and are inconsistent with more recent (2003) statutory definitions, and should be updated. It is also important to note that these definitions of affordability (as affordable to a household with an income that is 80% of the median for the HUD metropolitan statistical area) represent “low income” housing as defined under most housing programs and not moderate income or workforce housing. The land use regulations could be amended to include separate definitions and provisions for this type of housing, especially in relation to any new “mixed rate” housing requirements (e.g., under incentive-based or inclusionary zoning).

The current definition of “affordable housing development” – to include 50% or more affordable housing units – is also inconsistent with and more limiting than the statutory definition, which applies to a development in which the greater of 5 units or 20% of the total number is affordable. The current regulations also include a separate definition of “mixed-rate housing development” that includes both market and below market rate housing but again, “below market rate” is specifically defined as affordable housing (under § 13.14), and therefore may not include below market rate moderate income or workforce housing.

The regulations also include definitions for several types of senior housing, including group and congregate housing, but none that reference federal and state fair housing law age discrimination provisions. If proposed housing is age-restricted to seniors, it should also meet related fair housing law requirements.

Equal Treatment of Housing. The current regulations are for the most part consistent with, but do not include any reference to “Equal Treatment of Housing” provisions under the Vermont Planning and Development Act [24 VSA § 4412(1)] including newly added references to Vermont’s fair housing law statutes (9 VSA § 4503). These provisions govern all bylaws, whether or not referenced. Generally stated, no bylaw can exclude, or in its application have the effect of excluding:

- ☐ Housing that meets the needs of the population, as determined in the housing element of the municipal plan.
- ☐ Mobile homes, modular homes or prefabricated housing – except under the same terms and conditions that conventional housing is excluded (e.g., within conservation, industrial, design review or historic districts).
- ☐ Mobile home parks as defined in state law (10 VSA Ch. 153).
- ☐ Multiunit or multifamily dwellings – bylaws must include designated districts and reasonable regulations for multi-unit and multi-family dwellings.
- ☐ An accessory dwelling unit to an owner-occupied, single-family dwelling located within or on the same lot that meets minimum statutory requirements.
- ☐ Residential care or group homes, operated under state licensing or registration, that serve up to 8 residents having a handicap or disability, which are considered by right to constitute a permitted single family dwelling (unless located within 1,000 feet of another group home).

Violations of statutory housing provisions are subject to review by the Vermont Attorney General, and possible action

in the Superior Court's Environmental Division. Under 2012 amendments to both Title 24 and Title 6, municipal development review board decisions that discriminate against housing protected under Vermont's fair housing laws – including housing based on income – may also be subject to review by the Vermont Human Rights Commission, or separately challenged in Superior Court.

Currently, South Burlington's land development regulations allow for multi-family units, accessory dwelling units and group homes consistent with statutory housing requirements. They also include definitions for mobile, modular and prefabricated housing, and do not specifically exclude these types of housing, except within certain nonresidential and design review districts. This may be a consideration, however, for the development of city-wide form based codes that typically include minimum as well as maximum building height or story requirements. Minimum height or story requirements in excess of one story if applied citywide could effectively exclude mobile homes and some other forms of modular housing in violation of state statutes.

The regulations do not include any definitions, provisions or regulations for mobile home parks. There are no existing mobile home parks in the city and, given land and development costs, this is an unlikely form of future affordable housing development. Nevertheless, the state recognizes mobile home parks as a critical form of affordable home ownership that cannot be excluded through regulation. In not addressing this type of development, the regulations in effect allow for mobile home park development anywhere that other residential development is allowed.

Affordable Housing Provisions. South Burlington, under its land use regulations, has adopted an incentive-based approach to the development of affordable housing. Section 3.14 provides incentives, in the form of density bonuses, for affordable (low

income) and “mixed rate” housing development. As currently defined, these do not include or provide for the development of moderate income or other forms of workforce housing.

The purpose statement under this section generally references adopted comprehensive plan goals, but includes no specific plan objectives or targets for the provision of affordable housing in relation to housing needs identified in the plan. The link between the plan and bylaws in this area could be strengthened – especially if the regulations are amended to also require mixed-income or mixed-rate housing development (e.g., under inclusionary zoning).

As noted above, an affordable housing development is defined locally as a development in which at least 50% of the housing units are affordable. This type of development is eligible for up to a 50% density increase or bonus, which was formerly the maximum specified in statute. One-half of all units (base and bonus) must remain affordable in perpetuity. A mixed-rate housing development (one that includes both market and below market rate units) can get up to a 25% density bonus in total units if 50% of the bonus units are affordable in perpetuity.

Under the regulations, density bonuses are to be considered on a case-by-case basis in relation to the total parcel acreage, rather than the “buildable” acreage, which potentially allows for more units. For affordable housing in the Southeast Quadrant (SEQ-NR, SEQ-VR, SEQ-VC sub-districts), this may include, in addition to the base density, the density from non-contiguous “sending” parcels under the regulation's transfer of development rights provisions.

There are no longer any statutory limitations on the increase in density that can be granted in association with density bonuses for affordable or mixed-income housing. For a density bonus to be an effective incentive, it must allow for a sufficient increase in

development above the base density to provide a real financial incentive and to counter other bylaw requirements (e.g., lot coverage, setback, building height) that may reduce development density below the allowed base density.

The current regulations require that all affordable units be affordable in perpetuity. This ensures a stable supply of affordable housing in the future. This is especially relevant given that this is specific to low income housing, but it may also serve as a disincentive for private, market-based affordable housing development. It also requires separate and ongoing program administration, as provided for in the regulations.

Applications for affordable housing development involving density bonuses are required to undergo site plan, conditional use and planned unit development review, regardless of the type, scale or location of the proposed development. The requirement for three separate review processes, including related application and public hearing requirements, may serve as a disincentive for affordable housing development and the use of density bonuses if this level of review otherwise would not be required. Currently there are no waivers in the regulations of review procedures or standards for affordable housing development as enabled in statute. Such waivers could serve as incentives by expediting the review process and reducing the overall costs of development.

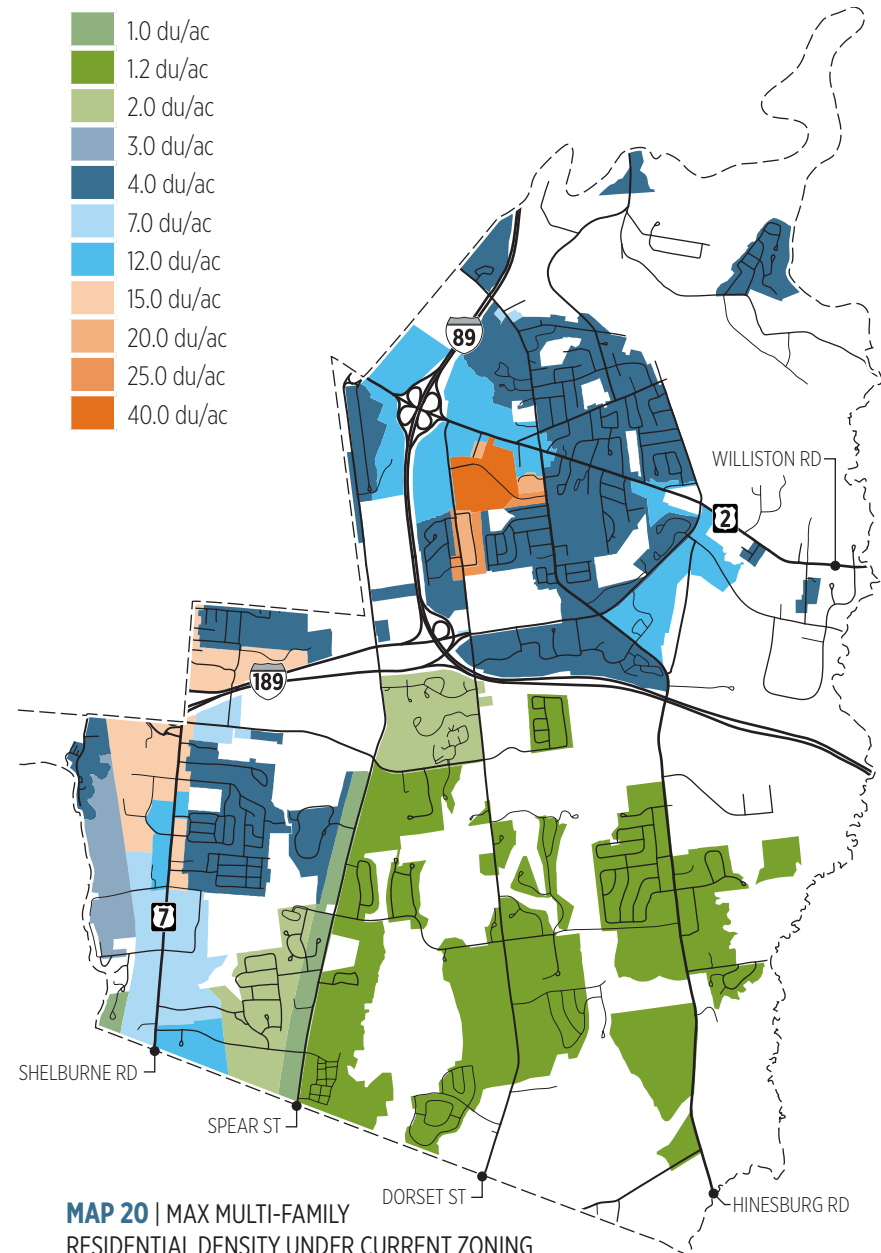
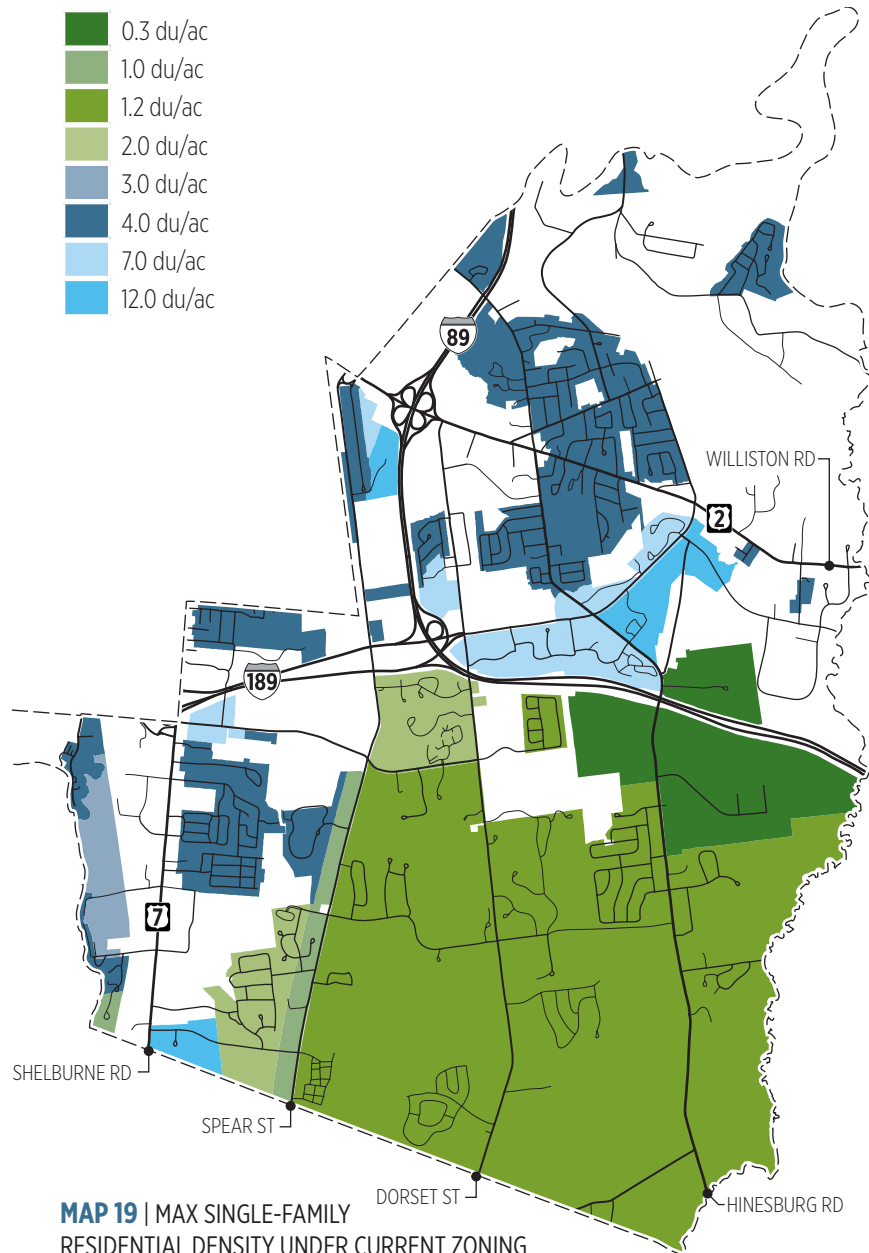
The current regulations also require that affordable housing development be fully integrated into development design, be distributed among housing types in the same proportion that market rate housing is distributed, and have the same floor-area as market-rate units. While these types of standards ensure that affordable housing is fully integrated with market-rate development – and are common under mandatory, inclusionary zoning regulations – they can also serve as disincentives for the creation of smaller, more affordable units, including compatible multi-family, infill or off-site development.

The regulations also refer to a “City of South Burlington Housing Authority” that exists in statute for the city, but not in practice until established by the City Council. The creation of a municipal housing authority to administer local housing programs is highlighted for consideration in the charge of the Affordable Housing Committee.

Zoning Districts and Standards. Given the rate of housing growth in South Burlington in recent decades, it is apparent that the current zoning regulations have not unduly restricted housing development, including affordable housing development, within designated districts in the city.

Residential uses are accommodated in 26 of 31 zoning districts – including eight residential districts, the Southeast Quadrant districts, the City Center districts, and several commercial districts. Four districts allow only single- or two-family homes, and eight districts allow only multi-family residences.

The maximum density of residential development ranges from 0.3 dwelling units per acre in the Industrial and Open Space District to 40 dwelling units per acre in the Central District 1. Maps 19 and 20 show the maximum density of single-family and multi-family homes allowed by zoning district.



PUBLIC OUTREACH

public outreach summary

The public outreach for this project included a kick-off Housing Summit, followed by five Neighborhood Housing Meetings held around the city during November 2012 and three Focus Groups held in December 2012. A summary of the input received during these sessions is presented below.

	Neighborhood Meetings				
	Grand Way	Orchard School	Middle School #1	Chamberlin School	Middle School #2
What do you like about living in South Burlington? Your neighborhood?	Convenient to Shopping, Services	◇	◇	◇	◇
	Walkability, Pedestrian Access	◇	◇	◇	◇
	Proximity to Burlington	◇	◇	◇	◇
	Neighborhood Character, Community	◇	◇		◇
	Housing Affordability	◇	◇		◇
	Schools – Quality		◇	◇	◇
	Proximity to Interstate	◇		◇	◇
	Sense of Safety, Security	◇	◇		
	Building/Condo Amenities, Services	◇		◇	
	Neighborhood Schools		◇		◇
	Proximity to Airport			◇	◇
	Natural Setting			◇	◇
	Parks, Recreational Facilities			◇	◇
	Proximity to Transit	◇			
	Indoor/Underground Parking	◇			
	Newer Housing Stock			◇	

	Neighborhood Meetings				
	Grand Way	Orchard School	Middle School #1	Chamberlin School	Middle School #2
What are South Burlington's housing needs?	Affordable Housing	◇	◇	◇	◇
	Affordable – Young Adult	◇	◇		◇
	Moderate Income Housing	◇	◇	◇	
	Services, Retrofits to Age in Place	◇	◇	◇	
	Affordable Single-Family Housing		◇	◇	◇
	Affordable Senior Housing	◇			◇
	Housing near Services, Shopping	◇		◇	◇
	Housing near Transit	◇		◇	◇
	Retain Existing Neighborhood Character		◇	◇	
	Retain Affordable, Single Family (e.g., airport)		◇	◇	
	Mixed Housing/Neighborhoods (income, age)	◇			◇
	Multi-Generational Housing		◇	◇	
	Workforce Housing		◇		◇
	Energy Efficient Housing			◇	◇
	Rental Housing		◇		
	Shelters, Transitional Housing			◇	
	On-campus Student Housing				◇

		Neighborhood Meetings				
		Grand Way	Orchard School	Middle School #1	Chamberlin School	Middle School #2
What are the existing barriers to affordable housing development?	Development Costs (land, labor, materials)	◇	◇	◇	◇	◇
	Regional Housing Market/Recession		◇	◇	◇	
	Regulations, Codes, ADA Requirements		◇	◇		◇
	Perceptions, Stigma Regarding “Affordable”	◇			◇	
	Development Review Process, Delays		◇	◇		
	Neighborhood Opposition (density, traffic)		◇		◇	
	Financing/Underwriting Requirements		◇			
What type of housing would be a good fit in South Burlington?	Cluster/Cottage Housing	◇	◇	◇	◇	◇
	Small Single-Family, Fewer Amenities	◇	◇	◇	◇	◇
	Higher-Density/Taller Multi-Family	◇	◇	◇	◇	◇
	Mixed-Use/Upper-Floor Residential		◇	◇	◇	◇
	Attached Single-Family (duplex, townhouse)		◇	◇	◇	
	Lower-Density Multi-Family (with common areas, courtyards, gardens)		◇		◇	◇
	Energy Efficient Housing		◇	◇		
	Empty-Nester/Retirement		◇			◇
	Accessory Dwelling Units			◇		◇
	Housing with Lower Level Parking	◇				
	Intentional/Planned Communities		◇			
	Student Housing				◇	
	Conversions (e.g., single-family to duplex)					◇

What type of housing would be a good fit in South Burlington?	Cluster/Cottage Housing	◇	◇	◇	◇	◇
	Small Single-Family, Fewer Amenities	◇	◇	◇	◇	◇
	Higher-Density/Taller Multi-Family	◇	◇	◇	◇	◇
	Mixed-Use/Upper-Floor Residential		◇	◇	◇	◇
	Attached Single-Family (duplex, townhouse)		◇	◇	◇	
	Lower-Density Multi-Family (with common areas, courtyards, gardens)		◇		◇	◇
	Energy Efficient Housing		◇	◇		
	Empty-Nester/Retirement		◇			◇
	Accessory Dwelling Units			◇		◇
	Housing with Lower Level Parking	◇				
	Intentional/Planned Communities		◇			
	Student Housing				◇	
Conversions (e.g., single-family to duplex)					◇	

		Neighborhood Meetings				
		Grand Way	Orchard School	Middle School #1	Chamberlin School	Middle School #2
Where should new housing, including affordable housing, be located?	City Center	◇	◇	◇	◇	◇
	Walking Distance to Shopping, Services, Transit	◇	◇	◇	◇	◇
	Transit Corridors	◇			◇	◇
	Neighborhood Infill		◇		◇	◇
	Shopping Center Redevelopment	◇				◇
	Intentional/Planned Communities (PUDs)		◇		◇	
	Commercial Corridors				◇	◇
	Rural Village Areas (e.g., Cider Mill)			◇		
	UVM				◇	
	Backyards (e.g., accessory units)					◇

COMMON WORDS HEARD AT THE NEIGHBORHOOD MEETINGS

		Neighborhood Meetings				
		Grand Way	Orchard School	Middle School #1	Chamberlin School	Middle School #2
What options should South Burlington consider to address its housing needs, especially for affordable housing?	Road/Sidewalk Design, Connectivity Standards	◇		◇	◇	◇
	Public/Private Partnerships	◇	◇	◇	◇	
	Building Height Limits (City Center)	◇	◇	◇		◇
	Higher-Density Residential (e.g. City Center)		◇	◇	◇	◇
	Multi-Family Common Area/Open Space Stds	◇	◇		◇	
	Traffic Generation /Parking Standards	◇	◇			◇
	Regulatory Incentives (bonuses, fees, waivers)		◇	◇	◇	
	Permitting Process (local, Act 250, state)		◇	◇	◇	
	Housing Retention Ordinance		◇	◇	◇	
	Form-Based Codes/Urban Design Standards		◇		◇	◇
	Property Taxes (Tax Base Mix, Tax Reductions)		◇		◇	◇
	Improved/ Additional Transit Services	◇				◇
	Habitat for Humanity	◇			◇	
	Local Housing Trust Fund		◇		◇	
	Home Share Program			◇		
	Inclusionary Zoning				◇	
	Community Land Trust				◇	
	Location-Efficient Mortgages (local lenders)				◇	
	TIF District (City Center)				◇	
	City Housing Authority				◇	
	State Designation Programs					◇

		Focus Groups		
		Private Sector	Public Sector	Nonprofit Sector
What key factors, conditions and trends are affecting housing development, availability and affordability?	Regional Housing Market (supply vs. demand)	◇	◇	◇
	Demographic Trends	◇	◇	◇
	Rising Household Costs, Debt	◇	◇	◇
	Employment Trends	◇	◇	
	Infrastructure/Service Capacity	◇	◇	
	Development Costs (land, labor, materials)	◇		◇
	Location – Extension of Burlington	◇		
	Financing/Lending Requirements	◇		
	Loss of Smaller Single Family Homes (Airport)		◇	
	Conversion of Single Family to Rental Housing		◇	
Loss of Federal/State Housing Resources			◇	



		Focus Groups		
		Private Sector	Public Sector	Nonprofit Sector
What types of housing are needed in South Burlington?	Diversity (housing types, income levels)	◇	◇	
	Smaller Single-Family /Cottage Housing	◇	◇	
	Accessory Units	◇	◇	
	Housing near Transit	◇		◇
	Affordable Housing (low, very-low income)		◇	◇
	Accessible Housing (single-story, wheelchair)		◇	◇
	Retirement/Empty Nester Housing	◇		
	Attached Single Family (duplex, townhouse)	◇		
	Rental Housing	◇		
	Higher-Density Multi-Family	◇		
	Lower-Density Multi-Family Housing (families w/ children)		◇	
	Green/Energy-Efficient Housing			◇
	Affordable Assisted Living Units			◇
What are the barriers to new affordable housing?	Opposition/NIMBYism	◇	◇	◇
	Development Costs (land, labor, materials)	◇		◇
	Permitting Processes	◇	◇	
	Local Regulations	◇	◇	
	State Regulations (Act 250)	◇		

		Focus Groups		
		Private Sector	Public Sector	Nonprofit Sector
What options should South Burlington consider to address its housing needs, especially for affordable housing??	Public/Private Partnerships	◇	◇	◇
	Property Taxes (rebates, reductions)	◇	◇	◇
	Regulatory Incentives (bonuses, fees, waivers)	◇	◇	
	Streamline Permitting Process	◇	◇	
	Increase/Revise Residential Densities	◇	◇	
	Flexible Infrastructure Standards	◇	◇	
	Infrastructure Improvements	◇	◇	
	Accessibility/Universal Design Standards		◇	◇
	Inclusionary Zoning		◇	◇
	Housing Retention Ordinance		◇	◇
	Local Housing Trust Fund	◇		◇
	Community Land Trust	◇		◇
	Rental Registry, Inspection Program		◇	◇
	Publicize Housing Programs		◇	◇
	Accessory Dwelling Unit Standards		◇	
	Multi-Family Common Area/Open Space Standards		◇	
	Local Building/Rental Housing Code			◇
	Expanded In-Home Services to Age in Place			◇

housing summit meeting notes

15 November 2012 at 7 p.m. in the Tuttle Middle School Library

Committee: Sandy Dooley (chair), Leslie Black-Plumeau, Eric Farrell, Ken Schatz, John Simson, Amy Wright, Bob McDonald, Kenn Sassorossi, Bill Stuono

Staff/Consultants: Kimberly Murray (Development Coordinator), Brandy Saxton (Consultant), Sharon Murray (Consultant)

Public: George Maille, Sophie Quest (PC), Art Klugo (DRB), Helen Riehle (City Council), Tim Duff (FBC), Sam Beall, Corey Burdick, David Young, Paul Engels (City Council), Robert Nowak, Patricia Allen, Jessica Louisos (PC), Tim Barritt (DRB), Michael Mittag (FBC), M. Beaudin, Peter Jones, Penne Tompkins, Peg Adams

1. Introductions: Sandy Dooley, Committee Chair

Sandy Dooley introduced committee members, staff, and consultants to project. She then reviewed the committee's charge – emphasizing that a diversity of household types contributes to community sustainability. She also provided a brief update of the committee's work to date and noted that public outreach is a critical component. She then introduced the guest speaker.

2. Guest Speaker: Jeanne Morrissey, PE J.A. Morrissey Inc.

Jeanne Morrissey, who owns a general contracting and construction management business, observed how the construction and housing industries have changed over the past 20 years, based on her own experience. Once her employees could afford to buy a fixer upper, but now the situation is much different. Housing is no longer affordable for most people, including those who work for her. She's watched her own community change as a result. The system is broken and it affects us all – each and every one of us has a parent, a child, an employee, or a friend in need of better housing options.

Ms. Morrissey highlighted the housing needs of people on the edge, new employees, and young households, noting in particular the connection between housing and work. Once being able to own a home was based largely on what you did for a living, now

it also depends on how old you are. It's very difficult for younger workers and households to find adequate housing. The strategies that worked for prior generations when they were starting out are no longer possible.

She also discussed her work with affordable housing providers, expressing her appreciation for their creativity and innovation in developing affordable housing. The community connections and sense of camaraderie resulting from her work on these projects has been remarkable, but new and different approaches are now needed. She closed by asking everyone in South Burlington to “open your hearts and minds to the issue, find new opportunities, and hang in there together.”

In response to a question, she noted that she has had to change the way she's run her business –everything's connected, and the cost of business along with the cost of living has accelerated. External costs now have more of an effect on the sustainability of the business—it's a constant dance. During the recession the focus has been on keeping everyone employed.

3. Affordable Housing Committee: Panel Discussion

Eric Farrell, Farrell Real Estate, South Burlington resident — Described himself as a real estate junkie and developer. For the past 10 to 12 years he has focused on projects in South Burlington, including nearly 600 apartments and condo units. As a result, he understands the dynamics and costs of housing. Price is somewhat a function of supply and demand – the best way to address price is to increase the supply. There are a lot of definitions of “affordable” housing – this should also apply to working families. Everyone struggles. A mix, diversity of family types is important to the community. A bedroom community doesn't have a real sense of community or connectedness. We need housing for everybody—both ends of the scale. That's our challenge.

Ken Schatz, Attorney, South Burlington resident — Noted he's lived in the Queen City Park neighborhood for over 20 years. He also has some professional experience with housing programs and regulation as the former city attorney for Burlington, which has made active effort to encourage housing diversity using a number of tools – some more successful than others. Key challenges – include location, finances, and regulations. The goal is to create sense of community, provide a range of housing options – he appreciates that city is being proactive.

Amy Wright, Cathedral Square Corporation – Noted her current work with Cathedral Square, including the provision of housing with services in Chittenden County, including South Burlington. She also, as a housing developer for the Lake Champlain Housing Trust was thrilled when, several years ago, they were able to build in South Burlington – it's such a great community. She appreciates how far ahead and foresighted the city is. She would like to see more mixed-income housing in fairly dense neighborhoods. She noted that South Burlington is a community people want to live and that there is a waiting list for most of the affordable housing in the city.

John Simson, Affordable Housing Consultant, South Burlington resident – Noted that he's lived in the city for more than 30 years. It's an outstanding community. Some perceive that growth has been too rapid, but the fact is that South Burlington is an urbanizing community. There's nothing we can do to prevent that – the regional ECOS project expects an additional 30,000 residents in the county by 2035. The committee's work is very timely—we have an obligation as a member of the region, with amenities and facilities, to take on a larger portion of this new population.

Leslie Black-Plumeau, VHFA, South Burlington Resident – Noted her current work with VHFA for the city, funded through

the CCRPC ECOS project. The city has also received an additional \$50,000 grant from ECOS to help fund its interim zoning project work. She then provided a brief overview of the demographic and housing information VHFA prepared for the committee.

4. Housing & Demographic Profile: Leslie Black-Plumeau, VHFA

Slide presentation. Most information presented was derived from the 2010 U.S. Census and American Community Survey 5-year estimates (2006-10). Highlights:

- ☐ The number of households in South Burlington is growing by an estimated 1% each year—about twice as fast as in the county as a whole.
- ☐ 65% of South Burlington's households own their homes, down from 69% in 2000. The number of renter households in South Burlington grew by 820 (3.4%) between 2000-2010—almost the same as the number of owner households (835). Renters are growing at a faster rate than homeowners.
- ☐ The city's average household size continued to decline – from 2.31 in 2000 to 2.19 in 2010, and remains smaller than the county average (2.37 in 2010)
- ☐ 41% of city households are headed by people 55 years and older.
- ☐ 1-person households are the single largest household type in South Burlington, comprising 33% of its households. The majority (69%) of households are 1 or 2- person—need to plan for smaller households
- ☐ The median household income in South Burlington in 2010 was about \$61,000 – similar to the county median, however incomes vary by household size.
- ☐ Approximately 2,800 households in South Burlington spend more than 30% of their incomes for housing expenses. About 1,000 of these households pay more than half of their income on housing. Especially among lower income households, households with this level of "cost burden" are at a higher risk of foreclosure, eviction, homelessness and frequent moving – all of which harm both residents and the community.
- ☐ The median sale price of primary homes (houses and condos) in South Burlington in 2011 was \$246,500 – virtually the same as for the county.
- ☐ The estimated median rent of South Burlington apartments (\$1,064) is higher than for the county (\$959).

- ☐ 1,000 South Burlington households pay more than half of their incomes for housing. Combined with low vacancy rates and steady growth of new households, the need for the development of additional affordable housing remains critical for South Burlington.
- ☐ By virtue of its location, employment opportunities, and quality of life, South Burlington is ideally suited to continue its significant role helping the long-run sustainability of the region by accommodating new households.
- ☐ Most pressing needs are among renters, but additional units affordable to South Burlington owners are needed as well.
- ☐ Smaller units will best accommodate the 1 and 2-person households that dominate the city's population.
- ☐ Rising preference for rental housing—most pressing needs among renters.

5. Listening Session

Family Housing

- ☐ Neighborhoods with higher percentage of elderly represent an opportunity for turnover – for younger people moving into the city.
- ☐ How can existing single-family housing stock be turned over to next generation of families?
- ☐ People also want to age in place, stay in their homes. People are living longer as well.
- ☐ Despite the current direction of the demographic data, will there be a resurgence of new, younger households to replace older households?
- ☐ Should not determine trends, needs based only on current demographics – we may also need housing for young families in the near future.
- ☐ Echo-boomers – will they have demand for family homes?
- ☐ Excellent schools may attract young families – it's a reason a lot of us live here.
- ☐ We want people to have choices, while recognizing trends – being proactive can help bend that curve. We may need more 3- and 4- bedroom houses. People may also want to downsize and stay in South Burlington.
- ☐ Given the loss of houses at airport – we haven't created replacement small single-family dwellings. 60% of permits issued in the last ten years have been for multi-family development. Single-family dwellings have also increased in size – not many options, we need smaller single-family homes.
- ☐ How can we build affordable family housing?

- ☐ It's very difficult to build small single family dwellings – one reason for the current focus on multi-family. You can't build a 1,200-1,400 SF house and sell it affordably. New homes in the \$200,000 to \$250,000 range are all multi-family. The demand exists, but we can't make the numbers work.
- ☐ Density wise, detached single-family homes may not be the right choice either – we need to allocate a limited amount of land, space. How do we support smart growth – matter of requiring, rather than wanting it to happen.

Preference for Renting

- ☐ Preference for renting is tied to economic insecurity – need to move, difficult to sell homes.
- ☐ Some young people prefer to rent. Don't want to take on risk of home ownership. Economy is having an effect.
- ☐ Job mobility is contributing to younger households choosing to rent.
- ☐ Is this a preference – or is that people can't afford to own? We should also be planning for larger households, young families.
- ☐ Many younger couples can't afford to have kids.

Housing Choices/Diversity

- ☐ The city needs housing stock that accommodates a variety of households. 1-2 person households are the largest component right now.
- ☐ If we continue to build as we have in the past, we'll continue to have this disparity. We aren't diverse – the percentage of 1- and 2- person households is related to type of housing being built. Need to build differently to allow for diversity.
- ☐ Goes back to need for diversity, choice. Where people live is also a choice, based on a lot of factors. If you target the types of housing you want to build, you need to decide what kind of community you want. Not sure you can engineer that through housing policy – it's a much bigger question.

Affordability/Costs

- ☐ Elephant in the room—how do we build housing that's also affordable?
- ☐ Kirby Cottages are the only new single family dwellings built for less than \$300,000 in last 10+ years. Energy efficiency is also a big part of equation.

- ☐ We need housing for the service sector – workforce housing – to sustain sense of community. Everyone needs a chance.
- ☐ Should look at vacancy rates for different types of housing, and project these into future. We only have so much land. There is no agreement on where housing should be built, density – this is just the tip of the iceberg.
- ☐ Jobs and housing are connected. Companies are reluctant to locate here because of the cost and quality of housing. Housing is a very big part of the economy.
- ☐ A lot of people that work here, like service workers, can't afford to live here – if we built more affordable workforce housing locally, it could help reduce traffic congestion. South Burlington should be a place where people can live and work. Also a lot of people who live here don't work here.
- ☐ So many outside factors govern the marketplace. Young people aren't staying here – is it because young people, who are more mobile, deciding not to stay? They're going where there are more opportunities. Instead of looking at types of housing, we should look at employment opportunities – good paying jobs. Need to address housing within the larger context, look at a variety of issues.
- ☐ Affordable housing will occur in spurts as opportunities arise.
- ☐ Should look at South Burlington's share of the county's affordable housing.
- ☐ The quality of South Burlington's affordable housing is probably better than Burlington's because it was built more recently.
- ☐ Should also look at market studies – what's financially feasible.

Availability/Supply

- ☐ Vacancy rate are less than 2% across the board.
- ☐ We also need more rental units – the vacancy rates are so low.
- ☐ South Burlington has contributed much more than its share of housing over several decades – it's up to other municipalities to also help out.
- ☐ There's a reason for that – this is where most of the infrastructure investment has been made, where most of the amenities and services are located.

Broader Context/Connections

- ☐ We also need to consider housing in relation to what the other [interim zoning study] groups are looking at, including sustainable agriculture, open space, form-based codes—these need to be considered together.

- ☐ Land near the airport cannot be rededicated in the future to residential use. The city doesn't own it, and it's not suitable for residential use due to noise impacts. No one could get financing for a new project in that area. It's also limited under the buyout program to nonresidential uses.
- ☐ City Center development will be a focal point for South Burlington, and will increase housing demand from people wanting to live here.
- ☐ People are flocking back to the city – national trend. Infrastructure is in place. Services/amenities available.
- ☐ Looking forward we also need to look at housing in relation to local schools – Chamberlin School issues (question mark), City Center and the Central School. Need to look at full circle – housing, employment, education. Tuition students remain an important source of school revenue. South Burlington enrollments are fairly stable. South Burlington schools are popular, but this may not continue if we don't get adequate funding.
- ☐ Enrollments haven't grown with population growth – we still have capacity.
- ☐ Schools are one of the positive things that make a community. There are also considerations around form-based codes, agricultural and open space, recreational space – we need to plan for these things in relation to each other.
- ☐ Consider connections between housing and demand for parks, recreation and open space.
- ☐ Consider connections between housing and health.

6. Wrap-up: Next Steps

Sandy Dooley, Chair thanked everyone for coming and participating in the evening's discussion, noting in closing that, at the statewide housing conference in Burlington, the keynote speaker talked about the health impacts of housing – including “affordable housing as a vaccine.”

She then announced the schedule for five upcoming neighborhood meetings. The committee is especially interested in community feedback on the amount and type of housing that should be planned for City Center. Information on the committee's work and upcoming meetings will be posted on the city's web site, with links to the Affordable Housing Committee page.

neighborhood meeting notes

19 November 2012 at 1 p.m. in the Grand Way Commons Community Room

Committee: Sandy Dooley (chair) and Sr. Margaret Brault

Staff/Consultants: Kimberly Murray (Development Coordinator), Brandy Saxton (Consultant), Sharon Murray (Consultant)

Public: Priscilla Braun, Pat Bennett, Greg Weaver, Janice Robbins, Doug Ward, Dot Meisenzahl, Bill Meisenzahl, Joanne Davidson, Hope Lindsay, Nancy Baher, Rebecca Sleeman, Paul Engels (City Councilor), Maria Charbonneau, Susan Jean Rabner, Sandra Horvath, John Davidson

Introduction. Brandy Saxton introduced committee members, staff, and the consultants. She provided a brief overview of the South Burlington Affordable Housing Committee's charge and activities.

Sharon Murray asked those in attendance to introduce themselves including how long they have lived in South Burlington and why they had chosen the city and Grand Way Commons. About two-thirds of those in attendance were from the area, while the remaining had moved from all over the country. For those moving from outside the area, some had done so because they had family in the area while others had decided to move to South Burlington because of the characteristics of the community and the Grand Way Commons facility.

Brandy Saxton then presented some background information about housing and demographics in South Burlington before opening the floor to a conversation focused around a series of discussion questions.

What is appealing about living in South Burlington? How did you choose the home and neighborhood you live in? What do you like most about your neighborhood?

- ☐ Convenience to shopping. Shops within walking distance.

- ☐ Easy access to highway and available transit (Most residents of Grand Way do not use CCTA but do use SSTA. About half of residents have cars.)
- ☐ Proximity to amenities/services (Zen Center in Shelburne, University, hospital, library).
- ☐ Amenities and programs available in the building (education, social, volunteering). Great group meals.
- ☐ Support after illness (SASH) and VNA adult daycare next door.
- ☐ Residents are very active and can participate in the larger community outside the building.
- ☐ Nice places within walking distance. Safe neighborhood to walk around in. Sidewalks, crosswalks and signs near the building have improved safety for pedestrians.
- ☐ Sense of safety and security. Can travel for several months at a time without worrying about leaving unit.
- ☐ Underground parking is great. Not having to deal with shoveling out, cleaning car in winter.
- ☐ Safe because you don't have to go out on slippery surfaces to get to your car, take out trash, etc.
- ☐ Affordable. Convenience of having all expenses combined (rent, utilities, parking, TV)
- ☐ Building has on-call maintenance services. Trash, laundry all convenient.
- ☐ Availability - unit was available at the right time.
- ☐ Came north to retire and liked the area. Had lived in many places around the country and didn't have strong ties to any of the places we had previously lived in.
- ☐ Mixed-income, mixed-age neighborhood.

What are South Burlington's most pressing housing needs? Is housing, particularly affordable housing, an issue that the city should be concerned about and taking action to address?

- ☐ Need for more affordable housing, especially for young people.
- ☐ Chittenden County is more expensive than surrounding areas. Not much is affordable.

- ☐ Cathedral Square wait list is as long as 3 years. Demand much greater than supply. Get several inquiries each day from people interesting in living at Grand Way Commons.
- ☐ Very important that housing for seniors and people with disabilities be near markets, transportation and other services.
- ☐ Community room is very important in a building like Grand Way Commons. The property manager is also very good.
- ☐ Multi-unit buildings should have gardens, allow people to have pets. Makes it more of a "home".
- ☐ Cluster housing/cottage housing – create new neighborhoods with smaller, more affordable homes.
- ☐ Cottage style housing concept is very appealing. 4-12 homes in a neighborhood. Cars/parking on the outside of the cluster.
- ☐ Need to dispel perceptions of "affordable" housing – broaden definition. Need worker housing. Mixed income housing - mix of ages is preferable. Nice to have a real mix of people in a neighborhood – older, younger, kids.
- ☐ Many older people who are comfortable in their homes and routines don't want to move, but maintenance becomes difficult (physically/financially) as you get older.
- ☐ Biggest reason for most to move from a single-family home to a building like Grand Way is economic. Some folks don't want to make that transition – don't want to be considered poor. May stay in a house they can't afford/can't keep up.
- ☐ Cost of transportation needs to be considered. Especially if housing will be located farther out.
- ☐ Opportunities for organizations like Habitat for Humanity to help build affordable housing. Look at ideas that came out of Katrina and Irene.

Where should new housing, including affordable housing, be located in South Burlington? Should new housing be included in plans for the City Center? If so, what type of housing will be a good fit?

- ☐ City Center would be good for affordable housing – close to services. If housing is built in rural areas, seniors without cars have no way to get out.
- ☐ Major roads (like Williston Road and Shelburne Road) are a barrier to pedestrians – particularly seniors, children and people with disabilities.

Crossing lights are not long enough to allow them to cross. Drivers can make turns while pedestrians crossing.

- ☐ Underground parking should be more widely used. Some of the recent, market-rate apartment buildings in the area do not have underground/covered parking.
- ☐ Build in underutilized parking lots. Shaws parking lot, for example, is never full. K-Mart plaza has potential to provide a lot of housing if redeveloped.
- ☐ CCTA is not convenient for local trips. Buses are late. All trips take you into downtown Burlington and you have to change buses to get to the mall, for example. On the return trip, the stop is on the other side of Shelburne Road, requiring you to cross to get back to Grand Way Commons. So few residents use CCTA.
- ☐ Other transit options should be considered like privately-operated minivans that have a regular route to provide local service in a neighborhood.
- ☐ Should housing be built on farmland? Rural areas may be suitable location for younger people with cars. Senior housing should be more centrally located.

Could your neighborhood accommodate more housing? If so, what type of housing would be a good fit? Should this include more affordable housing?

- ☐ Bigger buildings, like Grand Way Commons, would be OK but there should be height limits. 4 stories is good, probably not a lot taller.
- ☐ Need to address traffic created by new housing (amount and patterns). Street by Grand Way Commons is being used as a shortcut and private stop signs/traffic controls not enforced by police. Some drivers ignore them.
- ☐ What will be the effect of the new parkway on the neighborhood? Will it ease traffic on Shelburne Road and surrounding neighborhoods?
- ☐ The affordable apartments across the street (O'Dell) have families with children living in them. Single-family housing is too expensive to build.

Wrap-Up. Brandy Saxton thanked everyone for their participation and outlined the next steps for the Affordable Housing Committee. She noted that the committee would be presenting initial recommendations, based on their work, in January at a public meeting and encouraged people to stay involved as the project continues.

neighborhood meeting notes

26 November 2012 at 7 p.m. in the Orchard School Cafeteria

Committee: Sandy Dooley (chair), Larry Michaels, John Simson and Bill Stuono

Staff/Consultants: Sharon Murray (Consultant)

Public: John Dinklage, Sarah Dopp, Michael Simoneau (FBC Committee), Tim MacKenzie (FBC Committee), Karen Ryder

Introduction. Sharon Murray introduced herself as one of the consultants on the project, and provided a brief overview of the South Burlington Affordable Housing Committee's charge and activities.

She then asked those in attendance to introduce themselves and briefly identify their neighborhood, how long they had lived in South Burlington and why they had chosen to live in the city. Most present were from the area, long-time city residents, and are or have been active in city affairs – including affordable housing committee members interested in housing issues and there on behalf of the committee, and two members of the city's form-based code committee. Several neighborhoods were represented, including the area around Orchard School, Queen City Park, Mayfair, Swift Street, and the Southeast Quadrant (Cheese Factory Road). A few started out as renters in the city and went on to buy homes. Others were attracted by the school system, neighborhood character, and a strong sense of community – especially in several of the city's older residential neighborhoods.

Demographic and Housing Trends. The group then reviewed and discussed demographic and housing trends, based on information developed for the Affordable Housing Committee by the Vermont Housing Finance Agency. Those present suggested that:

- ☐ South Burlington is a “NORC” – a “naturally occurring retirement community” – in which many residents are choosing to age in place.
- ☐ The city is a good place for this given amenities (transit, walkable neighborhoods, shopping, safety). It was noted that a growing number of people, including single women – can comfortably live alone in their homes, neighborhoods.
- ☐ Children, as young adults, are moving back home and contributing to household incomes.
- ☐ South Burlington has primarily a service economy – limited wages, jobs are not secure, people need to move for work and have difficulty selling their homes in the current market.
- ☐ Since 2008 (height of the recession) there has been declining interest in home ownership – due to the job market, difficulties in obtaining financing, and that housing may no longer be viewed as a good investment.
- ☐ It was noted that condo prices have been going down, while the demand for rental units has increased – rentals provide more flexibility.
- ☐ Shifts in the condo market are due in part to new underwriting requirements – 90% of units must be occupied by owners; no more than 10% can be investor-owned/rental units.

Sharon Murray then facilitated a small group discussion based on but extending beyond agenda questions.

What is appealing about living in South Burlington? How did you choose the home and neighborhood you live in? What do you like most about your neighborhood?

- ☐ Initially rented, liked living in the city – bought house here.
- ☐ Mixed-income, mixed-age neighborhoods – there is some turnover happening in older, more affordable single-family neighborhoods. Younger families are moving in as housing becomes available.
- ☐ Housing was affordable, when purchased.
- ☐ Liked neighborhood character (around Queen City Park) – strong sense of community.
- ☐ Good schools, conveniences within walking distance of home.

- ☐ Sense of safety and security – safe for singles living alone.

What are South Burlington’s most pressing housing needs? Is housing, particularly affordable housing, an issue that the city should be concerned about and taking action to address?

- ☐ Need for more affordable housing, especially for young people.
- ☐ Need workforce housing – it’s too expensive for people who work here to live here. Housing costs make it hard for businesses to recruit new employees.
- ☐ It’s hard to build new housing in South Burlington due to the higher costs of land, infrastructure.
- ☐ Can’t build affordable single family dwellings – even smaller units – the costs (land, construction), apart from amenities, are largely the same. The square foot costs of construction are the same. Need to look at margins in relation to volume. There’s not enough profit – can’t build affordable single family without subsidies.
- ☐ Single family dwellings don’t pay their way. Keeping property taxes low may help – should look at grand list ratio – percentage of residential in relation to percentage of commercial (city once had a 50%/50% policy, but this predated Act 60 and state school tax).
- ☐ Should look more specifically at costs of services required in relation to taxes paid for different types of housing, development. The need for services (e.g., ambulance/emergency medical) will increase as the population ages.
- ☐ Need small cottage-type housing, like Kirby Cottages. There is a market for that – the project was initially controversial, but people have changed their minds – good design, good fit. Smaller, energy efficient units are in demand – could be targeted to more “moderate” income market.
- ☐ Housing being built may be more high-end than needed – could cut back on amenities, include unfinished areas, allowing for a lower base price – include amenities as additional options.
- ☐ Still need lower-valued land, density to make the numbers work. Need enough units to amortize up-front costs. Land needs to be cheap enough. Small infill projects may work if needed density is allowed. There’s a pea for every pod at the right price.
- ☐ Should also consider attached single family homes (townhouses, duplexes) allowing for higher density single family development.

- ☐ Density results in neighborhood opposition – need a better way to address this before and during the permitting process. One person can hold up an entire project. Can’t underestimate the politics involved in effecting change – there is little tolerance for change.
- ☐ Need a new state (e.g., Housing Conservation Trust Fund) program that supports the purchase of land for housing development.
- ☐ We can build more rental housing – but where? Where should we build? How do we build community? We want people to stay and we want new residents.
- ☐ Need to also look at ways to retain the current stock of affordable, single family dwellings, and the character of our existing residential neighborhoods. Consider a retention ordinance? (Sandy Dooley read the purpose statement included in Burlington’s retention ordinance).

Where should new housing, including affordable housing, be located in South Burlington? Should new housing be included in plans for the City Center? If so, what type of housing will be a good fit?

- ☐ Need small (7-8 units) infill housing in and around existing neighborhoods – some is already occurring (e.g., Kirby Cottages).
- ☐ City Center is being planned to accommodate higher density housing, good urban design. Could include some affordable units.
- ☐ South Burlington has accommodated its share of housing, but must step up to its role, responsibilities as a growing urban center.
- ☐ City Center area includes only 18 buildable acres – higher densities are needed. Could potentially build single family at edge (e.g., Hinesburg Road side), but attached townhouses are more likely.
- ☐ One local developer has been trying to get permits for several years for a suburban infill project near the City Center. He’s had to make trade-offs in density, numbers of units in dealing with project neighbors, but city’s development review board seems committed to density.
- ☐ Soils have not been tested yet – anything higher than six stories is unlikely. Parking is the main limiting factor for achieving more density. Need to balance density with parking and traffic generation.
- ☐ The Form Based Code Committee has been working through the proportions of residential in relation to commercial development. Past studies suggest

that a mix of 70% residential, 30% commercial may work, especially with regard to parking.

- ☐ Need a strong residential component to support businesses, create a vibrant, mixed use center.
- ☐ The FBC Committee is also looking at shifting the “center” of City Center closer to the mass of existing development and letting it evolve over time, while locating more walkable, more heavily residential areas near the nature area. The Committee is planning with and without the Central School – but has not established a timeline for project development.
- ☐ A school within walking distance of new residential neighborhoods is needed.
- ☐ Including smaller (e.g., 2-bedroom) units in the City Center could make housing more affordable.
- ☐ Codes, zoning, ADA requirements affect the height of buildings, affordability.
- ☐ It's anticipated that “affordable” housing in the City Center will fall in the \$250,000 range. Could include units in 3-4 story buildings, with parking underneath.
- ☐ Financing is difficult to obtain for mixed use buildings – commercial/retail on bottom floor, residential in upper stories. Difficult to amortize costs. Need to fill 2/3 of space before a shovel goes in the ground. It's critical to understand economic challenges, changing market conditions, costs of new construction per occupancy.
- ☐ There are few good examples in Vermont – mostly rehab of historic buildings. Public/private partnerships are needed.
- ☐ Look at Winooski – VSAC served as an anchor, includes college student housing – still trying to reach the critical mass of residents needed for retail.
- ☐ Could pursue the other model (e.g., Maple Tree Place, Williston) – mixed use through a combination/mix of single use buildings, subareas that are easier to finance and develop.

Could your neighborhood accommodate more housing? If so, what type of housing would be a good fit? Should this include more affordable housing?

- ☐ Small infill, cottage style housing (6-7 units) would retain existing neighborhood character. More doable at a small scale.
- ☐ Smaller homes, with room for expansion over time.

- ☐ “Garden style” housing that allows for aging in place.
- ☐ Should also allow for “intentional communities” – for example South Village – that are designed specifically to promote a strong sense of community.
- ☐ Sense of community comes from neighborhood – from interactions with neighbors outside in yards, on the street. Difficult to create in a high-rise building – is there a sense of community in Farrell Street area?
- ☐ Grandway Commons has a strong sense of community – common areas, activities organized by staff.
- ☐ Need to incorporate public, open space areas within higher density residential development.
- ☐ Look at example around Hadley Road – neighbors went to the City Council rather than trying to address issues themselves, between neighbors.
- ☐ Community can be defined in many ways. Also relates to turnover in the neighborhood – life happens. Some don't want or need community.
- ☐ Mayfair Park is different now than in was six or seven years ago – it's going through its natural cycle.
- ☐ More empty-nester housing would allow for faster turnover of small single family homes.
- ☐ How much market intervention by local government is feasible and appropriate? The Affordable Housing Committee needs to address the specifics (of housing supply, demand, affordability) and will need more feedback.

Wrap-Up. Sharon Murray thanked everyone for their participation and outlined the next steps for the Affordable Housing Committee. She noted that the committee would be presenting initial recommendations, based on their work, in January at a public meeting and encouraged people to stay involved as the project continues.

neighborhood meeting notes

27 November 2012 at 7 p.m. in the Middle School Library

Committee: Sandy Dooley (chair), Leslie Black-Plumeau and Joe Larkin

Staff/Consultants: Kimberly Murray (Development Coordinator) and Brandy Saxton (Consultant)

Public: Barbara Bull, Art Klugo (DRB), Nancy Wright, Helen Head (Legislator), Debra Bell (FBC), Anita Germain (FBC), Tim Barritt (DRB)

Introduction. Brandy Saxton introduced committee members, staff, and the consultants. She provided a brief overview of the South Burlington Affordable Housing Committee's charge and activities. She asked those in attendance to introduce themselves including where they live in South Burlington and how long they have lived in the city. Brandy then presented some background information about housing and demographics in South Burlington before opening the floor to a conversation focused around a series of discussion questions.

What is appealing about living in South Burlington? How did you choose the home and neighborhood you live in? What do you like most about your neighborhood?

- ☐ The quality of South Burlington schools was a main consideration for many attendees and played an important role in their decision to move into / stay in South Burlington.
- ☐ Walkability was something that many agreed made South Burlington appealing to them. Some attendees live in the northwest portion of the city and can walk to work and events at UVM, or elsewhere in Burlington.
- ☐ The city's central location in the region, proximity to downtown Burlington, and highway access make it easy to get to many places. One attendee noted that proximity to the airport was part of his family's reason for moving to South Burlington. Proximity to shopping and services was considered an asset as well.
- ☐ Several attendees cited the natural setting in and around their neighborhoods as important criteria when they were choosing a home. This included views

of the lake and mountains, and the proximity of wooded areas and streams. These elements contribute to an aesthetically appealing neighborhood.

- ☐ There was general agreement that the city's parks and recreation facilities contribute a lot to the city's quality of life.
- ☐ One attendee noted that South Burlington's relatively new housing stock contributed to their decision on where to live.
- ☐ One attendee noted that she was looking for the convenience provided by living in a condo where she does not have to be responsible for outdoor maintenance, particularly in the winter.

Will your housing needs change in the future? Do you want to stay in your current neighborhood or in South Burlington? Have you seen changes in your neighborhood over time as people's housing needs have changed? Could your neighborhood accommodate more housing? If so, what type of housing would be a good fit? Should this include more affordable housing?

- ☐ One attendee cited the experience of buying into what was supposed to have been a single-family development in South Burlington that now also includes larger multi-unit buildings. These have blocked views that made the location desirable and changed the character of the community.
- ☐ There was discussion of the Meadowbrook / Farrell Street neighborhood, which has experienced a lot of change in recent years with new high-density development. On the positive side, the Farrell Street development increased access to shopping and services for the Meadowbrook neighborhood that had previously been more isolated.
- ☐ The group also talked about the need to manage change – to be fair to current residents but to balance needs for growth. There is no simple answer to this.
- ☐ It was noted that the walkability and proximity to services makes it possible for residents to age in place more easily in South Burlington than in most Vermont communities. One attendee noted that she plans to move back to the small home she grew up in and still owns in South Burlington when she reaches her later 60s because it is in a walkable neighborhood with proximity to services.

- ☐ Another attendee thought that there was a lack of small (1,200-1,500 sf) homes that would be good for “aging in place”. These could be detached or multi-family homes but should be in neighborhoods where people can walk to shopping and services, should allow for single-level living, and still be large enough so that family can come stay.
- ☐ One attendee suggested that the city should be encouraging green building, more energy efficient homes. These will be more affordable to maintain in the future.
- ☐ The group would like to see options like cottage housing and accessory dwelling units more widely available in South Burlington.

What are South Burlington’s most pressing housing needs? Is housing, particularly affordable housing, an issue that the city should be concerned about and taking action to address?

- ☐ One attendee strongly believes that there is an obligation to the families who have lost their homes around the airport. What is the role of Burlington in meeting this obligation? How is the loss of these homes affecting city taxes?
- ☐ Another commented that there is hidden poverty in the city. Families living in motels. These difficulties are not as obvious as they are in Burlington, for example, but are still here.
- ☐ The group agreed that the definition of “affordable” should be broadened to include middle class or moderate housing.
- ☐ It was noted that affordable housing, even that owned by nonprofit housing providers, pays property taxes.
- ☐ The group talked about the market for small homes. These are hard to build because of the economics. How can the city influence the market? Incentives may be preferable to mandates.
- ☐ A question was raised about the market for the very large homes that have been built in recent years in the future. Will people be able to afford to maintain them?
- ☐ It was noted that there is a very active HomeShare program in South Burlington, which is primarily focused on helping elders stay in their homes by finding suitable ‘house mates’ who can move in with them and provide some level of assistance.

- ☐ One attendee commented that the city could try to reduce approval times for projects as that adds to the developer’s costs, but that most of the delays come from the Act 250 process not the city review process.

Where should new housing, including affordable housing, be located in South Burlington? Should new housing be included in plans for the City Center? If so, what type of housing will be a good fit?

- ☐ There was discussion of density. Density reduces costs of infrastructure and is the only way to make development affordable.
- ☐ Consider both opportunities to grow up and out.
- ☐ The group agreed that the City Center should include housing, but a diversity of housing not just affordable.
- ☐ There are constraints on the City Center property – stormwater and wet areas – that are going to limit how much can be built. Need to have housing here, but it might not be able to meet a significant amount of future demand.
- ☐ One attendee suggested that we should be considering not what kind of homes people will get, but what kind of community they will get. The quality of life factors are critical – the ability to interact with neighbors. High-density housing can offer those things if done right.
- ☐ One attendee suggested that there may be an opportunity to diversity the housing being built in the SEQ. For example, the Cider Mill commercial area could include mixed-use buildings with upper floor residences.

Wrap-Up. Brandy Saxton thanked everyone for their participation and outlined the next steps for the Affordable Housing Committee. She noted that the committee would be presenting initial recommendations, based on their work, in January at a public meeting and encouraged people to stay involved as the project continues.

neighborhood meeting notes

28 November 2012 at 7 p.m. in the Chamberlin School Cafeteria

Committee: Sandy Dooley (chair), Ken Sassorossi, Bill Stuono and Eric Farrell

Staff/Consultants: Sharon Murray (Consultant)

Public: Eva Diner, Michael L. Young, Rick Hubbard, Maida Townsend, George Maille, Will Rapp (FBC Committee), Jessica Louisos (Planning Commission), Chris Cole (Planning Commission)

Introduction. Sharon Murray introduced herself as one of the consultants on the project, and provided a brief overview of the South Burlington Affordable Housing Committee's charge and activities.

She then asked those in attendance to introduce themselves and briefly identify their neighborhood, how long they had lived in South Burlington and why they had chosen to live in the city. Most present were long-time city residents, and are active in city affairs – including members of the Affordable Housing Committee, Form Based Code Committee and Planning Commission. Several neighborhoods were represented, including Spear Street, Valley Ridge, South Village, Mayfair, Logwood Street, Hinesburg Road, East Terrace, Duvall Street, and Patchen Road. Some were former UVM grads who chose to stay in the area, or moved back.

Demographic and Housing Trends. The group then reviewed and discussed demographic and housing trends, based on information developed for the Affordable Housing Committee by the Vermont Housing Finance Agency.

- ☐ Rental market has overtaken condo market – driven by market. We're building the same types of buildings (apartments vs. condos) but there's no market for owner units – getting financing for condos is much harder. South Burlington's rental stock is newer, more attractive and affordable than Burlington units.

- ☐ Apartments are occupied mostly by young adults – less job security, mobile, easier to move. Ownership is considered risky in this economy.
- ☐ Young professionals choose to rent until they figure out the community, where they want to live and can save up to buy a home. This is much harder now.
- ☐ It's really hard, even with two incomes, to make a down payment – huge college loans, cost of living. Renting is a more flexible, affordable option.
- ☐ We're going backwards – household incomes (adjusted for inflation) are declining. Household income is more concentrated, reflecting national trends. US decline in share/percentage of the world GDP. Losing sector is the middle class. Can no longer afford single family dwellings.
- ☐ South Burlington offers mostly low wage, low hour service jobs.
- ☐ Son worked three jobs to buy a home – born and raised in South Burlington, but couldn't afford a home here. Bought a larger home elsewhere than what he could find here.
- ☐ We're losing our smaller, single family homes, especially near the airport. They're not being replaced.
- ☐ The strongest market is for housing <\$300,000 but it's hard to make the numbers work, given costs of land, construction. Can't make a profit.
- ☐ There is some turnover happening in older neighborhoods, with younger families moving in.

Sharon Murray then facilitated a small group discussion based on but extending beyond agenda questions.

What is appealing about living in South Burlington? How did you choose the home and neighborhood you live in? What do you like most about your neighborhood?

- ☐ Moved here for schools.
- ☐ Live on Valley Ridge – like being able to walk to UVM through Centennial Woods.
- ☐ Lived in Mayfair neighborhood for 21 years – affordable single family homes near Burlington, Lake Champlain. Close sense of community.
- ☐ E. Terrace – liked neighborhood, can walk to UVM, hockey games.

- ☐ Flier, private pilot – moved here to be near the airport, much different then.
- ☐ Centrally located, more affordable than Burlington at the time.
- ☐ Mixed-income, mixed-age neighborhoods – there is some turnover happening in older, more affordable single-family neighborhoods. Younger families are moving in as housing becomes available.
- ☐ Returned to South Burlington after retirement – first rented on Spear Street, then bought a small house in Mayfair Park – neighborhood character is important.
- ☐ Have lived on Duvall Street for more than 40 years – came initially for school, but it's a lovely neighborhood, street – everyone knows each other.
- ☐ Bought a house on Patchen Road in the 1990s – it was like living in the country then, but could walk to amenities. The neighborhood has since changed.
- ☐ Liked neighborhood character (around Queen City Park) – strong sense of community.
- ☐ Good schools, conveniences within walking distance of home.
- ☐ Started out in a condo at Twin Oaks – it's what we could afford. Moved away (to Williston) when we needed a bigger house.
- ☐ Born and raised in Burlington – moved to a condo behind Shaw's – convenient.
- ☐ People used to move to South Burlington for schools – now they move here for affordable rental housing.

What are South Burlington's most pressing housing needs? Is housing, particularly affordable housing, an issue that the city should be concerned about and taking action to address?

- ☐ Need for affordable single family housing – airport has consumed more than 200 houses already, expect more, based on F-35 noise levels, as identified in the environmental impact study. We need to replace houses that are being demolished – should consider a retention ordinance (e.g., Burlington) – or at least assess an impact fee, establish a housing trust fund to offset costs for more affordable housing development.
- ☐ Demolishing housing near the airport increases the noise levels, associated impacts for those who remain.

- ☐ Need smaller single family development – Mayfair Park built at four units/acre – great neighborhood, sense of community.
- ☐ Kirby Cottages – Higher end of “affordable” and still didn't make a cent. Maybe could have saved 10-15% on options.
- ☐ Housing, whether built privately or by nonprofit groups cost the same (per square foot) to build. Need density to get more out of available land, infrastructure.
- ☐ Need to find a different approach –e.g., through a nonprofit housing authority or public/private partnership – that could focus on land purchases, make land for housing available to developers and reduce their costs. Also need new funding sources – e.g., a housing trust fund.
- ☐ Need housing for workers, young families – but also need to look at employment base. There aren't enough good paying jobs; people are forced to move out of state.
- ☐ The lack of affordable housing is also a barrier to business growth, and the city's ability to attract new employers.
- ☐ Infill and higher density housing can help minimize construction costs/unit. Major cost drivers include materials, labor and land – increased 12% (\$100/SF to \$112/SF) in one year for exact same type of construction.
- ☐ Higher density multi-family development built to date has received mixed feedback – people who were initially opposed are okay with it (e.g., Proctor Ave). Within walking distance to transit, shops – lower carbon footprint. Not everyone wants or can afford single family dwellings.
- ☐ Changes in housing types change how neighborhoods operate.
- ☐ Need intermediate forms of housing (e.g., new moderate income housing) to provide flexibility in housing choices.
- ☐ Chittenden County is currently around 3,000 units short, based on market studies. Biggest demographic are young adults (25-25 years old), and some seniors who are downsizing. Rental demand is so high that rental development is a no brainer. Market is gone for condos – can't get financing. Takes too long to sell units. Buyer's market is for existing condo units – prices are going down.
- ☐ Single family dwellings – look at the days they're on the market. Houses on the market for over a year are now being rented out (e.g., Spear Street).

- ☐ Several single family homes are now being rented to students – neighborhoods near the university are transitioning to student rental housing.
- ☐ Don't see that changing in the near future – rentals are a good investment opportunity, especially if you can't sell your house. Can make double in rent what is owed on a mortgage. Crazy to sell given rents now.
- ☐ UVM, pressure from student population, is helping to drive the rental market – need more on-campus housing. They have been building some, but also expanded enrollment by 30%.
- ☐ We need to better protect our existing neighborhoods – they are becoming family unfriendly due to an increase in through traffic, and in the number of rentals. Rental units generally are not as well maintained – can lead to more renters, neighborhood degradation. Occurring citywide.
- ☐ We can't control national, state or even county markets – South Burlington is just a piece of larger puzzle.
- ☐ Look at Burlington – inclusionary zoning requirements, occupancy limits – most affordable housing is being developed by or with nonprofits. Requires financing from up to fifteen sources to make it work. Construction costs are the same – up to \$200,000/unit – and there are a lot of conditions on the use of public funding.
- ☐ Inclusionary zoning only works with nonprofit involvement – public funding to offset costs of affordable units.
- ☐ The most affordable single family housing is the city's existing housing stock – need to retain and keep from gentrifying.
- ☐ Should build cheaper housing that can be improved and renovated over time. Eliminating the 10-15% in options could make housing more affordable for some.
- ☐ Issues can't be “fixed” in 5 years – it will happen over the long term based on changing supply and demand – could take a generation or more – 15 to 20 years at least.

Where should new housing, including affordable housing, be located in South Burlington? Should new housing be included in plans for the City Center? If so, what type of housing will be a good fit?

- ☐ South Burlington has had more than its share of recent housing development – but we need to recognize that Burlington and Winooski are pretty much built out.
- ☐ We shouldn't promote sprawl – promote infill development.
- ☐ Build “pocket” neighborhoods that limit through-traffic, so that they are comfortable, safe even without sidewalks. Reconsider city connectivity requirements.
- ☐ Need density – need to grow up, move away from detached housing to build homes in the \$250,000 range (target).
- ☐ Need larger family multi-family housing, attached single family homes. There are good examples available.
- ☐ Need to build higher density along transit routes (e.g., within transit overlay zone) and in City Center. Need to figure commuting costs into housing affordability. Savings are not all in housing – also save in transportation costs. Get local banks to offer “location-efficient” mortgages that give priority to more urban locations.
- ☐ City Center has the potential to address a big chunk of housing demand – to include a mix of higher density and single family housing along with commercial development. Housing is needed to maintain the vibrancy of a city center.
- ☐ City Center – also needs to include well-designed public space – form based codes are a vehicle for this.
- ☐ Parking is the primary limiting factor for higher density housing.
- ☐ Consider public ownership of land, land swaps in City Center – land trust model – to promote more affordable housing development. Involve Habitat for Humanity, promote shared equity arrangements.
- ☐ Can't rely on just one developer to develop housing in City Center – it won't work. All businesses should be required to chip in – e.g., a penny on the tax rate to fund a housing trust fund.

- ☐ We can design connections or separations – requires good, intentional design. Shared public space through design.
- ☐ Find new designs that are affordable, work within existing and new neighborhoods – rethink public spaces, connections.
- ☐ Address traffic – tone it down within neighborhoods. Remake Williston Road and other thoroughfares into pedestrian friendly “village streets.”
- ☐ We need to capture the qualities of our older neighborhoods in new forms of development – we can’t recreate the past.
- ☐ We need to decide what type of community we want to be to help determine what type of housing we will need.

Wrap-Up. Sharon Murray thanked everyone for their participation and outlined the next steps for the Affordable Housing Committee. She noted that the committee would be presenting initial recommendations, based on their work, in January at a public meeting and encouraged people to stay involved as the project continues.

-

COMMON WORDS HEARD AT THE HOUSING SUMMIT

neighborhood meeting notes

29 November 2012 at 7 p.m. in the Middle School Library

Committee: Sandy Dooley (chair), Charlie Baker, Michael Monte, Erhard Mahnke, Ken Schatz and Bob McDonald

Staff/Consultants: Paul Conner (Director of Planning and Zoning) and Brandy Saxton (Consultant)

Public: Jim Knapp, Sally Fox (Legislator), Michael Sirotkin (DRB), Tom Bailey (FBC), Lani Ravin

Introduction. Brandy Saxton opened the meeting with a brief overview of the South Burlington Affordable Housing Committee's charge and activities. She asked those in attendance to introduce themselves including where they live in South Burlington and how long they have lived in the city. Brandy then presented some background information about housing and demographics in South Burlington before opening the floor to a conversation focused around a series of discussion questions.

What is appealing about living in South Burlington? How did you choose the home and neighborhood you live in? What do you like most about your neighborhood?

- ☐ The group concurred that South Burlington's schools were one of the main reasons most attendees had chosen to live in the city.
- ☐ Proximity to Burlington and to the interstate were important considerations for most attendees as well. Short commutes. Reduced transportation costs.
- ☐ The ability to walk to services/shopping was mentioned by several attendees as one of the elements that makes their neighborhood appealing.
- ☐ One attendee noted that he was able to find an affordable, centrally located condo in South Burlington.
- ☐ Another noted that he chose Queen City Park because it felt like a neighborhood – a discrete community.
- ☐ The bike path, the lake, Red Rocks Park were also mentioned as positive elements in the city.

- ☐ The group also discussed the drawbacks of living in South Burlington. Many of these were transportation related and included:
 - ☐ Increased traffic in the city (particularly through traffic)
 - ☐ Limited bus service (both routes & frequency) that requires people to drive more (to take kids places, for example)
 - ☐ The interstate cuts the city in half and there are not a lot of connections between the Shelburne Rd side and Williston Rd side of the city
 - ☐ The appearance of Shelburne Rd and Williston Rd – typical highway commercial sprawl
 - ☐ The lack of a “downtown” setting in the city, a place to walk where there is activity and interesting things to see

Will your housing needs change in the future? Do you want to stay in your current neighborhood or in South Burlington? Have you seen changes in your neighborhood over time as people's housing needs have changed?

- ☐ Those present discussed the desirability of being able to downsize within South Burlington for households that no longer have children at home. There is not a lot of housing suitable for this group. Homes 900-1,000 sf, close to services, minimal maintenance. Cottage-style housing, discrete neighborhood. Fixed costs make this type of development difficult (land, permitting).
- ☐ Also there will be future demand for housing for younger families – smaller homes, neighborhood setting would be desirable. There is some housing like this in South Burlington, but will it be available to meet demand?
 - ☐ One attendee noted that housing was turning over to new families on Barrett Street.
- ☐ The group also saw a demand for multi-family housing in a downtown setting. Walkable, close to services/shopping. A place where people could live without needing to drive.
- ☐ One attendee suggested that there may be opportunities to increase density within existing buildings. For example, Stonehenge townhouse units are 2,000-2,500 square feet and could feasibly be divided into two units, thus doubling density. Could there be opportunity for accessory apartments associated with structures other than single-family detached homes?

- ❑ There was general discussion of accessory dwelling units. There are fire code issues if the city allows ADUs beyond what is required by state law. South Burlington has seen construction of ADUs associated with very large single-family homes. These are not affordable housing rather are high-end / guest house type units. The 30% of the dwelling standard for the size of an ADU may not be working for South Burlington at either end of the scale.

What are South Burlington's most pressing housing needs? Is housing, particularly affordable housing, an issue that the city should be concerned about and taking action to address? Could your neighborhood accommodate more housing? If so, what type of housing would be a good fit? Should this include more affordable housing?

- ❑ It was noted that escalating housing prices were being driven by high land costs and low vacancy rates (this is a regional issue of inadequate supply being created to meet demand). A housing trust or other mechanism is needed to reduce land cost and make affordable housing development feasible.
- ❑ There was consensus that South Burlington needs more neighborhood housing within walking distance to services and with access to transit. Neighborhoods need to be more than theoretically walkable – walking has to be a realistic option. There are places in the city where many residents are not comfortable walking and safely crossing streets, etc. To be truly walkable, South Burlington needs:
 - ❑ A more interconnected street grid and/or walking/biking connections in between existing neighborhoods where road connections are not feasible
 - ❑ Neighborhood stores, small markets located around the city – think of the city as being made up of 3 or 4 villages and plan for small neighborhood commercial areas for each
 - ❑ More dense settlement patterns
 - ❑ More mixed use areas
 - ❑ More housing within the commercial corridors
 - ❑ There was discussion of whether there are any lessons to be learned from Burlington's New North End.

Where should new housing, including affordable housing, be located in South Burlington? Should new housing be included in plans for the City Center? If so, what type of housing will be a good fit?

- ❑ It was noted that there are excellent examples of successful New Urbanist projects around the country that have created destination places – we should be looking at those ideas.
- ❑ The group agreed that City Center should include a mix of retail, services and housing.
- ❑ There should be flexibility of how space can be used so it can evolve over time. We shouldn't try to force the market.
- ❑ The group thought that taller buildings (4 or more stories) in the City Center would be appropriate to the extent that constraints can be overcome (soils, parking, etc.).
- ❑ It was noted that with improved transit service in the City Center, we can change the number of cars we need to plan for. There was discussion that Act 250 and state regulations are major limitations and the state requirements related to transportation and parking are particularly problematic for City Center (LOS of F may be acceptable in City Center) – the flexibility needed may not be possible.
 - ❑ It was suggested that the city identify the issues/constraints associated with state regulations and the opportunities available through state designations (New Town Centers, Village Centers, Growth Centers, etc.). There are changes being considered to these programs. South Burlington should participate in that process and offer recommendations for changes that would benefit City Center.
- ❑ Need to consider how City Center can create urban fabric and what the impact of City Center would be on surrounding neighborhoods.
- ❑ Should some of the neighborhoods around City Center have a density of 8 to 10 units per acre instead of 4?
 - ❑ Up zoning can be very disruptive to developed, stable neighborhoods.
 - ❑ Would it be feasible to assemble multiple properties for higher-density redevelopment?
 - ❑ Would backyard development be possible and appropriate? Can be done well or poorly. There is significant backyard space in some of these neighborhoods.

focus group meeting notes

4 December 2012

Session 1 | Private Sector (developers/builders, banking, realtors, etc.)

- ☐ South Burlington housing prices reflect the city's prime location. Homes in the city will always be more expensive than homes in outlying communities. The price point in South Burlington may not be that flexible given the city's many positive features (proximity to Burlington, highway access, good schools, etc.).
- ☐ Need to be realistic about the city's capacity to create affordable housing and the type of affordable housing that can be developed locally. Attempting to force affordability through regulations may not work.
- ☐ South Burlington is not isolated. Burlington is a huge attractor. South Burlington has a great quality of life. Burlington does not have capacity/land to accommodate growth, which drives demand into South Burlington. We should capitalize on Burlington being an attractor.
- ☐ South Burlington should be seen as extension of Burlington – part of the urban core.
- ☐ Also need to be realistic about the cost of single-family homes. New single-family homes cannot be built for less than \$225 per square foot plus the cost of land. A new single-family home is going to be in the \$250-300,000 range even without accounting for developer profit. The costs are the costs. The answer is more dense, more compact, multi-family housing. Take the example of Kirby Cottages – they sold for around \$300,000 and are small (1,000 sf). That is still not “affordable”.
- ☐ What percentage of housing cost is the land? It is at least \$30,000 per unit in higher density, multi-unit projects. A lot more for single-family.
- ☐ South Burlington is part of the economic hub of the region. It is where jobs/housing needs to be. It is becoming more urban in character. Creating ag/open space on a grand scale is not feasible. We are past that point. Some places/markets are geared for growth.
- ☐ We need more jobs in South Burlington. The city needs land for commercial/industrial growth as well as for residential growth. Would not want to see a lot of commercial/industrial land re-allocated for residential use.
- ☐ We need to acknowledge that future growth is unlikely to be less than past growth. City should create a template to understand future needs. Demographics have changed and we need to respond to this. The market dictates what is needed. Families are going to be 1 to 2 kids. Smaller households are here to stay.
- ☐ Is this a self-fulfilling prophecy? Can the market be shifted from today's trends? We should think about what will be sustainable over the long-term. We will likely need to be less car dependent and need to live closer to work.
- ☐ Home ownership became “American Dream” only after WWII. This dream is being redefined. Huge segments of population have changed their perspective on housing in recent years.
- ☐ It is not the developer's job to do “social engineering” and try to affect who is going to live where.
- ☐ Also need to look at potential gentrification of older neighborhoods.
- ☐ Prices are set by the market, especially when supply is not keeping up with demand. Adding more supply is the most effective, easiest way to bring prices/rents down.
- ☐ As an example, the upper end of single-family market is over supplied. Prices have retreated. The market is making adjustments.
- ☐ Affordability cannot be solved without getting out of the current housing shortage.
- ☐ How much demand is not being met? For example, there is available supply in the entry-level condo market, however financing is difficult to obtain – for developers to build new condos, and for home buyers to purchase condo units (e.g. required owner-occupancy rates).
- ☐ At or below median income, the affordability gap can only be bridged by subsidy. Even at 120% of median income there isn't “affordable” housing. There is nothing we can do about the wage side of the equation. Could there be more funding for the housing trust for their down payment/subsidy program?
- ☐ Need to look at affordability across the marketplace, not just at the entry-level home buyer.

- ☐ Mortgage lenders also look at total debt to income ratios – cannot exceed 45-50% under many programs.
- ☐ Taxes are also a big issue affecting affordability. Need to look at whole package (taxes, mortgage insurance, condo fees) when talking about housing costs.
 - ☐ Should also consider the cost of transportation when comparing the cost of living in South Burlington to living further out. Having housing move to outlying communities is going to continue to add to traffic in South Burlington.
 - ☐ Transportation is a critical component – we need housing close to transit.
 - ☐ We should be thinking not about affordable housing but about affordable living.
- ☐ There is a regional shortage of rental housing. Rental housing is a growing segment of market. Jobs are transitory–younger households need more flexibility. There is greater capacity to create housing in the rental marketplace than in the single-family market. We need more apartments in South Burlington.
 - ☐ Remember that units can convert back and forth between ownership/ rental in response to the market.
- ☐ We need a full spectrum of housing from McMansions to affordable homes.
 - ☐ Cottage homes, carriage homes, town homes, duplexes, zero-lot line, single-family homes with accessory units are all options that should be considered.
 - ☐ Many home buyers may not want to be landlords even if it would improve their ability to afford their home.
 - ☐ The market is focusing on small households. This leaves families without choices in South Burlington.
- ☐ We should focus more on senior housing, housing for empty-nesters. This could open up the single-family market by enticing people to move out of family housing.
- ☐ NIMBY-ism greatly increases the time and cost of getting permits. Time is money. Developers often have to negotiate down from the maximum density allowed under the regulations due to neighbor push back.
 - ☐ Sometimes developers choose lower density than allowed for aesthetic reasons.

- ☐ Required upgrades to transportation infrastructure are a major barrier to development. The “last-in” developer has to pay the entire cost of improvements. Costs need to be more fairly distributed.
 - ☐ This is a regional issue and needs to be resolved at a regional level.
 - ☐ Consider an impact fee approach so everyone contributes to these costs.
 - ☐ City’s stormwater utility, while not perfect, is a good example of forward thinking.
- ☐ Interim zoning has created uncertainty and caused developers to reconsider bringing projects forward.
 - ☐ Land development regulations being considered have less density / less affordability.
 - ☐ There is a lack of land for development.
- ☐ Prime ag mitigation fees imposed by state add to cost of development.
- ☐ City impact fees are less than \$3,000 per unit. They are not a significant barrier.
- ☐ Need to define clear vision of what we want, and the steps to get there.
 - ☐ Look at all regulations – identify steps to streamline the permitting process, limit delays.
 - ☐ Re-evaluate allowed densities of development.
 - ☐ PUDs – facilitate mixed income housing development, public/private partnerships.
 - ☐ Public/private partnerships – affordability requires collaborative efforts, creative financing options, public support.
 - ☐ Allow ADUs, conversions from single to two-family dwellings.
- ☐ Need to address available infrastructure capacity and develop a more integrated approach to infrastructure financing, development – local, state, federal, public and private.

Session 2 | Public Sector (city departments, schools, university)

- ☐ Two types of housing are getting built in South Burlington – larger single-family homes and larger condo buildings.
 - ☐ It seems more complex from a permitting perspective to build smaller homes. From a regulatory perspective, single buildings easier to get

approved than multiple buildings. Not inherent in the regulations – more related to the process, community response.

- ☐ There is a perception that city regulations are complex but good communication can overcome this. When dialogue starts early, projects proceed through permitting process more smoothly.
- ☐ We are building houses at both ends of the municipal service spectrum – high density multi-unit buildings that place a high demand on municipal services and low-density single-family homes in outlying areas that are highly inefficient to serve. Continued development in the SEQ is going to necessitate additional Public Works equipment, facilities and personnel to maintain current level of service and timeliness of response. SEQ development will also necessitate water upgrades.
- ☐ There is very little housing, except high end homes, being built for families (more than 2 bedroom units) in the city.
- ☐ The city regulations are based on density – just the number of units. Does not take the size of the unit into consideration. The impacts are not equivalent between small homes on small lots, and large homes with more acreage.
- ☐ Neighborhood schools need neighborhood housing. Schools are seeing declining enrollments.
 - ☐ People are holding on to “family” houses and the stock is not turning over.
 - ☐ More than 200 homes are being lost in the airport neighborhood. These units not being replaced in city or anywhere else in the county. Some of the people who have been bought out have moved out of city and even county because they cannot find an equivalent, affordable home to the one they’ve lost.
 - ☐ Should we allow existing neighborhoods to evolve? What are the possibilities for infill in the city’s 4-unit-per-acre neighborhoods?
 - ☐ Through our regulations we have been giving more flexibility to new neighborhoods and leaving old neighborhoods behind.
 - ☐ Existing neighborhoods have few opportunities for expansion. Existing buildings are grandfathered/nonconforming. Buildings can’t be added on to easily. Does this help keep them affordable or limit opportunities to increase density?

- ☐ We need a diversity of housing. South Burlington is more diverse than Vermont.
 - ☐ The diversity in South Burlington schools has increased diversity as a result of the population becoming more transient. May be related in part to the housing market.
 - ☐ The city does not differentiate between rental/owner units during regulatory process.
- ☐ South Burlington has a lot of households that are not families and a lot more rental units than other nearby communities do.
 - ☐ In recent years, development has been 2/3 multi-family and 1/3 single-family units.
 - ☐ A large supply of units (mostly condos) in large multi-unit buildings have been built in recent years.
 - ☐ Important to remember that multi-unit buildings are not necessarily affordable. Many of the recently built projects are not affordable, despite being high density.
- ☐ The city does not have tools to address condition of rental housing, apart from its responsibility to administer the state’s rental housing code.
 - ☐ We are not at tipping point yet that would necessitate mandatory inspections, etc. but problems do crop up from time-to-time. It may be time to at least start tracking rental units.
 - ☐ For example, on Spear Street / East Terrace, there are homes that have been converted to rental housing / student housing. This area has become a hot spot for complaints (both police calls and code violations).
 - ☐ The area of the city that UVM undergraduate students are most likely to live in is fairly small and the number living in South Burlington is a small percentage of the student population. The city is attracting more grad students.
 - ☐ There are some ongoing issues with number of people living in units and the number of vehicles being parked on a property in a few areas of the city. Lifestyle differences cause friction between neighbors.
 - ☐ Could rental inspections be done just in a limited area of city? This would be discriminatory and probably not possible.
- ☐ What is the future of the large single-family homes that have been built in the city in recent years?

- ☐ Eventually owners of large homes may want to divide them into multiple units.
- ☐ There can be code issues when larger single-family homes get broken up into multi-family units. Should we be designing large buildings so they can more easily be broken up into multiple units in future?
- ☐ Accessory dwelling units are not being taken advantage of by South Burlington homeowners.
 - ☐ Permit around 10 ADUs per year. The city has seen more high-end, larger, guest house type ADUs.
 - ☐ City council turned down revision that would have liberalized ADU regulations so that owner could live in the ADU and rent out the main home.
 - ☐ There is a \$1,500 wastewater connection fee for an ADU.
 - ☐ Need standards to allow, better integrate ADUs on smaller lots, in older residential neighborhoods.
- ☐ Younger families are challenged to afford both mortgage and taxes and have had to leave the city for more affordable housing.
 - ☐ Income sensitivity provisions for the state property tax are not being fully utilized in South Burlington.
- ☐ Public perception and NIMBY-ism is a challenge. Developers have to get past the first hurdle – the appeals and associated expense.
 - ☐ When projects are proposed many neighbors ask “What kind of people will live there?” Rental housing is perceived to be undesirable in most neighborhoods.
 - ☐ For example, Kirby Cottages were challenged during the approval process based on distorted perceptions of “affordable” housing. Now generally accepted by neighbors.
 - ☐ Access to media has made it easier to spread information/ misinformation. Loud voices get heard and sway public opinion.
 - ☐ Path of least resistance is what developers take.
 - ☐ Have seen that developers/builders with investment in the neighborhood / known to neighbors are better able to overcome NIMBY problems.

- ☐ Process can work more smoothly if developers meet with neighbors before starting regulatory process. Burlington has created a formal mechanism for neighborhood involvement in the early stages of project review.
- ☐ More visionary planning is needed. More consensus on where we are going.
- ☐ We have much higher expectations for infrastructure today than when small, neighborhood homes were built in the city.
 - ☐ Sidewalks, stormwater, turnarounds, etc. all add to cost. Are they always necessary? If not built at time of construction is this just pushing costs into the future when retrofits are necessary?
 - ☐ Affordability could be a criterion for waivers.
 - ☐ Could any waivers or bonuses be tied to permanent affordability?
 - ☐ Need more flexibility in regulations for older neighborhoods, homes on small lots (e.g., for porches, additions) while limiting tear downs.
- ☐ City has to maintain current levels of service.
 - ☐ EMS demands are increasing with aging population.
 - ☐ The Fire Department is up to 3,000 calls per year.
 - ☐ Taller buildings increase Fire Department personnel needs—even with sprinkler systems, they still need to be able to evacuate residents and access upper floors with equipment.
- ☐ What makes housing appropriate for families?
 - ☐ It doesn't have to be just single-family homes. High density and/or multi-family homes can be designed to be family-friendly. They need greenspace or proximity to neighborhood parks if people don't have their own yards.
 - ☐ Multi-family housing is not being required to provide greenspace or park amenities that would meet the needs of young families. The city hasn't been building new neighborhood parks.
- ☐ There is a lack of supply of “small homes” (not necessarily affordable today, but will be lower cost over their lifespan as compared to larger homes).
 - ☐ These are not being built and are hard to mandate.
 - ☐ Could inclusionary zoning be based on size not affordability?

- ☐ Remember that Burlington has two housing regulatory tools – inclusionary zoning and a retention/replacement ordinance.
- ☐ There is a lack of supply of single-story homes. Builders do not want to build these. They are less efficient in their use of land, but are necessary for people with mobility challenges and make it more feasible for people to age in place.
- ☐ Consider more incentives – e.g., for smaller homes? Universal design?
- ☐ Available programs such as the HomeShare program are not well-known and are not being taken advantage of.

Session 3 | Nonprofit Sector (nonprofit housing providers and advocates)

- ☐ The largest challenge faced by the nonprofit housing sector is loss of federal, and to a lesser degree, state resources.
- ☐ There are long waiting lists for affordable units.
 - ☐ Cathedral Square's total waiting list for all sites (not just in the city) is 700 households.
 - ☐ Grand Way Commons has 91 apartments with a waiting list of 159.
 - ☐ The South Burlington Project has 10 apartments with a waiting list of 24. These units do not turn over.
 - ☐ The Thayer project has 36 apartments with a waiting list of 219.
 - ☐ In Country Park, there is a one-year wait for 1-bedroom units.
- ☐ Have heard that businesses can't expand due to employees unable to afford housing.
- ☐ There is a need for accessible units – including more wheelchair-accessible units.
 - ☐ Universal design should be encouraged.
- ☐ There is also a need for more senior housing, affordable assisted living in particular, and this need will grow with the baby boom generation.
 - ☐ There are only nine assisted living facilities in Vermont.
 - ☐ Making funding work for assisted living is impossible for those relying on Medicaid.
 - ☐ There is a mismatch in affordable family housing supply/demand. Elders who would like to leave their homes have no place to move to and those homes are not opening up for young families.

- ☐ There are residents in affordable independent living units that should be in assisted living due to declining health, cognitive abilities, but they can't afford it – other options would reduce waiting lists.
- ☐ We need to help elders who wish to move and open up the supply of family housing. One such program was the Massachusetts Equity Transfer Assistance Program.
- ☐ Need to match people's lifespan with housing supply.
- ☐ Land trusts could be helpful with moving elders from family housing.
- ☐ We have a supply of independent (not assisted living) elderly housing. By partnering with service providers and coordinating services, people can stay in these homes longer. This is less expensive to the health care system.
- ☐ Services need to be provided in association with elderly housing or it will increase service costs to municipality. We are experiencing a rapid increase in 911 calls and EMS service. Recent study showed that there had been a 74% increase in calls in Burlington in two years. This is result of the state's policy of "age in place" with no services. Conversely, the SASH program saves costs related to hospitalization.
- ☐ Senior housing needs to be located near services. Transit is essential. Crossing major streets is a problem. There are a lot of van services operating independently. If these services were coordinated, they could provide better service.
- ☐ Think about wiring community and buildings for future technologies. Technology will help people with cognitive issues live more independently in their homes in the future.
- ☐ The HomeShare program could be promoted by the city. They need more homes in the program.
- ☐ Could the city offer incentives (tax-related) to help seniors transition to new housing?
- ☐ There is a need for housing affordable to those earning around \$30,000. Their income is too high for Section 8, but too low to afford market-rate apartments.
- ☐ The lack of housing in general is raising rents. This puts tenants in a poor negotiating position.

community meeting notes

27 March 2013 at 7 p.m., South Burlington City Hall

Committee: John Simson (Chair), Leslie Black-Plumeau, Sandy Dooley, Eric Farrell, Bob

McDonald, Larry Michaels, Michael Monte, Kenn Sassorossi, Ken Schatz, Amy Wright

Staff/Consultants: Kimberly Murray, Development Coordinator, Brandy Saxton, Sharon Murray

Public: Helen Riehle, Sophie Quest, Bob Nowak, Pat Nowak, Sarah Dopp

Introduction. John Simson introduced committee members, staff, and consultants to the project. He then briefly reviewed the committee's charge and work to date, culminating in the committee's draft report as presented for public comment. He then turned the program over to Brandy Saxton and Sharon Murray, consultants on the project.

Presentation and Facilitated Discussion. The consultants briefly presented key findings from project studies, neighborhood forums and focus groups that provided the basis for the committee's recommendations, as outlined in the draft report. Each recommendation was then presented, along with questions highlighting areas targeted for public response and input.

- ❑ **Housing Targets.** Proposed targets were generally supported, in concept. A question was raised regarding proposed targets in relation to regionally-defined housing needs. Sharon Murray noted that regional housing studies, goals and policies, and information for the larger three-county Burlington-South Burlington Housing Market Area were considered in developing local targets. Sophie Quest reported that the Chittenden County Regional Planning Commission, rather than identifying regional targets, is instead focusing on helping communities address locally defined housing needs.
- ❑ **Building Forms/Housing Types.** Kimberly Murray reviewed comments received in advance of the meeting regarding the need for more one-story residences and the incorporation of universal design to address the needs of an aging population and persons with disabilities. Meeting participants suggested that smaller units – including “micro-apartments” and tiny houses or cottages (e.g., as accessory dwellings) – also be included and accommodated under form-based codes.
- ❑ **Accessory Dwellings.** There was general support for recommendations to allow larger accessory dwelling units, including 2-bedroom units, as permitted uses as long as other district dimensional and density requirements were met (e.g., setbacks), and for allowing the owner of the single family dwelling to live in the accessory unit. Concerns were limited to the potential rental of the principal unit to students, and the impacts this may have on neighborhoods in the vicinity of the university.

- ❑ **Incentives/Bonuses.** Bonuses that allow for additional building height should be limited to specific districts (e.g., the City Center, other higher density areas). There should be provisions in the regulations for the transition between higher and lower density areas. The amount of additional parking needed for higher density development remains a concern, but it was also noted that South Burlington's current parking requirements, especially for multifamily units, may be excessive. Additional stormwater management measures may also be needed to accommodate higher densities of development.
- ❑ **Housing Retention Ordinance.** There was general support for the concept, especially as this could apply to future housing lost to airport expansion. It was recommended that retention requirements be tied to the issuance of demolition permits, based on Burlington's experience in this area. A question was raised whether the 80% AMI provision should apply to both rental units and condos, or just rental units.
- ❑ **Inclusionary Zoning.** There was also general support for mandatory inclusionary zoning, with a recommendation to also allow for off-site construction if the affordable units could be built in a better location (e.g., near transit, shops and services). It was also agreed that this will need more vetting and testing under current market conditions prior to adoption by the city.
- ❑ **Housing Trust Fund.** There was general support for the creation of a city housing trust (reserve) fund, but concerns were raised regarding reliance on the local property tax to fund it. It was suggested that other sources of revenue (e.g., an one cent increase in the local meals tax) also be considered.
- ❑ **Housing Committee/Commission.** There was general support for the creation of a permanent housing committee or commission, with staff support, to continue the work of the affordable housing committee, to oversee recommended housing programs adopted by the city, and to serve in an advisory capacity to the City Council, Planning Commission and Development Review Board. There was no support for the creation of a city housing authority.

Wrap-up/Next Steps. Brandy Saxton noted that a brief community survey, as advertised in the meeting announcement, was available and would be posted on the Path to Sustainability website. John Simson thanked everyone for coming, and indicated that the Affordable Housing Committee will be finalizing its recommendations to the City Council, as presented in the draft report, at its upcoming meetings in April. The committee will meet again on April 9 to consider comments received this evening.

community opinion survey

An opinion survey was distributed to South Burlington residents online and at several locations around the city after a draft of this report was released for public comment. Ninety-four people responded to the survey, which asked about some of the report's recommended actions. Overall, more respondents agreed with than disagreed with each of the 12 actions included on the survey. The results are presented in the table below with the actions listed in order from strongest to weakest level of support. A number of survey respondents also provided the Affordable Housing Committee with written comments.

It is evident from the feedback received on the draft of this report that more public outreach and education around affordable housing issues is needed in South Burlington. There are still many misconceptions about what affordable housing, and even

higher-density housing more broadly, is, what it looks like, how it is funded, who lives in it and whether it changes neighborhoods.

The survey responses indicate that South Burlington residents think that affordable housing is most suitable in areas of the city served by transit and that there should be affordable housing in City Center. Based on the survey results and public input throughout this project, there is a strong concern about preserving existing affordable single-family homes, particularly in the airport neighborhoods. There appears to be less agreement on whether the city should be more proactive in directly funding or requiring developers to build new affordable housing. Further discussion and public engagement will be needed to build the consensus needed to move some of this report's recommendations forward.

94 RESPONSES		Rating	Strongly Agree	Somewhat Agree	No Opinion	Somewhat Disagree	Strongly Disagree
Do you agree that South Burlington should...		+2 to -2	+2	+1	0	-1	-2
1	Require that new development near transit service include some affordable housing?	0.67	47 50%	17 18%	2 2%	8 9%	20 21%
2	Encourage a greater diversity of residential building types (ex. cottages, row houses, smaller multi-unit buildings)?	0.66	43 46%	19 20%	5 5%	11 12%	16 17%
3	Require that City Center include some affordable housing?	0.64	43 46%	20 21%	4 4%	8 9%	19 20%
4	Require projects that are eliminating affordable housing to build or fund replacement housing?	0.54	41 44%	16 17%	11 12%	5 5%	21 22%
5	Allow the homeowner to live in an accessory apartment and rent out their main house?	0.52	32 34%	24 26%	8 9%	21 22%	9 10%
6	Preserve some existing affordable single-family homes in perpetuity (through a Housing Trust type program)?	0.40	35 37%	19 20%	11 12%	7 7%	22 23%
7	Require 10% of new housing in a development be affordable to those earning \$53-80,000/year?	0.34	33 35%	21 22%	8 9%	9 10%	23 24%
8	Require 10% of new housing in a development be affordable to those earning up to \$53,000/year?	0.29	34 36%	18 19%	8 9%	9 10%	25 27%
9	Fund a Housing Trust Fund through means other than taxes to build/preserve affordable housing?	0.14	23 24%	21 22%	21 22%	4 4%	25 27%
10	Fund a Housing Trust Fund like the Open Space Fund (1¢ property tax) to build/preserve affordable housing?	0.05	30 32%	16 17%	9 10%	7 7%	32 34%
11	Promote the creation of more accessory apartments on existing single-family properties?	0.03	26 28%	16 17%	11 12%	17 18%	24 26%
12	Require that the Southeast Quadrant include some affordable housing?	0.01	32 34%	12 13%	8 9%	9 10%	33 35%

1. A housing trust fund is a good idea but should not be funded by an already overburdened property tax payer. I would suggest the Airport, who is demolishing hundreds of affordable homes in our city be charged a fee to support a housing trust fund. I also believe that the Southeast Quadrant should be required to have a certain level of affordable housing. Not zoning the area to only have large lots that are not affordable to the average Vermonter.
2. Too much mandating by city government not a good idea. On the other hand, entrance level housing should be available, as well as housing for lower incomes.
3. Glad to see South Burlington investing in ways to diversify our schools and neighborhoods.
4. Affordable housing that is multi-dwelling units need to have sound-proofing and plenty of open spaces for children to play outdoors.
5. My "no opinion" are actually "not sure " but that was missing.
6. Why can't the market make homes affordable? It seems more units per building (like on Farrell St.) would make it happen without extra taxes or payments to a Trust Fund. Density near transit corridors appears to be the answer.
7. I think we should offer incentives instead of mandates.
8. A small grocery store that residents can walk to without encountering fast vehicular traffic (no gas pumps) can promote community cohesiveness. Anna and Gino's Airport Grocery was a good example. We chatted about our children, our elders, picked up milk or bought ice cream, saw the neighborhood teenagers grow up working there. Occasionally they held a treasured item banned by TSA until we returned from a trip. We miss this "community center".
9. Existing housing and dense housing can be the most affordable. Please do not discourage dense housing or imagine that you can replace PUDs, condos and apartments with "cottages" and still encourage affordable housing in our city.
10. Please, don't overlook the need for single-story, garden-style condo/townhomes that are built by Universal Design principles to accommodate the disabled and or seniors who want a Certified Aging in Place home.
11. I do not support allowing the homeowner to live in the accessory apartment until the city puts in place effective protections for neighborhoods in which affordable single-family housing is being purchased and rented to college students. This is a significant crisis in at least one South Burlington neighborhood and needs action.
12. I'm not sure that 10% of each development should be affordable, but yet development projects should be affordable in their entirety. If only certain units/houses within a development are affordable, this could lead to uncomfortableness within that community and even discrimination for the families who live in those affordable units if the gap between the affordable houses and those that aren't is large enough.
13. The affordable housing program is not addressing reducing the cost of home ownership by investing in energy efficiency. We need to make all home ownership more affordable not just build new housing.
14. Taxes to support affordable housing seems like a poor idea. Other ways to support affordable housing may be to offer "no parking" buildings in City Center or near UVM/U-Mall or along Shelburne Road. I don't think affordable should be in the Southeast Quadrant especially since they have already limited it to 1- and 2-family units.
15. Let's make South Burlington a city to be proud of!!
16. Let the market provide direction to the above questions.
17. No information to give an educated opinion.
18. I am delighted to see the City Council addressing the need for permanently affordable housing in South Burlington. The only reason I had no opinion on the funding issue is I am unaware of what other options there are besides taxes.
19. Accessory apartments destroy communities in neighborhoods not designed for them. There is a reason why many neighborhood associations prohibit them! And they are very hard to regulate. Haven't we built enough apartments of late?
20. I support the "cottage" housing initiative for smaller, single-family homes but not more multi-unit homes; not more condos; not more apartments; not more row homes. Protect what we already have - namely airport neighborhoods, from the assault of the unjustified expansion of the airport. Require airport leaders and staff to live in South Burlington or Winooski. Thank you.
21. Your survey is ambiguous. Each of the selections that talk about inclusionary housing use the words "require". If you mean, require by regulation then absolutely not. All that does is discourage creative use of development options. If you mean encourage by some form of reward/enhancement, then yes. It appears that there is too much emphasis on regulation and not enough on creative development. -Jim Knapp
22. The way to make housing more affordable is to allow more development. Subsidized expensive housing is not affordable - and funding it through tax dollars is not sustainable. Further, as a person who lives in an area with a great deal of "affordable housing" I can say that this subsidized housing has led to reduced performance in our schools and brought an increase in crime, all while subsidizing the business of the landlords. We need to look at this issue objectively.
23. A need for affordable housing? Yes, but at what expense to the city? We already have townhomes and condos everywhere. The more people you crowd into a small space the more demand you place on the infrastructure. If you over produce affordable housing you will invite more who are unable to contribute to the wealth and tax base of the city. Don't depend on overtaxing those who are successful or less burdened. Without sufficient industry this city will suffer in the long run. Too many condos, too many transients, too

many with low incomes will put more pressure on social services, lead to overcrowding, and eventually reduce the desirability of living here.

24. From Keith Epstein keithepstein@gmail.com: Home energy usage should be given more than a cursory place in the draft recommendations. Low home energy usage (electricity gas/oil/propane water) is a key piece of housing affordability that is often overlooked by home builders and buyers. When a new home is built it costs almost nothing to design and build it so it uses significantly less energy than a building that is designed and built by someone who pays no attention to energy usage. Vermont has an energy code that is not being met by over 90% of the new homes in South Burlington according to a study done by the South Burlington Energy Committee (http://www.efficiencyvermont.com/for_my_home/ways-to-save-and-rebates/building_buying_new_home/energy_code_plus/general_info/vt_energy_code_info.aspx). A high priority should be given to ensuring that ALL homes are built to the existing energy code. However the Vermont energy code is only a bare minimum. We could and should go even further in South Burlington and require higher standards (LEED, high HERS score, Energy Star, Passivehouse, for example) for all new buildings. The extra upfront costs are paid for very shortly in reduced utility bills. There is even a net zero energy building in South Village that cost only 30% more to build than a standard house and the owners will NEVER have a heating or electricity bill. Energy usage needs to have a much more prominent place in the recommendations. Efficiency Vermont can provide guidance on specific recommendations and how to achieve them. One idea is to require all houses sold in South Burlington to have an energy evaluation at the time of sale. This would get people paying attention to it and help drive the market for reducing energy usage. There should be specific recommendations to locate housing near public transit. Reduced driving reduced car ownership or even not owning a car make affording a house much more feasible than an inexpensive house that requires a vehicle to get to and from. Housing should not be allowed to be called "affordable" if it is beyond ½ mile from public transit. Accessibility to the rec paths makes housing more affordable by making it easier to walk or bike from home to work school shopping instead of driving. The affordable housing report should recommend expanding the rec path network and only allowing the housing to be called affordable if it is located within 1 mile of the rec path network. I can't attend the March 27th meeting but I would be happy to discuss these thoughts with the committee. Energy Efficient Buildings need a more prominent place in the committee's recommendations. Here are some resources from ENERGY STAR: ENERGY STAR for Affordable Housing: More Energy Efficient, Livable, Sustainable Communities - http://www.energystar.gov/index.cfm?c=bldrs_lenders_raters.pt_affordable_housing
25. I do not want to see a mass of little cottages eating up land. I would much rather see condos built. This saves the land. I also feel strongly that wildlife corridors be high up on the priority list when new development happens. I want the Southeast Quadrant to stay rural. I want the farm on Dorset Street to be able to stay in operation.
26. Sounds like South Burlington wants to keep things nice and pretty for the reasonably well-off. What about folks with incomes from \$14,000 to \$52,000? To accommodate these folks will require more high-density high-rise facilities and elimination of maximum number of residents in apartments and homes.
27. Affordable housing seems to only work with subsidies. That doesn't seem to be sustainable. Large project high rises don't seem to have worked in the 1960s. Cottage-style, denser housing near transportation corridors (think Kirby Cottages on Williston Road) would be most workable. Consolidation of 2-3 existing affordable homes into a cottage unit of 12 affordable homes might make a lot of sense near City Center or along Williston road from East Terrace to Gregory Drive. Also along Route 7 from Proctor Avenue down to Allen Road. Having affordable housing in the Southeast Quadrant does not make sense from a transportation view. A Trust Fund sounds like an administrative hurdle and then what does the city do with it all? Decide who to subsidize?
28. Require more Section 8 eligible residences.
29. I believe in a free market system. Do not wish for more local or fed government involvement. When we were young, we figured it out on our own in spite of being poor. Back to basics, please.
30. Limit accessory apartments in the neighborhoods near UVM. Housing Trust Fund would need additional funding sources in addition to property tax assessment. Encourage "tiny" house units – standalone and apartments.

RECOMMENDATIONS

city plan

Vision, Goals and Objectives. South Burlington's draft City Plan opens with a vision statement, which is followed by 10 community-wide goals:

“South Burlington will strive to have a sustainable quality of life comprised of identifiable, diverse neighborhoods, quality natural environments, strong employment opportunities, and a vibrant sense of community.”



The first goal specifically addresses affordability:

“Goal 1. Be affordable, with housing for people of all incomes, lifestyles, and stages of life within the city.”

Section 2.1 of the draft City Plan lists 35 objectives, three of which relate directly to housing:

“Objective 3. Foster the creation and retention of a housing stock that is balanced in size and target income level, is representative of the needs of households of central Chittenden County, and maintains an efficient use of land for use by future generations.”

“Objective 4. Support existing and new affordable housing, emphasizing smaller single-family homes, to meet demand within the regional housing market, as assessed by annual regional demographics and needs analyses.”

“Objective 5. New and renovated housing is designed and located in a context-sensitive manner that reinforces diverse, walkable neighborhoods.”

Compatibility. The vision statement, goals and objectives set forth in the draft comprehensive plan are generally compatible with the vision statement adopted by the Affordable Housing Committee:

“Each year, South Burlington will increase the availability of safe and affordable rental and owner-occupied housing, especially for households whose incomes, based on family size, are below 80% of Chittenden County's median income and, in doing so, give highest priority to promoting the availability of affordable housing for household types for which affordable housing is in shortest supply.”

Recommended Revisions to the Objectives. Draft Objective 4 calls upon the city to meet demand for affordable housing by emphasizing smaller, single-family homes. As evidenced by the research undertaken as part of this study, new single-family homes are not being built in South Burlington that are affordable to households earning up to 80% of median income. The high cost of land in the city makes it unlikely that “affordable” single-family homes will be built in any significant quantity without some public or nonprofit financial support for their development.

South Burlington does have a limited stock of existing single-family homes that are affordable.¹ Preserving existing affordable single-family homes in South Burlington should be a high priority if it is going to continue to be the city's policy to meet demand for affordable housing with single-family homes.

There is a much larger supply of existing single-family homes in South Burlington that are affordable to moderate-income households (those earning up to 120% of area median income).

1. Affordable housing, as defined by Vermont statute, means a home that a household earning 80% of the area median income could own or rent without spending more than 30% of their income on housing costs. As of 2010, affordable housing would be a home that a household of three people with an annual income of \$53,200 could own or rent for a purchase price of up to \$196,000 or monthly rent of up to \$1,330.

It is also more feasible to build new single-family homes that would be affordable for such households.

Given these realities, draft Objective 4 should be revised:

- “ Objective 4. Support the retention of existing and construction of new affordable and moderate-income housing, emphasizing both smaller single-family homes and apartments, to meet demand within the regional housing market, as assessed by annual regional demographics and needs analyses.”

Draft Objective 5 speaks to a desire for housing in South Burlington that fits into its surroundings. At the Neighborhood Meetings, walkability, neighborhood character, sense of community, and proximity to shopping and services were widely identified as key factors contributing to the city's quality of life. More of these ideas could be incorporated into the City Plan by revising Objective 5.

- “ Objective 5. Build and reinforce diverse, walkable neighborhoods that offer a good quality of life by designing and locating new and renovated housing is designed and located in a context-sensitive manner that will facilitate development of a high-density, City Center, mixed-used transit corridors, and compact residential neighborhoods reinforces diverse, walkable neighborhoods.”

Draft Strategies and Recommended Revisions. Section 2.2 of the draft plan sets forth strategies to implement the city's vision, goals and strategies. It includes 23 strategies that specifically address housing. Most of these draft strategies generally align with the recommendations of this report and the work of the Affordable Housing Committee. The strategies are listed, and any recommended revisions are shown and discussed, below.

As described above, affordable detached single-family housing may not be a feasible option in South Burlington, but more moderately-priced homes (affordable to households earning up to 120% of the area median income) may be possible to build,

particularly if there was some public or nonprofit support. Strategy 4 should be revised slightly to reflect this reality:

- “ Strategy 4. Provide a range of residential zoning densities throughout the city in accordance with the Land Use chapter of this plan to allow for continued construction of new housing to meet the needs of the region's changing demographics, including at least some districts that foster high-density housing and some that foster affordably moderately-priced single-family housing.”

The tools listed in Strategy 5 should include those that are being recommended in this report and likely to be implemented in a citywide form-based code:

- “ Strategy 5. Implement a variety of tools and programs to foster innovative approaches to increasing the city's supply of affordable and moderate-income housing including, but not limited to, housing affordability through use of tools such as floor-area ratio-based density, refined a housing trust fund, a form-based code that allows a variety of residential and mixed-use building types, expanded accessory dwelling unit provisions apartment-regulations, transferable of development rights, inclusionary zoning, bonuses and incentives, waivers and expedited review processes, and/or a housing retention ordinance zero-lot-line lots, or others.”

Strategy 6 should be revised to reflect an ongoing role for the Affordable Housing Committee:

- “ Strategy 6. Continue to have an Affordable Housing Committee charged with increasing the availability of safe and affordable housing in the city that Form a housing task force whereby city representatives would work with developers, engineers, site planners, architects, business leaders, utility representatives, housing professionals, bankers, city staff and officials, and residents to facilitate affordable housing and offer recommendations on housing-related issues to the Planning Commission, Development Review Board and City Council. explore design standards.”

Strategy 7 could be revised to more accurately describe the city's desired land use pattern:

- “ Strategy 7. ~~Encourage the presence of high-quality~~ Increase the supply of safe and affordable rental housing by ~~allowing higher-density, mixed-use, and mixed-income development within City Center and transit corridors; considering new locations within or near certain non-residential uses, allowing the rehabilitation of larger, historically significant structures; and using as buffers allowing multi-unit housing within transitional zones~~ between residential neighborhoods and commercial/~~industrial~~ areas ~~land uses.~~”

The input received during the Neighborhood Meetings and Focus Groups pointed to the importance of locational factors such as proximity to transit, shopping, services, schools and parks to providing a good quality of life for residents living in higher-density, affordable and/or senior housing. Strategy 8 speaks to this connection:

- “ Strategy 8. ~~Support~~ Recognize that affordable, elderly and/or higher-density housing ~~to be is most suitably~~ located near schools, parks, shopping centers, employment centers, day care facilities, transportation corridors, emergency services, and public transportation.”

As discussed above, preservation of the existing stock of affordable and moderately-priced single-family homes is a critical component of the city's affordable housing strategy:

- “ Strategy 9. Investigate tools to promote the conservation of the housing stock in existing residential neighborhoods, ~~particularly to maintain~~ the supply of ~~relatively modestly~~ affordable and moderately-priced ~~single-family~~ homes.”

Strategies 10, 11 and 12 could be consolidated into a single strategy:

- “ Strategy 10. Allow for context-sensitive infill housing in older residential neighborhoods, particularly in locations that are centrally located to services, public transportation and places of work.”

- “ Strategy 11. ~~Examine and revise residential building height standards to foster renovations, expansions, or new construction that is performed in a context-sensitive manner and to ensure that height restrictions are in concert with other requirements of the Land Development Regulations.~~”

- “ Strategy 12. Explore the establishment of form-based standards, ~~or revise existing district standards, including consideration of appropriate building heights and densities based on neighborhood context and location,~~ for residential buildings throughout the city to accommodate compatible infill and ~~expansion of additions to~~ homes in existing neighborhoods, ~~particularly those that are centrally located near services, transit and workplaces, and neighborhood-friendly design in~~ development of new compact, walkable neighborhoods.”

Strategy 13 re-states one of the city's general land use goals and could be revised to more specifically refer to the City Center and transit corridors:

- “ Strategy 13. Encourage ~~the integration of more mixed-use and mixed-income~~ residential and commercial ~~uses~~ development, particularly within City Center and transit corridors where there is ready access to public transportation and services.”

Strategy 14 as drafted is aimed specifically at planned unit development (PUD) provisions. It could be broadened to encompass other regulatory tools:

- “ Strategy 14. Encourage a variety of housing ~~configurations~~ options to meet the needs of a diverse population through innovative land development regulations that allow for a range of residential building and neighborhood types, including but not limited to cottage housing, clustered housing and infill residential development ~~use of PUD provisions under which lot sizes, frontages and setbacks may be reduced, to meet the needs of a diverse population.~~

Strategy 15 lacks specificity and is stating a general policy that underlies a number of the strategies. It could be eliminated:

- “ Strategy 15. Establish incentives for the maintenance and development of “attainable” housing that has no income restriction but which is within reach of a wide range of the population.

Strategies 16 through 18 need only a minor technical correction:

- “ Strategy 16. Use the ~~Chittenden County~~ Burlington-South Burlington MSA median income ~~and rent~~ figures ~~published by HUD~~ as the baseline for determining affordable housing prices and rents.
- “ Strategy 17. Continue to partner with regional housing providers to develop new affordable housing and continue to expand the range of housing options available at all price and rent levels in South Burlington.
- “ Strategy 18. Streamline administrative policy for affordable housing and consider reducing or eliminating permit and impact fees for affordable housing.

Strategies 19, 20, and 21 are related to protecting quality of life in residential neighborhoods and could be consolidated into a single strategy.

- “ Strategy 19. Create ~~additional landscaping and setback requirements around the perimeter of transitional zones between~~ residential neighborhoods ~~that abut~~ and higher-density or -intensity areas ~~with density, performance and design standards intended to maintain quality of life within neighborhoods, including mitigating impacts such as traffic, noise and light, potentially incompatible land uses such as commercial and industrial.~~
- “ Strategy 20. Explore and implement standards for transitions between land uses of different intensities.
- “ Strategy 21. Consider the impacts of non-residential uses, such as traffic, noise and light, on existing residential neighborhoods when designating zoning districts and uses.

Strategies 22 through 25 could be revised slightly:

- “ Strategy 22. Require new ~~homes~~ ~~developments~~ to ~~install connections~~ ~~connect~~ to municipal water and sewer systems.
- “ Strategy 23. Encourage multiple street and ~~or~~ pedestrian connections to and between residential neighborhoods in order to provide adequate emergency access and traffic distribution, while designing such connections in a manner that discourages ~~additional~~ through, truck, or high-speed traffic.
- “ Strategy 24. Ensure that adequate emergency access is available to all development and devise ways to prevent emergency accesses from being obstructed to protect public safety.
- “ Strategy 25. Provide prompt, equitable enforcement of the ~~zoning ordinance~~ ~~land development regulations~~ to maintain the character of ~~existing~~ residential neighborhoods.

Based on the input received during the Focus Groups, it appears there is not currently a need for local housing codes in South Burlington. There is a recognition that this may change over time as the amount of rental housing in the city increases and the city's housing stock ages. It would be beneficial for the city to begin to monitor the amount and location of rental housing more closely so any need for such codes can be identified before there are serious health and safety issues:

- “ Strategy 26. ~~Explore the costs and benefits of~~ Monitor the need for the city to adopt~~ing~~ and enforce~~ing~~ local building, plumbing, electrical, ~~and fire~~ ~~and energy~~ codes ~~for rental housing, establish a rental registry program, and continue to enforce the state rental housing code to protect resident's health and safety and quality of life in the city's neighborhoods, for the protection and safety of the public, employees and property.~~

The input received during the Neighborhood Meetings and Focus Groups pointed to the importance of access to outdoor space and recreation areas to create desirable neighborhoods:

“ Strategy 27. Seek to provide include recreation opportunities to-be-located within one-quarter mile of housing residential neighborhoods throughout the city.¹

It should also be recognized that energy costs, while not often included in the calculations of housing affordability, comprise a significant percentage of the total cost of living for low- and moderate-income households. As a result, there is a direct connection between these expenses and the affordability of housing. An additional strategy should be included to address this:

“ Strategy 28. Promote the construction of new homes - particularly affordable and moderate-income units - that are highly energy-efficient, and upgrades to existing homes to make them more energy-efficient, which will reduce residents' overall cost of living and contribute to housing affordability.²

Housing and Land Use Chapters. In addition to the recommended changes to the housing-related objectives and strategies, the housing chapter of the draft City Plan should be updated to incorporate or reference this report.

As the land use section of the draft plan is revised as part of the development of a city-wide land use map and form-based code, the Affordable Housing Committee should review that draft to ensure that it is compatible with the recommendations of this report.

1. Should this be public or private recreation facilities? This is a question that should be addressed by the city's recreation-related committees and clarified in the draft plan.

2. More specific home energy-related city actions or programs, as well as a cross-reference back to housing affordability, should be included in the energy section of the plan.

Housing Targets. South Burlington's existing housing stock is quite diverse in terms of housing cost, type and size. The city has traditionally been a community where a family could buy their first home - whether it was a condominium or small single-family home. The city has also provided rental housing and many of those units are affordable as well.

Figure 1 shows affordability of South Burlington's current housing stock. A three-person household earning up to 50% of area median income (AMI) would have an annual income of not less than \$33,000 and could afford to spend \$800 per month on housing. At 80% of AMI, a three-person household would be earning \$53,000 per year and could afford to spend \$1,300 per month on housing. A three-person household earning 120% of AMI would have an annual income of \$80,000 and could afford to spend up to \$2,000 per month on housing.

Figure 1 | Affordability of South Burlington's Housing Stock³

	RENTAL UNITS	OWNERSHIP CONDOS	OWNERSHIP ON OWN LOT	ALL HOUSING
% of all housing by type that was affordable in 2010 to households earning:				
Up to 50% AMI	23%	3%	0%	7%
>50% to 80% AMI	49%	45%	5%	30%
>80% to 120% AMI	17%	36%	47%	36%
TOTAL	89%	85%	53%	73%

3. Analysis based on assessed values of ownership units from the 2010 South Burlington Grand List and housing costs for rental households from the 2010 American Community Survey. Income limits were as set by HUD for a 3-person household in the Burlington-South Burlington MSA, which were derived from the FY2010 area median income (AMI) of \$66,500. VHFA's home mortgage calculator was used to determine the affordable home price for ownership units. That calculator assumes a 5% down payment and uses average interest rates, property taxes, insurance premiums and closing costs in Vermont (www.housingdata.org/calculator).

However, recent residential development has been concentrated in particular segments of the housing market. As shown in Figure 2, very little new affordable or moderately-priced ownership housing was built in South Burlington during the 2000s. Nearly all of the affordable housing that was built during the decade was rental apartments in larger, multi-unit buildings. Much of this construction was supported by state and federal funding, and it is uncertain whether such funding will be available at the same level in future years to support continued creation of affordable rental housing.

Figure 2 | Affordability of Housing Built in South Burlington during the 2000s¹

	RENTAL UNITS	OWNERSHIP CONDOS	OWNERSHIP ON OWN LOT	ALL HOUSING
% of new housing built in the 2000s that was affordable to households earning:				
Up to 50% AMI	30%	0%	0%	15%
>50% to 80% AMI	55%	1%	0%	26%
>80% to 120% AMI	10%	39%	2%	16%
TOTAL	95%	41%	2%	57%

If current trends continue, South Burlington will become increasingly unaffordable, particularly for households who are buying their first home. While a significant amount of the city's existing stock of ownership units is affordable or moderately-priced, only a small number of these existing units are on the market at any given time. With little new construction in this segment of the market, the demand for affordable or moderately-priced homes for purchase must be met solely through turnover of existing homes.

1. Analysis based on assessed values of ownership units from the 2010 South Burlington Grand List and local knowledge to estimate of the number of affordable rental units built in the 2000s. Income limits were as set by HUD for a 3-person household in the Burlington-South Burlington MSA, which were derived from the FY2010 area median income (AMI) of \$66,500.

The widening housing gap is also evidenced by recent Census Bureau estimates that indicate nearly one-third of homeowners (1,600 households) and one-half of renters (1,350 households) are currently spending more than 30% of their income on housing. Clearly, there is a significant unmet need for affordable housing for the city's current residents, as well as a need for affordable homes for those who will want to move to South Burlington in future years.

To meet the city's goals for diversity and affordability, a wider spectrum of housing will have to be built in South Burlington. The city needs to address both the immediate shortage of housing affordable to low- and moderate-income households and the long-term development of affordable homes necessary to attract a diverse population.

How much affordable and moderate-income housing should be built in South Burlington? Based on the analysis of existing conditions and the public input during the meetings held as part of this project, this report recommends that South Burlington should seek to maintain a housing profile that is fairly similar to what presently exists in the city with a diversity of housing types across the price range.

Based on that principle, the targets presented in Figure 3 were developed. If met, these targets would result in 49% of new housing built in the city being affordable to households earning up to 80% of area median income (AMI) and another 14% being affordable to households earning between 80% and 120% of AMI.

Figure 3 | Recommended Affordable & Moderate-Income Housing Percentage Targets¹

	RENTAL UNITS	OWNERSHIP CONDOS	OWNERSHIP ON OWN LOT	ALL HOUSING
% of new housing by type that will be affordable to households earning:				
Up to 50% AMI	30%	0%	0%	14%
>50% to 80% AMI	50%	40%	20%	37%
>80% to 120% AMI	0%	30%	20%	12%
TOTAL	80%	70%	40%	63%

How much affordable housing would be constructed if these targets were met? As shown in Figure 4, if 1,600² additional housing units were built by 2025 in South Burlington (800 rental, 400 condos and 400 single-family homes³) and these targets were met, there would be 840 housing units affordable to households earning up to 80% AMI and 240 housing units affordable to households earning between 80% and 120% of AMI.

While no target has been set for rental housing that would be affordable to moderate-income households, it should be recognized that apartments with rents in that price range are essentially market-rate units for South Burlington and most new rentals will be affordable for this income group.

1. Both new construction of perpetually affordable or moderate-income housing units and permanent protection of existing affordable or moderate-income homes should be counted towards meeting the recommended targets. No target has been established for moderate-income rental housing as this is considered market-rate given current rents in South Burlington.

2. 1,600 homes was selected for the target based on an additional 10 years of housing construction at an average rate of 160 units per year, the overall rate of housing growth during the 2000s.

3. The target of 1,600 homes was evenly split between rental and ownership units in recognition that the percentage of rental housing in the city is increasing and that in recent years the number of rental units and homeownership units constructed have been relatively equal. The ownership units were then split 50-50 again between condos and homes on their own lot.

Figure 4 | Recommended Affordable & Moderate-Income Housing Unit Targets⁴

	RENTAL UNITS	OWNERSHIP CONDOS	OWNERSHIP ON OWN LOT	ALL HOMES
# of new housing to be built by 2025 that will be affordable to households earning:				
Up to 50% AMI	240	0	0	240
>50% to 80% AMI	400	160	80	640
>80% to 120% AMI	0	120	80	200
TOTAL	640	280	160	1,080

What would the city's housing profile be in 2025 if these targets were met? As shown in Figure 5 if the targets were met, the distribution of housing by type and cost in South Burlington would not be significantly different than it is today - that is the underlying principle of the targets. However, this would represent a significant departure from current development trends.

Figure 5 | Affordability of Housing in 2025 if Housing Targets Met

	RENTAL UNITS	OWNERSHIP CONDOS	OWNERSHIP ON OWN LOT	ALL HOMES
% of all housing in the city as of 2025 that will be affordable to households earning:				
Up to 50% AMI	25%	3%	0%	9%
>50% to 80% AMI	50%	45%	6%	31%
>80% to 120% AMI	13%	36%	45%	32%
TOTAL	87%	83%	51%	72%

For example, meeting the targets would produce 120 more condos and 150 more single-family homes that would be

4. Both new construction of perpetually affordable or moderate-income housing units and permanent protection of existing affordable or moderate-income homes should be counted towards meeting the recommended targets. Assumes an average of 160 homes to be built each year between 2015 and 2025 (80 rental, 40 condos and 40 single-family homes).

affordable to households earning up to 120% of AMI than would be built or preserved if current trends continue.

Due to the challenges of building new affordable or moderately-priced homes on their own lot, this report also recommends that the city pursue a program to preserve the affordability of some of the existing housing stock in perpetuity, potentially in partnership with the Champlain Housing Trust. Without such a program, it is likely that many of the future sale prices of these currently affordable or moderately-priced homes will increase over time to a point where they would no longer be affordable. Homes that will remain affordable in perpetuity should be counted as contributing to the total amount of housing needed to meet the recommended targets.

While the targets represent an aggressive goal for new affordable housing, it still may not be possible for South Burlington to meet the total demand for affordable units given the current "backlog" and the fact that the housing shortage is a regional, not just a city, issue. For South Burlington to meet these targets, a significant shift in current development trends and practices will be required. It should be recognized that a change of this magnitude cannot be achieved through a single city program or regulation. It will take a concerted effort on multiple fronts to achieve the recommended amount of affordable housing development by 2025.

The recommended targets should be included in the housing chapter of the draft Comprehensive Plan and a new objective should be added that references those targets.

“ [Objective 6. Offer a full spectrum of housing choices that includes options affordable to households of varying income levels and sizes by striving to meet the housing targets set forth in Section \[X \] of this plan.](#)”

The targets, even if adopted as part of a revised Comprehensive Plan, are not by themselves regulatory and do not mandate a specific amount or type of housing development. The targets are aspirational and their purpose is to establish a strong foundation for other city programs, actions and regulations aimed at increasing the supply of affordable and moderately-priced housing.

By adopting housing targets based on affordability for low- and moderate-income households, South Burlington will be able to monitor and assess the effectiveness of city regulations, incentives and/or programs designed to foster housing production in support of its vision and goals. The targets should be regularly reviewed and the underlying assumptions re-evaluated to ensure they reflect current needs, conditions and policies in the city.

equal treatment of housing

Statutory Requirements. Under the Vermont Planning and Development Act (24 VSA § 4412), municipal zoning and subdivision regulations cannot exclude, nor have the effect of excluding certain types of housing from the community. These include:

- ❑ Housing to meet local and regional housing needs – including affordable housing needs as identified in the housing section of the municipal plan.
- ❑ Mobile homes, modular or prefabricated housing, except under the same terms and conditions that conventional housing is excluded (e.g., within a historic, design review conservation, commercial or industrial district).
- ❑ Mobile home parks – defined by the state to include three or more mobile homes on a parcel of land under single ownership or control.
- ❑ Multi-unit or multi-family dwellings, however these may be limited to designated zoning districts.
- ❑ One accessory dwelling unit located within or appurtenant to an owner-occupied single family dwelling, which must be allowed as a permitted use requiring only administrative review if it meets minimum statutory requirements. Local regulations can also require conditional use review, and associated criteria and conditions of approval, for accessory dwelling units that increase the height or floor area of the single family dwelling, are installed in new accessory structures, or require additional parking.
- ❑ Residential care or group homes to be operated under state licensing and registration that serve not more than eight persons who have a handicap or disability (including physical or mental impairments as defined by the state under 9 VSA § 4501). These are considered by right to constitute a permitted single family residential use of a property if not located within 1,000 feet of another group home.

Local bylaws can be challenged as exclusionary or discriminatory on their face if: they do not allow or provide for these types of housing; or local standards (e.g., large lot requirements, infrastructure requirements or town-wide design standards) have the effect of excluding forms of affordable housing,

including mobile homes, mobile home parks, multifamily housing and accessory dwelling units.

If challenged on this basis a local bylaw or board decision is subject to review by the Attorney General, and may be invalidated or overturned by the Environmental Court (24 VSA § 4453). A local board decision now may also be challenged as discriminatory – as an unfair housing practice – by filing a complaint with the Vermont Human Rights Commission or a lawsuit in Superior Court (Title 9, Chapter 139).

These provisions in statute are based in both federal and state fair housing laws that are intended to prohibit exclusionary zoning and other forms of regulatory housing discrimination – including discriminatory practices, review processes and decisions by local boards.

SENIOR HOUSING

Under federal and state fair housing laws, municipalities can allow for senior or elderly housing that is specifically intended for and solely occupied by persons 62 years of age or older; or that is intended and operated for occupancy by at least one person 55 years of age or older per unit if:

1. The housing complex has significant facilities and services specifically designed to meet the physical or social needs of older persons, or if it is not practicable to provide those facilities and services, that the housing complex is necessary to provide important housing opportunities for older persons; and
2. At least 80% of the units are occupied by at least one person 55 years of age or older per unit, except that a newly constructed housing complex in which first occupancy will begin after enactment of this act need not comply with this subsection until 25% of the units are occupied; and
3. There are written and enforced policies and procedures which demonstrate an intent by the owner or manager to provide housing for persons 55 years of age or older.

This section of the planning statutes, and state fair housing laws under Title 9, were amended in 2012 to more specifically link local housing and land use regulation to state fair housing requirements. As such, a local development review board cannot, in its application of the regulations or in the decision it renders, discriminate in the permitting of housing because of race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, disability, the presence of one or more minor children, income, or because of the receipt of public assistance, except as otherwise provided by law.

South Burlington's LDRs. Based on a review of South Burlington's current land development regulations, it appears that they meet most minimum statutory requirements for the equal treatment of housing and required provisions for affordable housing, however:

- ❑ They do not specifically address or incorporate statutory requirements for the equal treatment of housing, the provision of affordable housing, or housing discrimination in land use decisions.
- ❑ The existing definitions for “affordable housing” and “affordable housing development” are out of date, and no longer consistent with statutory definitions.
- ❑ The regulations do not address mobile home parks. There currently are no parks in the city and, given the price of land, it is doubtful that any new parks will be developed in the near future, but the fact that they may otherwise be allowed in certain districts is not currently acknowledged in the regulations.
- ❑ The regulations do not define or address forms of age-restricted senior housing as provided under state and federal fair housing laws.
- ❑ Accessory dwelling unit provisions include no review criteria specific to units that exceed state standards for consideration under conditional use review. [See recommendations on page 16.]
- ❑ The current regulations include few incentives (e.g., waivers of fees, standards, or review requirements) for affordable or mixed income housing development. [See recommendations on page 20.]

The regulations should be updated accordingly. Statutory requirements should also be considered in the development of any city-wide form-based codes – particularly to ensure that they do not have the effect of completely excluding mobile homes, manufactured or prefabricated housing and mobile home parks from the community, and that they accommodate accessory dwelling units in association with existing and new single family dwellings.

South Burlington's LDRs include a number of housing-related definitions. Some of these definitions are out-of-date or otherwise problematic. These issues should be addressed as part of the comprehensive overhaul of South Burlington's LDRs currently underway.

Recommended Revisions to the LDRs. The following equal treatment of housing provision should be incorporated into South Burlington's Land Development Regulations:

Equal Treatment of Housing

(A) **Effect on Housing.** In accordance with 24 VSA Section 4412(1), these regulations shall not exclude nor, in their application by the Development Review Board, have the effect of excluding housing necessary to meet the needs of the local population, as identified in the South Burlington Comprehensive Plan, nor have the effect of discriminating in the permitting of housing under Vermont's fair housing laws (9 VSA Section 4503).

(B) **Forms of Housing.** These regulations shall not have the effect of excluding the following forms of affordable housing within the City of South Burlington:

(1) Mobile homes, modular housing, or other forms of prefabricated housing, except upon the same terms and conditions as conventional housing is excluded.

(2) Mobile home parks, defined in 10 VSA Chapter 153 to include any parcel of land under single or common ownership or control which contains, or is designed, laid out, or adapted to accommodate, more than two mobile homes.


(3) Multi-unit or multi-family dwellings, which are allowed by the city as specified within designated zoning districts (see Table C-1).

(4) One accessory dwelling unit located within or appurtenant to an owner-occupied single family dwelling (see Section 3.10.E).

(5) A residential care home or group home to be operated under state licensing or registration that serves not more than eight persons having a handicap or disability as defined in 9 VSA Section 4501. Such a residential care home or group home shall be considered by right to constitute a single-family residential use of property, unless it is located within 1,000 feet of another existing or permitted group home (see Section 13.12).

(C) Complaints. Complaints regarding the equal treatment of housing under these regulations or in decisions of the Development Review Board under this section may be made to the Vermont Attorney General pursuant to 24 VSA Section 4453. Discrimination complaints under Vermont's fair housing laws may be filed with the Vermont Human Rights Commission pursuant to 9 VSA Section 4506.

The following housing-related definitions should be amended within or added to the city's Land Development Regulations:

 **Affordable Housing.** This shall mean either of the following (24 VSA Section 4303):

(1) Housing that is owned by its inhabitants, whose gross annual household income does not exceed 80% of the median income for the Burlington-South Burlington Metropolitan Statistical Area (MSA), as defined by the United States Department of Housing and Urban Development, and the total annual cost of the housing, including principal, interest, taxes and insurance, is not more than 30% of the household's gross annual income; or

(2) Housing that is rented by its inhabitants whose gross annual household income does not exceed 80% of the median income for the Burlington-South Burlington Metropolitan Statistical Area (MSA), as defined by the United States Department of Housing and Urban Development, and the total annual cost of the housing, including rent, utilities, and condominium association fees, is not more than 30% of the household's gross annual income.

Moderate-income housing. This shall mean either of the following:

(1) Housing that is owned by its inhabitants, whose gross annual household income is greater than 80% and does not exceed 120% of the median income for the Burlington-South Burlington Metropolitan Statistical Area (MSA), as defined by the United States Department of Housing and Urban Development, and the total annual cost of the housing, including principal, interest, taxes and insurance, is not more than 30% of the household's gross annual income; or

(2) Housing that is rented by its inhabitants whose gross annual household income is greater than 80% and does not exceed 120% of the median income for the Burlington-South Burlington Metropolitan Statistical Area (MSA), as defined by the United States Department of Housing and Urban Development, and the total annual cost of the housing, including rent, utilities, and condominium association fees, is not more than 30% of the household's gross annual income.

Affordable housing development. A housing development of which at least 20% of the units or a minimum of 5 units, whichever is greater, are affordable units (24 VSA Section 4303). This definition, however, does not apply to housing projects covered under inclusionary zoning, pursuant to 24 VSA Section 4414(7) (see Section ____). Affordable units shall be subject to covenants or restrictions that preserve their affordability for a minimum of 15 years or longer as specified in these regulations or as a condition of approval.

Inclusionary Zoning. Provisions under Section ____ of these regulations, as authorized under 24 VSA Section 4414(7), which establish minimum requirements and incentives for the construction of housing to meet the needs of low- and moderate-income households.

Inclusionary Unit. A housing unit that is affordable to a low- or moderate income household under inclusionary zoning requirements.

Mobile Home Park. Any parcel of land under single or common ownership or control which contains, or is designed, laid out, or adapted to accommodate, more than two mobile homes (10 VSA Section 6201).

Senior Housing. Housing that is specifically designed to meet the needs of senior citizens and federal and state fair housing laws for housing that is exempt from familial or age-discrimination requirements. This includes housing in which:

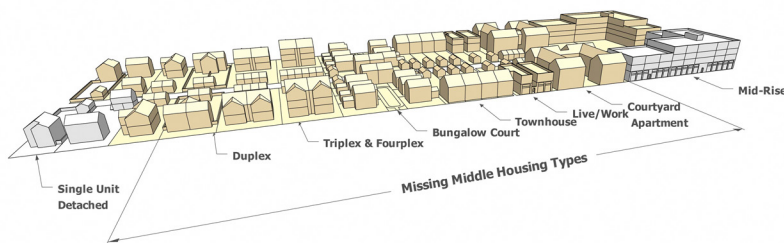
- (1) Dwelling units are specifically designed for and occupied by elderly persons under a federal, state or local government program; or
- (2) Dwelling units are intended for and occupied solely by persons who are 62 or older; or
- (3) At least 80% of the units are to be occupied by at least one person who is 55 or older, in adherence to an adopted written policy that demonstrates the intent of the owner or manager to house persons who are 55 or older.

building types

Most housing built recently in South Burlington is one of two types – large single-family homes or apartments/condos in multi-unit buildings. There is a range of other housing options that are not being built in South Burlington that could provide opportunities for more affordable or moderately-priced housing, and fit in within existing neighborhoods and areas planned for higher-density redevelopment.

Architect Dan Parolek in a 2012 article described the options between single-family homes and mid-rise buildings as the “missing middle” housing types.¹ This includes housing types such as duplexes, fourplexes, bungalow courts, mansion apartments, and live-work units. Parolek states,

“Well-designed, simple Missing Middle housing types achieve medium-density yields and provide high-quality, marketable options between the scales of single-family homes and mid-rise flats for walkable urban living. They are designed to meet the specific needs of shifting demographics and the new market demand and are a key component to a diverse neighborhood. They are classified as “missing” because very few of these housing types have been built since the early 1940’s due to regulatory constraints, the shift to auto-dependent patterns of development, and the incentivization of single-family home ownership.”



1. <http://bettercities.net/news-opinion/blogs/dan-parolek/17698/missing-middle-housing-responding-demand-urban-living>

Parolek’s article continues to describe the characteristics of these “missing middle” housing types. They need to be built within a walkable urban context. Due to their small footprint and a mixing of housing types, they achieve a medium density that is perceived to be less dense than it actually is. Most of the building types have a small- to medium-sized footprint, which makes them ideal for infill within existing neighborhoods. Their smaller size also makes them well suited for smaller households and more affordable. Due to their density and location, off-street parking demand is lower for these building types. Despite their higher density, they incorporate yards and/or community spaces.

Recommendation. As South Burlington develops a form-based code, these “missing middle” housing types should be included among the allowed types of buildings within the appropriate transect zones². This report also recommends that the form-based code define detached single-family homes based on their size and seek to encourage construction of smaller, energy-efficient homes and discourage larger, less-efficient homes. Even if they are not “affordable” smaller, energy-efficient homes will cost less to own and operate over their lifespan. Smaller homes will also be more compatible within the city’s older neighborhoods.

The following table is intended to illustrate the range of residential building types that should be included in the code. The example photographs and suggested dimensional standards are meant only to provide general guidance to those working on the form-based code. The specific design requirements or architectural standards for these building types will need to be further refined as the code is developed for South Burlington.

2. Form-based code replaces conventional zoning districts with transect zones, which represent the gradation of land use and development intensities from rural to urban neighborhoods. The form-based code will specifically identify the types of buildings allowed in each transect zone.



Stacked Flats. A large structure that consists of 12 or more dwelling units accessed from a courtyard or series of courtyards. Each unit may have its own individual entry, or they may share one or more common entries. This type of building can be located in higher-density or mixed-use neighborhoods. The lot should include at least 50 sf of open space in one or more courtyards for each dwelling unit. Courtyards shall not be less than 24' in any dimension.



Garden Apartment. A large structure that consists of 9 or more dwelling units each with its own individual entry accessed from an exterior courtyard or stairway. This type of building can be located in a location that transitions from a primarily single-family neighborhood into a higher-density or mixed-use neighborhood. The lot should include at least 50 sf of open space in one or more courtyards for each dwelling unit. Courtyards shall not be less than 24' in any dimension. The building should not exceed 4 stories in height.



Multiplex, Large. A large, detached structure that contains 9 to 12 dwelling units. A large multiplex is designed and massed to appear as one or more large single-family homes. Large multiplexes can be located in a location that transitions from a primarily single-family neighborhood into a higher-density or mixed-use neighborhood. The structure has at least one primary entry that faces the street and that is accessed from a porch, stoop or patio. The main body of the multiplex should have a footprint of no more than 60' x 72'. Any secondary wings should have a footprint of no more than 36' x 40'.



Multiplex, Medium. A large, detached structure that contains 5 to 8 dwelling units. A medium multiplex has a single building massing and the appearance of a large single-family home. Medium multiplexes can be located within medium-density neighborhoods or in a location that transitions from a primarily single-family neighborhood into a higher-density or mixed-use neighborhood. The structure has at least one primary entry that faces the street and that is accessed from a porch, stoop or patio. The main body of the multiplex should have a footprint of no more than 48' x 60'. Any secondary wings should have a footprint of no more than 32' x 36'.



Multiplex, Small. A medium- to large-sized, detached structure that contains 3 or 4 dwelling units. A small multiplex has a single building massing and the appearance of a medium to large single-family home. Small multiplexes can be located within primarily single-family residential neighborhoods or medium-density neighborhoods. Each unit has an individual entry and the structure has at least one primary entry that faces the street and that is accessed from a porch, stoop or patio. Garages are either behind the multiplex or set back from the front facade. The main body of the multiplex should have a footprint of no more than 40' x 52'. Any secondary wings should have a footprint of no more than 28' x 32'. Each unit should have at least 100 sf of open space that is not less than 8' in any dimension.



Duplex. A small- to medium-sized, detached structure that contains two dwelling units arranged side-by-side or stacked. A duplex has a single building massing and the appearance of a medium to large single-family home. A duplex is typically located within a primarily single-family residential neighborhood and is oriented to the street. Each dwelling unit has its own primary entry that faces the street and is accessed from a porch, stoop or patio. Garages are either behind the duplex or set back from the front facade. The main body of the duplex should have a footprint of no more than 36' x 48'. Any secondary wings should have a footprint of no more than 24' x 28'. Each unit should have at least 200 sf of open space that is not less than 8' in any dimension.



Row House/Townhouse. A small- to medium-sized attached structure that is composed of 3 to 9 buildings placed side-by-side. Row houses or townhouses are typically located within medium-density neighborhoods or in a location that transitions from a primarily single-family neighborhood into a higher-density or mixed-use neighborhood. Row houses or townhouses may contain one dwelling unit per floor. Each building shall be located on its own lot and shall have a rear yard that it at least 100 sf in area per unit that is not less than 8' in any dimension. Each building has an individual entrance that faces the street and is accessed from a porch, stoop or patio. Garages are either behind the house or set back from the front facade. Row houses should be between 20' and 36' in width and not exceed 48' in depth.



Live-Work Building. A small- to medium-sized attached or detached structure that consists of one dwelling unit above and/or behind a flexible ground floor space intended for retail, office, service, commercial or light industrial use. The ground-floor flex space and the dwelling unit are commonly owned. A live-work building is typically located within a medium-density neighborhood or in a location that transitions from a primarily single-family neighborhood into a higher-density or mixed-use neighborhood. It creates an opportunity to provide small-scale retail and service businesses within neighborhoods, and to incubate new business start-ups. Live-work buildings should be between 20' and 36' in width and not exceed 60' in depth.



Cottage Cluster. A series of small, detached, one-unit structures arranged to define a shared courtyard that is typically perpendicular to the street. The shared courtyard takes the place of a private rear yard and serves as a community-enhancing element. Vehicular access is to the rear of the structures, or a common parking lot may be provided. There should be no vehicular access through the shared courtyard. A cottage cluster is scaled to fit within primarily single-family or medium-density neighborhoods, and includes 3 to 9 buildings. The main body of the individual cottages should have a footprint of no more than 24' x 32'. Any secondary wings should have a footprint of no more than 16' x 20'. Cottages should not be more than 1 ½ stories tall. There should be at least 400 sf of common open space for each cottage and the open space shall not be less than 20' in any dimension.



Carriage House/Accessory Dwelling. An accessory structure that may be located on the same lot as a detached house, duplex, small multiplex or row house. It typically provides either a small accessory dwelling unit or home office space above a garage or at ground level. It is typically located at the rear of a lot and must be set back from the main building's facade. A carriage house should not be taller or have a larger footprint than the main building, and it may not have a footprint greater than 28' x 36'. It should be located at least 12' away from the main building, but may be connected to the main building by uninhabitable space such as a breezeway.



Detached House, Small. A small, detached, one-unit structure on its own lot with front and rear yards. The house is typically located within a primarily single-family residential neighborhood and is oriented to the street. The structure's primary entry faces the street and is accessed from a porch, stoop or patio. Garages are either behind the house or set back from the front facade. The main body of the house should have a footprint of no more than 24' x 36'. Any secondary wings should have a footprint of no more than 20' x 24'.



Detached House, Medium. A medium, detached, one-unit structure on its own lot with front and rear yards. The house is typically located within a primarily single-family residential neighborhood and is oriented to the street. The structure's primary entry faces the street and is accessed from a porch, stoop or patio. Garages are either behind the house or set back from the front facade. The main body of the house should have a footprint of no more than 36' x 48'. Any secondary wings should have a footprint of no more than 24' x 28'. (Note: This building type is unlikely to provide affordable housing.)



Detached House, Large. A large, detached, one-unit structure on its own lot with front and rear yards. The house is typically located within a primarily single-family residential neighborhood and is oriented to the street. The structure's primary entry faces the street and is accessed from a porch, stoop or patio. Garages are either behind the house or set back from the front facade. The main body of the house should have a footprint of no more than 48' x 60'. Any secondary wings should have a footprint of no more than 28' x 32'. (Note: This building type is unlikely to provide affordable housing.)

accessory dwelling units

Accessory dwelling units (ADUs) can increase the supply of affordable rental housing, make home ownership more affordable by generating rental income, and provide alternative living and care-giving arrangements for families. As infill development within neighborhoods, ADUs are an efficient way to add housing units within existing buildings, and on properties that are already developed and served by infrastructure.

State Requirements. Under state law, Vermont municipalities must allow ADUs as specified in 24 VSA § 4412:

- “ (E) No bylaw shall have the effect of excluding as a permitted use one accessory dwelling unit that is located within or appurtenant to an owner-occupied single-family dwelling. An accessory dwelling unit means an efficiency or one-bedroom apartment that is clearly subordinate to a single-family dwelling, and has facilities and provisions for independent living, including sleeping, food preparation, and sanitation, provided there is compliance with all the following:
- (i) The property has sufficient wastewater capacity.
 - (ii) The unit does not exceed 30 percent of the total habitable floor area of the single-family dwelling.
 - (iii) Applicable setback, coverage, and parking requirements specified in the bylaws are met.
- (F) Nothing in subdivision (1)(E) of this section shall be construed to prohibit:
- (i) a bylaw that is less restrictive of accessory dwelling units;
 - (ii) a bylaw that requires conditional use review for one or more of the following that is involved in creation of an accessory dwelling unit:
 - (I) a new accessory structure;
 - (II) an increase in the height or floor area of the existing dwelling; or
 - (III) an increase in the dimensions of the parking areas.”

ADUs in South Burlington. In compliance with this state requirement, South Burlington's land development regulations allow for ADUs as set forth under Section 3.10 Accessory Structures and Uses:

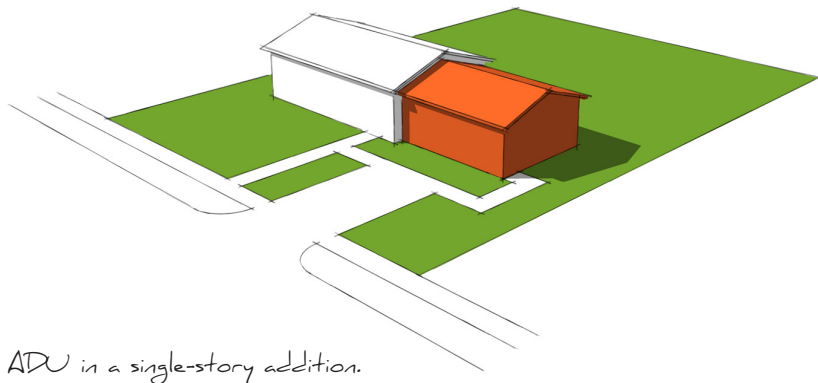
- “ E. Accessory Residential Units. One (1) accessory residential unit constructed within or attached to a primary single-family dwelling or within an existing, permitted accessory structure shall be a permitted single family use, in accordance with the following criteria:
- (1) Floor space of the accessory residential unit shall not exceed thirty percent (30%) of the total habitable area of the single-family dwelling unit.
 - (2) The principal dwelling shall be owner-occupied.
 - (3) The accessory dwelling unit shall be an efficiency or one-bedroom unit.
 - (4) Adequate wastewater capacity is available to service the accessory unit, as demonstrated by issuance of a Wastewater Allocation or on-site wastewater permit pursuant to the South Burlington Ordinance Regulating the use of Public and Private Sanitary Sewerage and Stormwater Systems.
 - (5) Two (2) additional off-street parking spaces shall be provided on the same lot, either in a garage or in a driveway, and not in any areas required to meet coverage limitations, or any front yard area other than a driveway, required by these Regulations.
 - (6) If occupancy of the unit is to be restricted in the deed of the single-family home to a disabled person, no additional off-street parking is required.
 - (7) A zoning permit shall be required for each accessory residential unit.

Conditional Use Review by the Development Review Board pursuant to Article 14, Section 14.10 shall be required if the establishment of the accessory residential unit involves the construction of a new accessory structure, an increase in the height or floor area of the existing single-family dwelling or existing accessory structure, or an increase in the dimensions of the off-street parking areas (i.e. garages and driveway areas) presently existing on the site.”

The city's Planning and Zoning Department reports that the current ADU provisions are used infrequently, and very few affordable rental apartments have been built as ADUs. The provisions have been more commonly used to create guest or caretaker units in association with large single-family homes.

For the ADU provisions to be a more effective tool for creating affordable housing, the city's regulations would need to be revised to make ADUs a feasible option for more of the city's homeowners. Such revised requirements could also work in conjunction with a form-based code that would allow for appropriate building types and lot standards to accommodate ADUs.

ADU Size. The 30% size requirement limits the number of single-family residential properties in the city that can reasonably construct an ADU. For example, 43% of detached, single-family homes in the city are less than 1,500 square feet in area. Since ADUs are limited to 30% of the size of the principal dwelling (an ADU of less than 450 square feet for a 1,500 sf home), most of these properties are effectively prevented from building a functional ADU. The city could allow owners of smaller homes to build an ADU that would be larger than 30% of the principal dwelling.

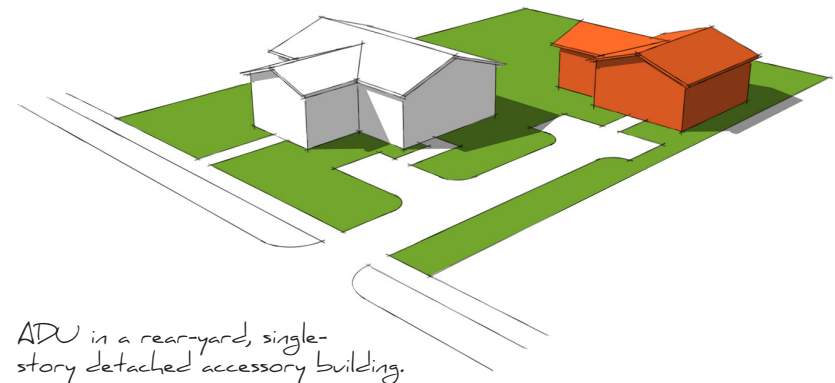


ADU in a single-story addition.

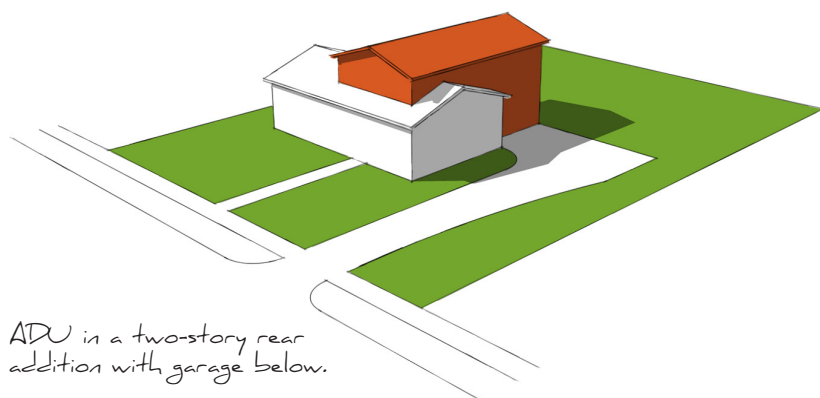
ADU Occupancy. The city requires that the homeowner live in the principal dwelling, and does not allow the owner to live in the ADU. This arrangement may not be ideal for some homeowners. For example, an older couple or single parent may want to allow a grown child with family to move in. The regulations would require that the older parent(s) remain in the principal dwelling, and the young family live in the ADU. The city could be more flexible than the minimum requirements of state law with regard to the occupancy of the ADU and allow the owner to live in either the principal or accessory dwelling.

Currently, ADUs have to be an efficiency or one-bedroom unit. This effectively limits the occupancy of the unit to a single person or couple. Families that would like to use ADUs to accommodate a multi-generational living arrangement may not be able to use the space within the ADU to meet their housing needs. The city could be more generous than the minimum requirements of state law and allow an additional bedroom within an ADU. If two-bedroom units were allowed, there may need to be further requirements for parking and overall size of the unit to ensure that the ADU remains subordinate to the principal dwelling.

ADU Parking. There is an inconsistency in the city's current land development regulations with regard to the amount of parking



ADU in a rear-yard, single-story detached accessory building.

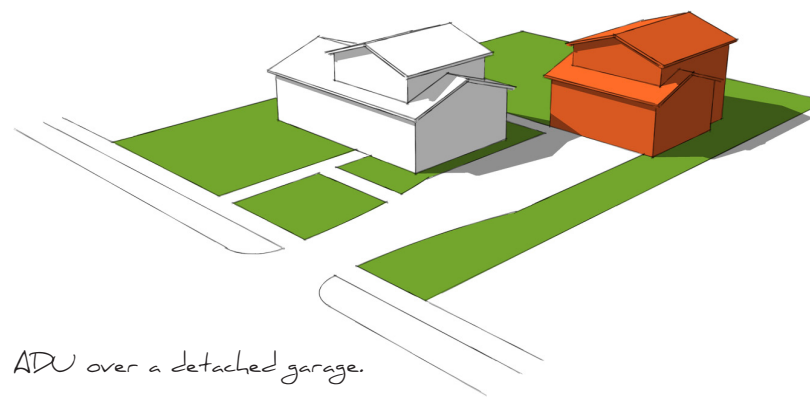


required for an ADU. Section 3.10(E) requires a minimum of two spaces for the ADU, while the parking requirements table for residential uses in Article 13 requires a minimum of one parking space per accessory residential unit, or two spaces if the accessory residential unit has no occupancy restrictions and is on a lot of ½ acre or more. It is likely that 2 spaces is more than will be required for many ADUs, given the limited size and/or number of bedrooms and this is particularly true if the ADU is located in a walkable neighborhood with transit service.

Parking requirements for an ADU should at a minimum be no greater than for a similarly-sized principal dwelling unit in the same neighborhood. If parking requirements are not going to be reduced for smaller dwelling units and/or areas served by transit (as part of more comprehensive changes to the city's land development regulations), then there should be consideration of requiring only one space for an ADU, particularly if it is an efficiency or one-bedroom unit in an area served by transit.¹

The location of parking on the lot should also be addressed in the land development regulations and should be the same for ADUs as for other residences in the area. It is undesirable for front

1. Also see discussion of parking demand and requirements in South Burlington on page 22.



yards to be converted to parking, but it should be permissible to accommodate residential parking within driveways, side yards or rear yards.

ADU Permitting Process. The city's review and permitting process may also discourage some homeowners from building an ADU. The current regulations require conditional use approval by the Development Review Board for an ADU if the project involves building a new accessory structure to house the ADU, building an addition to accommodate the ADU, or expanding the home's parking/driveway area. Typically, none of these development activities on a residential lot would require conditional use approval and could be approved administratively if they were not being done in association with creating an ADU. Further, any building being expanded or built to accommodate an ADU needs to meet all applicable dimensional standards (setbacks, building height, lot coverage, etc.). It should be possible to approve most ADUs administratively as long as there are adequate criteria and appropriate dimensional standards in the regulations.

ADU Recommended Standards. The following standards are recommended to make ADUs a viable option for more homeowners in South Burlington:

i Accessory Dwelling Units (ADUs). One ADU that complies with all of standards below shall be a permitted use of any single-family residential property.

- (1) An ADU shall be clearly subordinate to the principal single-family dwelling, and shall have facilities and provisions for independent living, including sleeping, food preparation, and sanitation.
- (2) The property owner may live in either the principal or accessory dwelling.¹
- (3) An ADU shall not have more than 2 bedrooms.
- (4) If the principal dwelling unit has a total habitable area of 2,400 square feet or less, the ADU may have a floor area of up to 720 square feet. If the principal dwelling unit exceeds 2,400 square feet of habitable floor area, the ADU shall not exceed 30% of the total habitable area of the principal dwelling unit.
- (5) If a detached accessory building is being constructed to accommodate the ADU, the footprint of that accessory building shall not exceed the footprint of the principal building and the height of that accessory building shall not exceed the height of the principal building.
- (6) The applicant shall demonstrate that there is adequate off-street parking for the ADU. The amount and location of off-street parking required for an ADU shall be as required for other similarly sized and located dwellings under these regulations.
- (7) The applicant shall demonstrate that there is adequate wastewater capacity for the ADU pursuant to the South Burlington Ordinance Regulating the Use of Public and Private Sanitary Sewerage and Stormwater Systems.
- (8) The permit for an ADU shall clearly state that the principal and accessory dwellings must remain in common ownership and that the

1. This change should only be made in conjunction with measures to address conversion of single-family homes near the university to student rental housing. Options may include a rental registry and greater enforcement of occupancy limits, an overlay district for the university area within which the owner would be required to live in the principal dwelling, or limiting this change to only specific higher-density district or districts where multi-family housing is a permitted use.

ADU cannot be sold or transferred separately from the principal dwelling unless subdivided or converted to a conforming use (such as a two-family home) in accordance with all applicable provisions of these regulations.

ADU Program. Municipalities around the country have created accessory dwelling unit programs to assist homeowners with creating ADUs and/or offering incentives. One such example in Vermont is Brattleboro Area Affordable Housing's *Apartments in Homes* program. The program has been operating since 2003 and has assisted in the creation of 39 ADUs in the Brattleboro area.

BAAH recognized that ADUs addressed two housing problems: a shortage of decent affordable rental housing and homeowners struggling to afford their rising housing costs. ADUs are a low-cost way to create new housing, and they are efficient in their use of land, infrastructure and energy. BAAH reports that the cost of the ADUs created through their program ranged from \$10,000 to \$45,000 and typically the rental income has paid off the construction costs within two to five years.

BAAH's *Apartments in Homes* program provides both technical and financial assistance to homeowners. The technical assistance includes activities such as meeting with homeowners and assessing their property to see if an ADU makes sense, helping the homeowner apply for required permits, and providing information about how to be a landlord and manage a rental unit. BAAH also partners with the Architectural Drafting and Design program at the Windham Regional Career Center to have their students provide homeowners with design help.

On the financial side, BAAH provides homeowners with up to \$3,000 towards the cost of constructing an ADU. The funding for this program comes primarily from two sources, the Town of Brattleboro and a private trust.²

2. More information is available online at www.baahvt.org.

bonuses and incentives

South Burlington could use an incentive-based approach to increase the city's supply of affordable housing. Communities around the country commonly use density bonuses, fee reductions and parking waivers as incentives for affordable housing development.

Density Bonuses. Current zoning offers only the minimum density bonus requirements previously required under state law (25% for affordable housing and 50% for elderly housing). The 25% affordable housing bonus has generally been considered inadequate to generate the revenues needed to offset the cost of the affordable units and has not been frequently used by developers.

One of the challenges of effectively using density bonuses to encourage affordable housing development is ensuring that the base densities of the city's zoning districts are appropriately set. If base densities are set too low (which could be seen as a way to increase the likelihood that developers will want use the bonus), then projects may be proposed at lower densities than desirable or appropriate for their neighborhood. If base densities are set too high, developers may not see a need to use a density bonus or projects may be proposed at higher densities (as a result of the bonus) than desirable or appropriate for their neighborhood.

South Burlington's older, single-family residential neighborhoods have a density of about 4 units per acre. It makes sense for these neighborhoods to keep that as their base density. With a base density of 4 units per acre, a 25% density bonus yields only 1 additional unit per acre and does not generate enough additional revenue to offset the cost of building an affordable unit. A density bonus of 75% or greater would likely be needed to create an effective incentive for developers to build affordable housing (3 or more additional units per acre). Such bonuses would

also create opportunities for infill development within existing neighborhoods that is not possible under current regulations.

Along the transit corridors and within City Center, it would be desirable to establish a base density that would support greater transit service. CCTA's *2010 Transit Development Plan* notes that quarter-acre zoning densities are the minimum needed to support fixed-route bus service. However, much higher densities are needed to support the level of transit service that city residents can use as their primary mode of transportation. Densities of not less than 16 units per acre, and preferably higher, should be sought within the transit corridors and City Center.

If the city adopts a form based code for City Center and the transit corridors, conventional density bonuses would no longer be an option. However in these areas, a building height bonus could be provided instead. Currently, the draft form based code envisions allowing buildings to be as tall as 3 to 6 stories in the three transect zones within City Center. The city could require that in order to build the final story allowed under the code, the building or project would need to use an area equal to a percentage of the additional floor space gained in the final story for affordable housing. Figure 3 illustrates how such a bonus could be applied:

Figure 3 | Sample Height Bonus and Affordable Housing Calculation¹

Transect Zone	Bldg. Stories		Building Space (sf)			Dwelling Units		
	Base	Bonus	Non-Res.	Residential		Market Rate		Affordable
				Base	Bonus	Base	Bonus	
T-5	5	1	18,000	26,000	7,000	26	4	5
T-4	3	1	6,000	12,000	6,000	12	3	4
T-3	2	1	0	6,000	3,000	6	2	2

Fee Waivers, Reductions and Deferrals. South Burlington imposes a variety of fees on new development. The city could lower the cost of building affordable housing by waiving, reducing or deferring these fees. It needs to be recognized, however, that the money collected through these fees are being used to cover various municipal costs from staff time during project review to major infrastructure and facility improvements. If fees are reduced in one area, the revenue will likely have to be made up elsewhere.

The city could revise its fee structure to assess more of the fees for residential development on a per square foot basis rather than per unit. Given that affordable units will likely be smaller than market rate units, this would effectively lower fees on affordable housing. The city already takes this approach with the fee for a zoning permit. The same could be applied to certificates of occupancy and the various DRB review processes (subdivision, site plan and conditional use). All of these fees are currently set up on a per unit or per lot basis for residential development, but most are already on a per square foot basis for nonresidential development.

1. Calculation based on providing affordable housing equal to 50% of bonus floor space. Assumes 2 stories will be non-residential in T-5 zone and 1 story will be non residential in T-4 district. Assumes market rate units will average 1,000 sf and affordable units will average 750 sf in size. Note that the 5th and 6th building stories in the T-5 district will be required to step back from the front of the building and will therefore have less floor space than the lower stories.

South Burlington currently imposes three impact fees on residential new development. Each new single-family home must pay just under \$3,000 and each multi-family dwelling unit must pay just over \$2,000 in impact fees:

- ☐ Road impact fee of \$820 per single-family dwelling unit or \$550 per multi-family dwelling unit
- ☐ Recreation impact fee of \$1,840 per single-family dwelling unit or \$1,350 per multi-family unit
- ☐ Fire protection impact fee of \$300 per single-family dwelling unit or \$190 per multi-family dwelling unit

Each residential unit must also pay water and wastewater connection fees. The water connection fee is \$1,000 per unit or meter (for multi-unit buildings with a single meter the fee is \$1,000 plus a cost per gallon of allocated water).

By setting different amounts for single-family and multi-family housing, the city's impact fees already recognize that the demand on municipal services, facilities and infrastructure varies by type of housing. While the schedule does not currently reflect this, development in the outlying areas is likely costing more to serve than centrally-located development. The impact fee calculations could be further refined to address the different impacts imposed by the type, size, location and/or other pertinent characteristics of housing that would affect the per unit cost to provide municipal services, facilities and infrastructure.

Given budgetary constraints, fee waivers or reductions may not be possible. Another option is to defer the fees for affordable housing. With a deferral, developers would not have to pay the fees until after construction when they can be incorporated into the project's long-term financing at a lower expense. The city still receives the complete fee amount, but later in the development process. The city does defer its wastewater connection fees for

affordable housing until the project gets its zoning permit, rather than requiring payment when a project receives DRB approval.

Parking Waivers. Parking requirements contribute to the cost of housing, particularly in high-density areas where land is most expensive. Each parking space consumes approximately 400 square feet of land (parking space + parking aisle). The city's current regulations require generally require 2 parking spaces per unit for multi-family dwellings.

The characteristics of residents and households (income, age, household size) influences the number of vehicles each household will own and therefore the number of parking spaces residential projects will need to provide. Location also matters. People living in homes located near transit can be less dependent on personal vehicles for their transportation needs and will own fewer vehicles on average than people living in places without transit service.

The SmartCode (a model form-based code) recommends requiring only one parking space per dwelling unit (principal or accessory) within the highest density areas (T5 and T6 transect zones), 1.5 parking spaces per dwelling unit in moderate density areas (T4 transect zone) and 2 spaces per dwelling unit in lower density areas (T2 and T3 transect zones). These minimums may be further reduced for mixed-use projects with shared parking.

Figure 4 presents data about the number of vehicles South Burlington households own:

Figure 4 | Rates of Vehicle Ownership for South Burlington Households¹

Vehicles	All	Homeowners	Renters	City Core	SEQ
0	8%	2%	18%	11%	0%
1	34%	32%	38%	45%	14%
2	43%	47%	38%	38%	58%
3+	15%	19%	6%	6%	28%

Based on these figures, a 50-unit apartment building in City Center could be expected to generate a demand for 66 parking spaces, but South Burlington's regulations could require that the project provide as many as 100 spaces - or nearly an extra third of an acre devoted to excess parking.

While the city's current Land Development Regulations provide some options for reducing parking requirements through shared parking or a waiver of up to 25% approved by the DRB, the current parking standards for residential projects, particularly for multi-family housing in the higher-density areas of the city served by transit, are frequently requiring more parking than is needed and therefore unnecessarily increasing the cost of housing.

1. Based on 2011 American Community Survey Data. Census Tract 36 was used to represent vehicle ownership in City Core and Census Tract 33.01 was used to represent the SEQ.

Inclusionary zoning

Inclusionary zoning, adopted under local development regulations, encourages or mandates that market-rate residential developments include a certain percentage of units that are affordable to low and moderate income households (typically 10 to 25%). South Burlington, by offering density bonuses (additional units) for affordable housing, in effect has had a form of voluntary inclusionary zoning for many years, but this has not effectively addressed current or anticipated housing needs.

The following annotated bylaw language provides a framework for mandatory inclusionary zoning, as authorized under state law (24 VSA § 4414). As proposed, this specifies that at least 20% of all units, in housing developments of 10 or more units, must be affordable to low and moderate households (having incomes up to 120% of the median) in perpetuity.

Associated costs to the developer are to be offset in part through available incentives that include density bonuses and waivers (e.g., for fees, amenities, parking requirements) and, potentially, an expedited review process. The language also offers options, in certain circumstances, for off-site construction and payments in lieu of providing affordable units (e.g., into a housing trust fund).

Specific provisions should be further vetted and field tested prior to adoption, to ensure that they meet the city's housing goals and objectives, do not create an unreasonable burden for private developers, and can be effectively administered by city staff.



(1) **Purpose.** Inclusionary zoning to provide affordable and moderate income housing in the City of South Burlington has been adopted pursuant to 24 VSA § 4414(7) for the following purposes:

- (1) To implement housing goals, policies, objectives and targets included in the South Burlington Comprehensive Plan as most recently amended;
- (2) To affirmatively address the current and anticipated need for affordable housing units for low- and moderate-income households that pay more than 30% of their income on housing, as mandated in state law (24 VSA § 4412);
- (3) To mitigate the impacts of market-rate housing development on the cost and supply of land and infrastructure available for affordable housing development in the City and in Chittenden County, particularly in locations near employment, services and transit facilities;
- (4) To provide for the integrated development of mixed-income housing, including a range of housing options needed to strengthen, diversify and contribute to the vitality of city neighborhoods and the South Burlington community;
- (5) To ensure that affordable housing opportunities are available throughout the city, and especially in locations within walking distance of goods and services or that are served by existing or planned public transit services;

Notes

The Planning and Development Act specifically allows for inclusionary zoning that:

- Conforms to specific policies of the housing element of the municipal plan,
- Is determined from an analysis of the need for affordable rental and sale units in the community,
- Includes development incentives that contribute to the economic feasibility of providing affordable units (e.g., density bonuses, waivers).

Requires, through conditions of approval that, once affordable units are built, their availability

- (6) To promote the development of additional workforce housing within the city;
- (7) To provide affordable single family homes to serve the needs of young families;
- (8) To help replace affordable housing units affected by airport expansion, neighborhood conversion and redevelopment;
- (9) To contribute to the economic feasibility of incorporating affordable units within market rate development through available incentives; and
- (10) To ensure that affordable and moderate income units developed under inclusionary zoning remain affordable.

(2) Applicability

(A) **Covered Development.** Except as otherwise provided in this bylaw, the provisions of this section shall apply to any development, including each phase of development, that will result in the creation of 10 or more dwelling units through subdivision, new construction or the conversion or substantial rehabilitation of an existing structure. For purposes of this requirement, two or more developments shall be aggregated and considered as one development subject to this section if:

- (1) The developments are located within the same zoning district, or within ½ mile of each other,
- (2) There is a common interest in the developments, and
- (3) The developments will undergo construction or improvements within the same 5-year period, or
- (4) A master plan exists, as approved by the city, which includes two or more of the developments.

(B) **Exemptions.** The following development is exempt from these requirements:

- (1) Projects that are developed by an educational institution for the exclusive residential use and occupancy of its students.
- (2) Institutional (group quarters) housing, including long-term care facilities.
- (3) The replacement of existing dwelling units in a project that produces no additional units.
- (4) For projects that incorporate accessory dwelling units in project design, accessory units shall not be included as residential units for purposes of determining applicability

will be maintained through measures that establish income qualifications for renters or purchasers, promote affirmative marketing and regulate the price, rent and resale price of affordable units for a time period specified in the bylaws.

The provisions of these regulations, while based on available information, should be further field tested and evaluated in relation to current market conditions prior to adoption.

This section varies from Burlington's current standards by increasing the number of units triggering inclusionary requirements (from 5 to 10), but by also including an additional aggregation requirement for development in common interest (in order to avoid smaller, fragmented developments intended to avoid inclusionary requirements). Ten is still lower trigger than most, nationwide, but is consistent with the projected rate of development, and corresponds with percentages of inclusionary units suggested below.

Exemptions reflect those found in Burlington's ordinance, with additional provisions regarding ADUs and institutional (group quarters) housing.

(3) Inclusionary Units

(A) For covered projects, at least twenty percent (20%) of the total dwelling units offered for rent or sale, including units offered for sale in fee simple, shared, condominium or cooperative ownership, shall be designated as inclusionary units as follows:

- (1) 10% shall be affordable to households earning less than 80% of the area median income.
- (2) 10% shall be affordable up to households earning 80% to 120% of the area median income.
- (3) Where the application of this formula results in a fractional dwelling unit, that fractional unit shall be considered as one unit.

(B) Inclusionary units required under this section shall be:

- (1) Constructed on site [unless off-site construction is approved under Subsection 5] and interspersed with market rate units throughout the development.
- (2) Similar in architectural style and outward appearance to market rate units in the proposed development.
 - (a) Inclusionary units shall be constructed with the same exterior materials and architectural design details used in market rate construction. Similar exterior landscaping and amenities shall also be provided.
 - (b) Inclusionary units may differ with regard to interior amenities and gross floor area, to the extent that these differences do not affect outward appearance, do not reduce unit energy efficiency, and provide for a proportionate number of bedrooms as market rate units.
 - (c) Inclusionary units developed as part of a single-family housing development may be accommodated in duplexes or multi-family dwellings that resemble market rate single-family dwellings, as allowed within the underlying zoning district.
- (3) Constructed and made available for occupancy concurrently with market rate units. Certificates of occupancy for the last 10% of market rate units may be withheld until certificates are issued for all inclusionary units.

The percentage of units set aside under inclusionary zoning should be established in relation to adopted housing targets, but should also be reasonable given local market conditions and housing development costs. Set asides commonly found in IZ ordinances range from 10% to 20%.

Burlington's set asides vary by the average sale or rental price of market rate units in relation to household income, and range from 15% (<139% median) up to 25% (180+% median). This is proposed as a simpler option to administer and enforce. It could also be limited to low-income housing, or vary for rental and ownership units.

Design standards under B. are common under IZ to ensure that affordable units are integrated with market rate units. See related notes below regarding off-site construction. B.(1)(c) is suggested as a design consideration (e.g., under FBCs) and to reduce development costs, but could result in fewer affordable single family units.

Per Burlington's ordinance, COs used to enforce concurrency.

(4) Affordability Requirements

(A) **Affordability Determinations.** Inclusionary units required under this section shall be affordable and marketed to income-eligible eligible households as follows:

(1) Housing costs for inclusionary units shall not exceed 30% of annual household income, adjusted for household size. Housing costs used to calculate the affordability of inclusionary units shall include:

(a) For rental units – rent, utilities and association fees.

(b) For sale units – mortgage principal and interest, annual property taxes, homeowner's insurance and association fees.

(2) Income eligibility shall be determined based on income guidelines, as adjusted for household size, published annually by the U.S. Department of Housing and Urban Development (HUD) for the Burlington-South Burlington Metropolitan Statistical Area (MSA), or on program-based income eligibility requirements established by a partnering housing organization. The median income shall be determined using the most recent income guidelines available at the time a unit is available for occupancy.

(3) The rent or sale price of an inclusionary unit shall be calculated based on the following relationship between unit and household size:

Unit Size	Household Size Equivalent
Efficiency/Studio	1 Person Household
One-Bedroom Unit	2 [1.5] Person Household
Two-Bedroom Unit	4 [3] Person Household
Three-Bedroom Unit	6 [4.5] Person Household
Four-Bedroom Unit	8 [6] Person Household

(4) With respect to inclusionary units offered for sale, sale prices shall be calculated based on an available fixed rate, 30-year mortgage, consistent with a blended rate for South Burlington banks, or a lower Vermont Housing Finance Agency (VHFA) rate if the developer can guarantee the availability of VHFA mortgages at this rate for all required inclusionary units.

The calculated price shall assume a down payment of no more than 5% of the purchase price.

(B) **Continued Affordability.** An inclusionary unit shall remain affordable in perpetuity (for a minimum of 99 years) commencing from the date of initial occupancy, through a deed restriction, restrictive covenant, or through purchase by or a contractual agreement with a local, state or

Affordability requirements, including the housing costs used to determine affordability, are established in part by the statutory definitions of affordable housing, which specify that housing costs should not exceed 30% of gross annual household income, based on HUD household income guidelines for the MSA (which also apply to most under many affordable housing programs).

Published income guidelines are based on family (household) size. The table included table ties household incomes to the size of proposed housing units, based on the number of bedrooms. The proposed household size equivalent assumes up to two persons per bedroom, but the numbers in brackets, from Burlington's ordinance, accommodate smaller households by using income averaging (e.g., the average income of a single and two-person household).

This provision, clarifying the terms used in calculating mortgage costs, is adapted from Burlington's ordinance, but is often addressed in separately adopted administrative policies and procedures used to administer an IZ ordinance.

Perpetual affordability (up to 99 years) is common for rental units, as needed to maintain the supply of affordable housing, but may be less than this for sale units (e.g., 15 to 20 years).

federal housing authority or nonprofit housing agency, to be approved by the City Attorney [Housing Trust Fund Manager] prior to recording in the City of South Burlington land records. Associated provisions to ensure the continued affordability of inclusionary units shall include:

(1) **Resale Restrictions.** Provisions to ensure the affordability of units offered for sale shall include a formula for limiting equity appreciation to an amount not to exceed 25% of the increase in the unit's value, as determined by the difference between fair market appraisals of the property at the time of purchase and the time of resale, with adjustments for improvements made by the seller and the necessary costs of sale, as may be approved by the [Housing Trust Fund Manager/Committee, Other?];

(2) **Rent Increases.** Provisions to ensure the affordability of rental units shall limit annual rent increases to the percentage increase in the median household income within the Burlington MSA, except to the extent that further increases are made necessary by documented hardship or other unusual conditions, and shall provide that no rent increase may take effect until it has received the written approval of the [Housing Trust Fund Manager/Committee, Other?];

(3) **Purchase Options.** Provisions for continued affordability of inclusionary units may [shall] provide that the [Housing Trust Fund Manager/Committee, Other?] or its designee shall have an exclusive option to purchase any inclusionary unit when it is offered for resale for a period of 120 days from the date on which the [Committee, Other?] is notified of the availability of the unit; and

(4) **Sublet Restrictions.** Provisions for inclusionary rental units shall prohibit the subletting of units at rental rates that exceed affordability limits established pursuant to this section.

C. Reporting Requirements. The owner of a project that includes inclusionary rental units shall prepare and submit an annual report to the [Housing Trust Fund Manager/Committee, Other?], due on [date], that lists the gross rents charged for inclusionary units and the household incomes of unit tenants, and certifies that unit affordability has been maintained as required.

(5) Options and Incentives

A. Developer Options. The following options are available to developers upon request, as necessary to address documented financial hardships or physical site constraints that limit or preclude the incorporation of inclusionary units within a covered project.

(1) **Payment in Lieu Option.** Inclusionary zoning requirements for covered development in the Southeast Quadrant [districts other than TIF/City Center, Transit Overlay, Other?] that does not meet siting criteria established by partnering housing organizations, may be met through the payment of a fee in lieu of construction for each required unit . The payment per unit shall be equivalent to [25%, 50% of] the difference between the average proposed selling price of units within the development and

These provisions, intended to ensure continued affordability, are adapted from Burlington's ordinance. Other model ordinances reviewed:

- Reference separately adopted administrative policies or guidelines used to determine unit affordability (sales price, rental rate) and to ensure continued affordability (rather than specifying these in the bylaw).
- Include lien requirements for units offered for sale, the value of which is equal to the difference between the fair market value of the unit and its "affordable" sale price indexed according to qualifying income standards.
- Require the unit to be the primary residence of the household selected to occupy the unit.
- Restrict lease renewals to ensure that tenants continue to meet income eligibility requirements.
- Include purchaser/renter reporting requirements (e.g., tax returns, certification of income and assets).

Subsection 5, because it's tied to other sections of the regulations and proposals still under development, will need more input from the AHC, housing advocates and developers, and the Planning Commission.

Payment in lieu is a common option, but requires the establishment of a receiving fund to be used for the development of affordable housing – e.g., a Housing Trust Fund, as suggested. Donations may

the maximum affordable housing price that meets affordability requirements under Section X.04. The payment shall be deposited South Burlington Housing Trust Fund.

(2) **Dedication.** As an alternative to a payment in lieu option, the South Burlington City Council, in consultation with the *[Housing Trust Fund Committee]*, may accept as an alternative to the development of inclusionary units, a dedication by the developer of equal or greater value that furthers the purposes of this section. Examples include, but are not limited to the donation of developable land in a location that provides housing choice and accessibility to transit, employment opportunities and services, or the provision of infrastructure in specific areas of the city that are planned for affordable housing development.

(3) **Off-Site Construction.** The Development Review Board, upon finding that unique or difficult physical site constraints limit or prevent inclusionary units from being constructed on the same site as market rate units may, in consultation with *[the Housing Trust Fund Committee]*, allow the developer of a covered project to comply with the requirements of this section by constructing inclusionary units on another site within the city, subject to the following conditions:

- (a) The number of off-site inclusionary units to be provided by the developer shall be no fewer than 1.5 times the number otherwise required under this section.
- (b) Off-site units must be located in the City of South Burlington.
- (c) The provisions of Subsections 3 and 4 shall apply without exception to off-site inclusionary units.

(B) **Developer Incentives.** The following incentives are available for developers of covered projects [upon request] as necessary to help offset documented costs associated with the development of inclusionary units, and to thereby contribute to the economic feasibility of the project:

- (1) Density bonuses as provided for affordable and mixed rate housing development under Section ____ [the minimum of which shall be allowed without additional review].
- (2) Waivers from underlying zoning district dimensional standards as necessary to accommodate both market rate and inclusionary units, subject to conditional use review by the Development Review Board under Section ____.
- (3) Waivers from minimum parking standards under Section ____, subject to conditional use review and approval by the Development Review Board under ____.
- (4) Expedited review, to include combined or concurrent review of the project under all applicable review processes as necessary to minimize application submission, notice, and hearing requirements, the number of written decisions issued, and associated appeal periods. The anticipated hearing schedule may be agreed to in advance, in a pre-application meeting with the Development Review Board.

also be accepted. In this version these options are limited to development that doesn't meet affordable housing program siting criteria - e.g., in low density areas that are not served by transit - which may preclude some housing partnerships. It also, however, may segregate affordable units by zoning district.

Most models recommend that off-site construction be avoided, or allowed only under very limited circumstances, again to make sure that affordable units are integrated with market rate units. This is adapted from Burlington's ordinance.

As noted for the above options, this needs more input and discussion.

The incentives listed here are commonly found under inclusionary zoning ordinances. Burlington more specifically defines its density bonus provisions and waivers/reductions by zoning district.

- (5) Application, impact fee and infrastructure connection fee reductions or waivers as adopted by the South Burlington City Council for affordable housing development, which may be prorated for a covered project based on the number of inclusionary units.

(6) Administration and Compliance

(A) Application Requirements. In addition to other submission requirements as applicable to the proposed project, applications under this section shall include the following information:

- (1) A site or subdivision plan that identifies the number, locations, types and sizes of inclusionary units in relation to market rate units;
- (2) Documentation supporting the allocation of inclusionary and market rate units, including inclusionary unit set aside calculations;
- (3) A description of each unit's type, floor area, number of bedrooms, estimated housing costs, and other data necessary to determine unit affordability;
- (4) Project cost information, including land, development and construction costs; financing, profit and sales costs; and other costs pertinent to project development;
- (5) A list of requested bonuses and waivers, as provided for under Subsection ____, and written justification of their necessity and effectiveness in contributing to the overall economic viability of the project;
- (6) Documentation regarding household income eligibility;
- (7) Information regarding the long-term management of inclusionary units, including the responsible party or parties, as required to ensure continued affordability;
- (8) Draft legal documents required under this section to ensure continued affordability Construction timeline for both inclusionary and market rate units; and
- (9) Other information as requested by the Development Review Board to determine project conformance with inclusionary zoning requirements.

(B) Application Referrals. Applications for covered projects that include inclusionary housing shall be referred by [*the Planning Director, other?*] for review by the [*Housing Trust Fund Committee, Other?*] to evaluate project compliance with inclusionary zoning requirements under this section. The [*committee*] will prepare written recommendations under each standard for consideration by the Development Review Board at the public hearing on the application.

(C) Review Process. Inclusionary zoning requirements shall be considered by the Development Review Board in association with other applicable review processes and standards pertaining to the development, which may vary based on the type of development. The DRB decision issued for the development shall include written findings under this section, and conditions of approval necessary to ensure that inclusionary units are designated, developed and managed in conformance with the requirements of this section.

This list is intended to provide the information needed to determine project conformance with inclusionary zoning requirements, including unit set asides, location and design, unit affordability and income eligibility, and ongoing program management.

Housing committees, as authorized under §§ 4433 and 4464, may assist both applicants and the DRB in the development review process, in an advisory capacity. This provision is suggested if a permanent HTF or housing committee is established.

The intent is not to establish an additional review process specific to inclusionary zoning.

(D) Program Management. In order to administer, monitor and track the success of inclusionary zoning in meeting the purposes of this section and the city's affordable housing goals and targets, the *[Housing Trust Fund Manager/Committee, Planning Department, Other?]* shall:

- (1) Collect and maintain income eligibility guidelines, mortgage interest rate information, and other information necessary to meet the requirements of this section, for use by applicants, *[the Housing Trust Fund Committee]* and the Development Review Board;
- (2) Review applications for covered development under this section and provide written recommendations to the Development Review Board, as specified under Subsection 6(B);
- (3) Monitor and maintain records regarding the status of inclusionary units developed under this section; and
- (4) Prepare an annual written report for distribution to the South Burlington City Council and Planning Commission, to be considered in a public meeting, that summarizes the status of covered projects and inclusionary units approved to date, and sets forth program findings, conclusions, and recommendations for any changes that will increase the effectiveness of inclusionary zoning.

Provisions for ongoing program management are common with regard to inclusionary zoning to ensure that affordability requirements are being met, that the zoning is effective in meeting community goals and objectives, that it reflects changing housing needs and market conditions, and it is fairly administered and enforced.

Additional staff time will be required for program oversight and management. Burlington relies on a Housing Trust Fund Manager and Committee, as referenced in its inclusionary zoning.

preservation of affordable housing

As expressed in South Burlington's draft Comprehensive Plan and reaffirmed by city residents at public meetings held in conjunction with this study, continuing to have opportunities for affordable home ownership, particularly single-family detached homes, is a high priority goal for the city. There are two fronts for achieving this goal - building new affordable homes and preserving the existing affordable homes. Preservation of existing affordable housing is a more cost-effective alternative to new construction. The following two programs are recommended to address preservation of affordable housing.


The recent loss of affordable housing in the airport neighborhood speaks to the need for a retention program. As it has grown, the airport has expanded into the adjoining residential neighborhoods, which include some of the most affordable single-family detached homes in the city. As the airport has purchased properties in recent years, the lost affordable homes have not been replaced by new housing elsewhere in South Burlington and some displaced households have had to move out of the city to find equivalent housing.

The airport's current expansion plans will result in the loss of approximately 130 additional homes. As of 2010, the airport had acquired 50 of these homes, and of the 80 homes remaining to be acquired, nearly all are affordable or moderately priced and 70% would be considered affordable for a household earning 80% of AMI. The remaining homes to be acquired represent about 20% of all the affordable single-family homes on their own lots in the city.¹

Replacement Program. The city can require the replacement of affordable housing through a standalone ordinance or as a component of its land development regulations. If affordable

homes are to be converted to non-residential uses or demolished, the regulations would require the developer to replace the affordable units being lost with an equivalent number of similarly sized and priced homes. The replacement units could be on the same site or located elsewhere in the city. The regulations could also allow for the developer to make an in-lieu payment to a housing trust fund rather than construct new affordable units.

Below is a recommended housing replacement provision that could be incorporated into the city's land development regulations or adopted as a stand-alone ordinance:

-  (1) **Purpose.** The purpose of this section is to offset the loss of housing affordable to low- and moderate-income households in order to support a diverse population and preserve the character of the city's residential neighborhoods.
- (2) **Applicability.** Except as specifically exempted, the provisions of this section shall apply to any land development that results in the demolition or conversion to a non-residential use of housing that is affordable to low- or moderate-income households as specified below:
 - (a) Rental and condominium units affordable to households earning up to 80% AMI.
 - (b) Residences on their own lot affordable to households earning up to 120% AMI.
- (3) **Exemptions.** The following are specifically exempted from the provisions of this section:
 - (a) The loss of housing as a result of fire, flood or similar disaster beyond the owner's control.
 - (b) The temporary loss of housing occurring while a building or site is under construction provided that the housing existing after construction will be equivalent to what existed prior to construction.
 - (c) The conversion to a non-residential use of any housing located on the ground floor of a building within a commercial, industrial or mixed-use zoning district.

1. This analysis is based on the area already approved for buy-outs and does not include additional homes that may be affected if the F-35s are based at the airport.

(d) The demolition or conversion of a residence, including a reduction in the number of rental units in an owner-occupied structure, by an owner who has owned and occupied the subject property as a primary residence for not less than the prior 24 consecutive months.

(e) The conversion, removal or demolition of an ADU.

(f) The conversion of a duplex to a single-family home.

(4) Application Requirements. In addition to other application requirements specified in these regulations, an applicant proposing to remove, demolish or convert affordable housing subject to the provisions of this section shall also provide a statement certifying:

(a) The number of housing units to be removed, demolished or converted.

(b) The number of bedrooms existing within each of the units to be removed, demolished or converted.

(c) The monthly rent for rental units or the assessed value for ownership units.

(5) Notification Requirements. In addition to other notification requirements specified in these regulations, an applicant proposing to remove, demolish or convert affordable rental housing subject to the provisions of this section shall provide evidence that the tenant(s) have been lawfully notified of the owner's intent.

(6) Replacement Requirements. As a condition of approval, the applicant shall replace each affordable housing unit subject to the provisions of this section that would be lost as a result of the proposed land development either on the same property or elsewhere within the City of South Burlington with an equivalent affordable housing unit. Replacement units shall meet all of the following requirements:

(a) Each new unit shall have at least the same number of bedrooms as the unit being replaced.

(b) The cost of renting/owning each new unit shall not exceed that of the unit being replaced. Any affordability restrictions or requirements on the unit being replaced shall be transferred to the new unit.

(c) Accessible units shall be replaced by similarly accessible units.

(7) In-Lieu Payments. Applicants may choose to make an in-lieu payment to the South Burlington Housing Trust Fund rather than build some or all of the required replacement units. The in-lieu payment per unit shall be set annually by the City Council based on an analysis of housing and construction costs in the city and the amount of subsidy required to create affordable units.

(8) Certificate of Occupancy. No certificate of occupancy shall be granted for land development subject to the provisions of this section until the replacement dwelling units are also ready for occupancy.

Affordable Home Ownership Program. As documented in this report, there is a limited supply of single-family homes on their own lots affordable to household earning up to 80% AMI in the city. And while about 60% of existing single-family homes on their own lots are affordable to households earning between 80% to 120% AMI, virtually no new detached single-family homes in that price range have been built in more than a decade.

South Burlington could partner with the Champlain Housing Trust (CHT) to establish a program focused specifically on preserving the affordability of this segment of the city's housing stock. South Burlington could direct funding from a city Housing Trust to CHT for the purpose of acquiring single-family, detached homes and CHT could expand the scope of their existing home ownership program in South Burlington.

CHT's home ownership program, which currently includes more than 500 homes throughout the organization's three-county service area, offers down payment assistance grants that are perpetually tied to the property and keep the home affordable each time it is sold. In exchange for the grant, CHT gets the first option to purchase back the home when the owner wants to sell. Homeowners share the equity of the home with CHT by agreeing to receive an amount when the home is sold based on the price originally paid for the home plus approximately 25% of the home's appreciation. Additionally, CHT retains ownership of the land under the house and owner's enter into a ground lease for the use of the land.

housing trust fund

Housing trust funds (HTFs) are dedicated public funds established by state, county and local governments, typically through legislation or ordinance, to support affordable housing development and programs. Presently there are 40 state, and more than 625 city and county housing trust funds in operation around the country.¹ Nationally, these funds are used for a variety of purposes including:

- ☐ Affordable housing development (below market rate rental and home buyer units)
- ☐ Home buyer assistance (e.g., down payments, mortgages, interest subsidies)
- ☐ Subsidized rental housing (e.g., rental vouchers)
- ☐ Safety net housing for the development of shelters and transitional housing
- ☐ Gap financing to complete financial packages after other financing sources are secured
- ☐ Loan programs for housing developers or homeowners
- ☐ Affordable housing developer support, including assistance with land purchases, and project financing, design and management
- ☐ Leverage additional resources as matching funds required for other financing

Locally established housing trust funds using public revenues offer a flexible, community-directed source of funding that can be structured to address local housing priorities as they change over time. For example, HTFs can be used to preserve the affordability of existing housing through property acquisition or rental subsidies, or to develop new affordable housing needed to meet long-term housing needs.

There are three important components to any housing trust fund: administration, revenue sources, and program design. Most HTFs are administered by a public agency responsible for local

1. Center for Community Change, Housing Trust Fund Project (<http://housingtrustfundproject.org>). The Center originated the concept of housing trust funds, and continues to promote their adoption nationwide. Their web site includes a wealth of useful information and guidance on establishing local housing trust funds.

“Housing trust funds are the single most impressive advance in the affordable housing field in the United States over the last several decades. Because housing is the foundation of every healthy community, local and state governments are recognizing that they need to contribute public resources to adequately house their residents, and they are using housing trust funds as the vehicle to do exactly that.”

Center for Community Change
Housing Trust Fund Project

housing programs, though a few are administered by non-profit housing organizations or independently established housing corporations.

Most trusts have an oversight board or committee that represents the range of housing interests within the community. The board may be advisory or have direct decision making authority, but is typically develops fund policies and regulations, determines funding priorities, and monitors and evaluates fund programs. Local boards provide guidance, build community support, and ensure that the trust fund is accountable in meeting local needs.

Sources of revenue for housing trust funds vary based on the types of revenue afforded local government under state law, but nationally include:

- ☐ Property taxes, through annual or special budget allocations
- ☐ Other taxes (e.g., transfer taxes, sales taxes)
- ☐ Fees (e.g., application, permit, recording, demolition and conversion fees)
- ☐ Developer fees (e.g., impact fees, commercial linkage fees, or in-lieu of payments under inclusionary zoning)
- ☐ Tax increment funds from redevelopment districts
- ☐ Program income, including loan repayments
- ☐ Revenue from the sale of public property,

- ☐ Interest on government-held and market-based accounts
- ☐ Grants, donations and other private contributions

Typically HTFs are established using new or additional, dedicated sources of revenue that cannot be diverted for other uses. HTF programs must be designed to receive, disseminate, track and account for the public revenues received. This includes clearly stated program objectives and priorities, and policies or requirements that clearly address:

- ☐ How funds are awarded (for example, through requests for proposals)
- ☐ Eligible applicants (nonprofit and/or private developers, property owners, renters)
- ☐ Eligible uses (acquisition, new construction, rehabilitation, emergency repairs, adaptive reuse, accessibility modifications, rental assistance, affordable units within mixed income development),
- ☐ Program requirements (e.g., regarding income limits, long-term affordability, accessibility, displacement, preferred neighborhoods, households with special needs)

Effective HTF programs also include an efficient process to award and disseminate funds, and method for evaluating how funds are spent in meeting program goals and objectives. HTF programs are accountable to the local governing board and to the community at large, and have an ongoing role in building public support for local housing programs.

Vermont Housing Trust Funds. There are four formally established housing trust funds in Vermont. The most well-known is the Vermont Housing and Conservation Trust Fund (10 VSA, Ch. 15), established in 1987 with the unusual dual but complementary goals of creating affordable housing, and conserving and protecting Vermont's working farm and forestland, natural and recreational areas, and historic properties. This state fund is administered by the Vermont Housing and Conservation Board under the provisions in statute that define eligible activities and applicants, and its adopted rules and policies.

There is no similar enabling legislation in Vermont for municipal housing trust funds, but there are at least three such funds in existence – in Burlington, Montpelier and Charlotte – that could serve as guides for the creation of a South Burlington HTF. Burlington's HTF was established under a 1988 city ordinance (Ch. 18, Secs. 18-400 – 18-405) and dedicated tax approved by voters in 1989. The Montpelier and Charlotte HTFs were established as dedicated reserve funds by municipal voters (under 24 VSA § 2804), in 2006 and 2007 respectively.

HTFs established as reserve funds must be approved by voters, and set aside in a separate account for this purpose. Once established, funds can be expended by the city council without further voter approval. Any unspent money annually carries over into the following year.

Recommendation. There are now more than 600 city and county housing trust funds in operation nationwide – including three local funds in Vermont, as described – to address critical housing needs. The Affordable Housing Committee strongly endorses the creation of a South Burlington Housing Trust Fund, as a reserve fund established by local voters, to retain and develop housing that will remain affordable to the city's low and moderate income households.

The current and anticipated need for affordable housing, including single family homes, cannot be met by the private sector alone – meeting this demand will require public-private partnerships and active city support. The Housing Trust Fund should be organized to accept funding from a variety of sources, including but not limited to annual or special city appropriations (e.g., a penny on the tax rate), grants, donations and developer fees collected under proposed inclusionary zoning; and flexibly structured to help fund projects that meet the city's housing goals and objectives.

	Burlington (1988)	Montpelier (2006,2010)	Charlotte (2007,2011)
AUTHORITY	Voters - Discretionary Budget Approval Process Ordinance, Policies	Voters – Reserve Fund HTF Guidelines	Voters – Reserve Fund Policies, Procedures
REVENUE SOURCES	Property Tax, Fees (in-lieu under Inclusionary Zoning), Repayments, etc.	Property Tax, Repayments, Grants, Donations, etc.	Property Tax
ADMINISTRATION	HTF Manager (CEDO), HTF Committee	City Manager/Staff, Advisory Committee, City Council	Advisory HTF Committee, Select Board
PURPOSE/GOAL	Promote, retain, create long-term affordable housing units for very low, low and moderate income households	Preserve, construct, rehabilitate affordable dwelling units for ownership and occupancy by eligible households	Create perpetually affordable housing in Charlotte, by Charlotte property owners
AWARDS	Competitive; Annual RFP	Competitive; Annual RFP	Competitive; Annual RFP
ELIGIBLE APPLICANTS	Non-Profit Corporation, For-Profit Corporation, Municipal Corporation, Limited Equity Housing Cooperative, Partnership, Individual	Public Housing Authority, Non-Profit Housing Organization, Private Developer, Homeowner	Charlotte Resident/Property Owner, Non-Profit Housing Organization
ELIGIBLE USES	Capacity Funding (non-profits, up to \$7,500) Project Funding (grants, loans)	Leverage other public, private, charitable funds Grants, loans for the preservation, construction, rehabilitation of affordable units (up to \$15,000/unit)	Feasibility grants (90% cost, up to \$5,000) for site evaluations (water, septic), plans, permits Construction grants (up to \$10,000/unit; maximum \$30,000).
PRIORITIES	HH Income <=50% median Perpetually affordable projects	New units (net gain), Homeownership units, HH Income <80% HUD median, Leverage 1:1 Cash, In-kind, Loans, to be repaid, Grants for >15 year affordability, Montpelier households/ workers, 2+ bedroom units for households w/children, New accessory dwelling units, Refinancing for homeowners who agree to 15+ year affordability restrictions	Charlotte residents, Rental units, Renovation/ rehab, Diversity in location, size, Rentals w/2 or fewer bedrooms, Lowest rental rates, Projects making most effective use of grant (# units per size of grant), Energy efficiency
REQUIREMENTS	HH Income <=100% HUD median	HH Income <=100% HUD median Must be affordable for a period of at least 15 years Must be secured by mortgage or other legal interest held by city, restricted by a housing subsidy covenant for 15+ years	Affordable housing registry HH Income <=100% HUD median Construction grants: 1:1 funding match, Time limits on construction, Perpetual affordability/penalty provisions

housing programs

Housing Committees/Commissions. South Burlington, by establishing the South Burlington Affordable Housing Committee in June 2012, has taken an initial step in addressing the city's immediate housing needs, and more long-term housing goals and objectives. While the focus of this committee, under interim zoning, has been the development of specific policy recommendations for City Council's consideration, if reconstituted as a permanent committee, its role could be expanded as needed to oversee and participate in implementing its recommendations.

A permanent housing committee – or “housing commission” as enabled under state planning law (24 VSA § 4443) – could continue the work of the present committee, with responsibilities as assigned by the City Council, to advise and support the work of the City Council, Planning Commission and Development Review Board. For example, housing commissions established per statute are specifically authorized to:

- ☐ Maintain an inventory of the current housing stock and identify any gaps, according to household incomes or special needs of the community. The inventory may include documentation regarding the affordable housing cost index for an average resident, the cost of rental units and vacancy rates, and home sale prices.
- ☐ Review the city's land use regulations, codes, and development review process; make recommendations to facilitate the development of affordable housing; and promote bylaw amendments that increase densities for the purpose of providing affordable housing.
- ☐ Assist both the local development review board and the Act 250 district environmental commission by providing advisory testimony on the housing needs of the municipality, relevant to local and state permit applications for housing development.

- ☐ Cooperate with the City Council, Planning Commission, Development Review Board, public works officials and other municipal or private organizations on matters affecting the city's housing resources – for example by working with the municipality on a wastewater and water allocation policies that reserve a percentage of the capacity for future affordable housing development.
- ☐ Collaborate with nonprofit housing organizations, government agencies, developers, and builders in pursuing options to meet the housing needs of the local residents.

A housing commission, appointed by the legislative body, must have at least three members, a majority of whom reside in the municipality.

Public Housing Authority (PHA). Public housing authorities, first established in the 1930s, evolved out of federal legislation to address local housing needs through federally-funded programs. Vermont enacted legislation in 1961 creating in each municipality, “a public body corporate and politic to be known as a housing authority” (24 VSA Ch. 113).

Local housing authorities were initially established in the state's older, more urban communities to address concentrations of substandard housing. Many of the statutory responsibilities assigned to these authorities have since been assumed by other groups, including non-profit housing providers and community land trusts. Today, qualified public housing authorities are charged mainly with administering U.S. Department of Housing and Urban Development (HUD) low-income housing programs (e.g., Section 8 Housing Choice vouchers) and programs to provide and manage public housing, under HUD-approved five-year and annual plans.

Currently there are 11 public housing authorities in the state. These include the Vermont State Housing Authority – a statewide authority created in 1968 – and 10 municipal authorities. The

BURLINGTON HOUSING AUTHORITY

www.burlingtonhousing.org

The Burlington Housing Authority, created by the city in 1961, is Vermont's oldest and largest municipal housing authority. It's governed by a five-member Board of Commissioners, appointed by the Mayor, and has a staff of nearly 50 employees.

BHA policies and priorities are established under a five-year (and annual) plan approved by HUD, as required for federal funding. BHA manages over 600 affordable apartments and provides rental assistance to over 1,700 families residing within its area of operation—which also includes South Burlington and other neighboring municipalities. BHA also offers a number of resident service programs, funded through federal and state initiatives and other sources.

Burlington Housing Authority, established by the city in 1961, now includes South Burlington within its area of jurisdiction. For example, project-based rental assistance through the BHA is available for the O'Dell Apartments (25 units) and the Lime Kiln Apartments (12 units) in South Burlington. Voucher programs are also available to South Burlington residents through the Burlington and Winooski Housing Authorities.

Federal housing priorities – and program funding levels – have changed significantly over the years, requiring local authorities to adapt their programs accordingly. Federal funding has dropped precipitously in recent years, and few municipalities now have the need, or the resources, to establish their own housing authorities.

Community Development Programs. Several larger Vermont municipalities have community development offices and staff separate from, or in association, with their planning and zoning functions. In small communities with staff, these functions are often combined. The benefit of a community development program is the ability to better coordinate and integrate public policy and investment in housing, social, economic, infrastructure and other forms of development within the community to meet

local needs and priorities. Chittenden County examples include the Burlington Community and Economic Development Office (CEDO), the Colchester Community and Economic Development Office, and the Essex Community Development Department (which includes planning and regulatory functions).

Public/Private Partnerships. Most communities don't have the resources or expertise on their own to develop and manage affordable housing programs – but they can effectively partner with other organizations and the development community to promote affordable housing development. Fortunately there are a number of housing organizations, including the Champlain Housing Trust, that have interests in South Burlington. These groups have the needed skills to develop and manage affordable housing, but they also depend on community support to effectively provide housing options, and related services.

Community support can take many forms, including:

- ☐ Representation and active participation on local housing boards and advisory committees.
- ☐ Funding assistance – e.g., through community development block grants or a local housing trust fund.
- ☐ Donations of public land for affordable housing development.
- ☐ Municipal tax breaks for affordable housing development.
- ☐ Assistance with community education and outreach regarding local housing needs, and to address neighborhood concerns regarding affordable housing projects that may be controversial, but are intended to meet local housing needs as identified by the municipality – e.g., through neighborhood meetings and forums or community-sponsored mediation.
- ☐ Incentives offered under local regulations and ordinances in support of affordable housing development.
- ☐ Growth center and neighborhood designations under the Vermont Downtown Program, which may provide additional financial and regulatory incentives for developers of affordable housing.
- ☐ Municipal support in Act 250 hearings for affordable housing projects that have received local approval.

Non-regulatory community housing initiatives, such as the creation of a local housing trust fund, benefit from the active involvement of affordable housing groups. Incentive-based and inclusionary zoning typically require partnering with nonprofit housing organizations to help both the municipality and development community meet their obligations under these programs.

All of these administrative options assume an ongoing municipal commitment to the provision of housing to meet the needs of the community – including the dedication of varying amounts of time, staffing, and financial resources.

Recommendation. The Affordable Housing Committee recommends that the City Council establish a permanent housing committee or commission, under 24 VSA § 4433(1),(5), to continue its work and to oversee housing programs enacted by the city as recommended in this report. The Housing Commission would serve in an advisory capacity to the City Council, Planning Commission, Development Review Board and staff and, with staff support, could be charged with managing a housing trust fund, inclusionary zoning and housing retention programs, a rental unit registry, and other housing-related initiatives as authorized by the City Council.