

Updating the Inclusionary Zoning (IZ) Ordinance

Tuesday, March 12, 2019
Burlington Planning Commission

Presentation Overview

- On 12/17, the City Council approved a resolution directing the Planning Commission to develop changes to the IZ ordinance
- What I'll talk about:
 - IZ overview
 - Process to date
 - Specific recommended changes

My Role

- Housing Program Manager at CEDO since 2002
- Since 2015, responsible to day-to-day administration of IZ
- Staffed:
 - IZ Working Group
 - Joint Committee of Ordinance and CDNR

Inclusionary Housing (Zoning) Overview

- Created in 1990
- Intent:
 - “Create housing opportunities for all of Vermont’s citizens as required by State law”;
 - “To ensure the provision of housing that meets the needs of all economic groups by precluding construction of only market rate housing on the limited supply of available land within the City”; and
 - “To improve the quality of life for all residents by having an economically integrated housing supply throughout the City”
- Creates permanently affordable units for people up to median income.

Summary of Process to Date (1 of 2)

- Housing Action Plan (HAP) (2015)
 - Identified a need to evaluate IZ ordinance
 - “Consider Revisions to the Inclusionary Zoning Ordinance TO Better Meet Housing Goals and Better Complement the Housing Trust Fund.”
- IZ Report (2017)
 - Private consultant czb did extensive research and made recommendations. Concluded that IZ was successful in creating inclusion, but that there were unintended impacts of the ordinance and modifications needed to be made.
 - Particularly called out offsets as a “critical part of the current ordinance that has failed to function as intended.”
 - Offsets (bonuses and waivers) are required by State law for IZ and are intended to provide some relief for additional costs of IZ compliance

Summary of Process to Date (2 of 2)

- IZ Working Group (IZWG) (2017-18)
 - Group composed of elected and appointed officials, private and non-profit developers, City staff, and housing advocates addressed each recommendation of report
 - Reinforced that the intent was to create inclusion, introduced geographic component
 - Ensure that the offsets were appropriate, payment in lieu, feasibility scales
 - Report and resolution
- Joint Committee (2018)
 - Ordinance and CDNR specifically addressed each of the recommendations of the IZWG. Final report 12/12/18
- City Council Adopted Joint Committee Report on 12/17/18
- Excluding HAP process, total of 17 meetings, 3 public hearings + 2 City Council Meetings

12/17/18 City Council Resolution

- City Council “referred recommendations specifically identified in the Report of the Joint Committee pertaining to ordinance changes to the Planning Commission to develop recommended changes to the Burlington Inclusionary Zoning Ordinance and other relevant provisions as required”
 - Total of 10 recommendations referred
- Council referred “the additional, more general recommendations of the report” to Community Development and Neighborhood Revitalization Committee.

Recommendations Background (1 of 2)

“Offsets” Not Working

Concern/recommendation:

- Cost of providing IZ units exceeds the bonuses
 - 100% parking waiver for IZ units
 - 100% fee waivers for IZ units
- Developers not able to use the full density, coverage, and height bonuses
 - Bonuses by right
- Payment-In-Lieu Too High (currently at approximately \$190,000/unit)
 - Lower payment-in-lieu, but direct to low inclusion area
- Disincentive for small infill projects (undue burden for small projects)
 - Lower payment-in-lieu, but direct to low inclusion area
- Uncertainty regarding whether developer can use payment in lieu or locate IZ units offsite
 - Decisions based on high inclusion/low inclusion areas

Recommendations Background (2 of 2)

Improve Program Efficacy

Concern/recommendation:

- CEDO capacity for IZ monitoring
 - Program monitoring can be delegated to new Permitting Department

Protect and Strengthen Inclusion City-wide

Concern/recommendation:

- Many IZ projects are in high inclusion areas, so not contributing to low inclusion areas being more inclusive
 - Creation of high inclusion/low inclusion areas
 - Less restrictive off site option
- Homeownership IZ units not serving low enough income targets and competing with market units
 - Homeownership target lowered from 75% of median income to 70%

Other Administrative Changes Not Part of the Recommendations

Ordinance language needs clarification:

Concern/recommendation:

- Rounding (allow rounding down)
- Distribution of IZ units within a building (floating)
- Condominium Fees (discretion of staff)
- Clarify income limits (100% of median income)
- Clarify Right of First Refusal obligations (first conveyance only)
- Clarify IZ unit marketing requirements (at all vacancies)
- Clarify Administration Costs (use Housing Trust Fund admin)
- Sale Price of IZ units after initial conveyance (HTF Manager has authority)

Questions?

Todd Rawlings

Acting Assistant Director of Community, Housing & Opportunity Programs

Housing Program Manager

City of Burlington Community & Economic Development Office

(802) 652-4209 (direct line)

trawlings@burlingtonvt.gov