

Housing Committee meeting of 4.24.24 – minutes

Meeting was held remotely.

Members present: Virginia Clarke, Mark Hall, Andrew Mannix, Matt Parisi

Members absent: Connie van Eegen

Others present: Keith Osborne (Director of Planning and Zoning), MMCTV, Lisa Miller

### **1. Welcome**

Chair Mark Hall opened the meeting at 7:00 pm and welcomed members.

### **2. Agenda**

There was discussion about a recent email that van Eegen forwarded to the Housing Committee (HC) members. Clarke said it was unclear if that email was in the public domain. HC members said they had not read it yet. Clarke and Osborne felt that the passing around of this email may not have been well thought out, although the general topic of the Rental Revolving Loan Fund is something the HC should be interested in. Hall said we could touch on it at the end of the meeting if we had time.

### **3. Minutes of 3.27.24 meeting**

There were no additions or corrections to the minutes, so they were accepted into the record as written.

### **4. Discussion of definition of “affordable housing”**

Clarke said this was of concern because the term “affordable housing” means different things to different people, and it was often not clear exactly what was being talked about. Osborne screen shared a set of definitions that fall under the umbrella of “affordable housing.” He offered that “relatively affordable,” or “workforce,” differs from low income “affordable” which he assumes means subsidized, or HUD Section 8 housing. He suggested that what we need to do is to set the environment for a subsidized housing developer to come in and build a project, which we have not done yet. Clarke said that the public seems to often mean “relatively affordable” rather than statutorily “affordable” which implies a rental maximum as well as a renter income level based on the VHFA AMI chart, which is based on the HUD chart. She said that Buttermilk’s use of the term just referred to a rental price level at 80% AMI, which may actually be market rate for their apartments due to their small size.

Parisi brought up the point that the HUD AMI chart and the Vermont Housing Financing Agency (VHFA) AMI charts actually show different numbers for the same statistical area. Osborne offered that the difference is because the VHFA chart includes utility costs along with rent costs, and the HUD chart is just rent. Parisi said that the Burlington Housing Authority does not include the utilities since they use the HUD chart, but maybe then the BHA pays the utilities. Parisi said in all of his rentals, the tenants pay the utilities, and wondered if Buttermilk was including the utilities in their AMI calculations. Parisi suggested

that the HUD chart should be used if utilities are not included, and the VHFA chart if they are. Osborne added that the “affordable housing development” perks established in Act 47 would have to use the VHFA chart, even though Section 8 vouchers could use the HUD chart. He concurred that we should know whether the Buttermilk tenants are paying for their own electricity or other utilities or not, before we can properly understand the claim that they have “affordable” units at 80% AMI.

There was further discussion on whether the term “affordable housing” had a stigma associated with it that may make the public uneasy. Hall suggested that we might want to talk about developing housing for moderate income folks like teachers who might be getting priced out of the market. Osborne said that the more recent planning term of “workforce” housing might be useful for that demographic, but that we should also have a suite of housing options for all income levels. Parisi agreed with Hall’s suggestion that we use the three categories of “market rate,” “workforce,” and “subsidized” instead of the ambiguous term “affordable.” Clarke suggested that this seemed to correspond to ultra low (30% AMI) income, low/moderate income (60% AMI), and moderate income housing (80% AMI), as the categories of what was formerly known as “affordable” housing. Mannix felt that we should be careful to use the exact statutory words that bodies like the DRB would be basing their decisions on to avoid confusion. Clarke responded that the legislative language was not always specific enough for all contexts, and that we should have some way to translate the different meanings of “affordable” from one context to another to allow everyone to have the same thing in mind when they hear the term. Mannix added that we should be careful not to make it more confusing with too many terminologies, but in the end, reference the law exactly.

Parisi referenced an explanatory document about Act 47, that confirmed the lack of guidance on how towns were to incorporate the statutory language into their municipal zoning. Clarke said that towns should have been following the law since July 2023, whether or not they had put it in their municipal zoning. Parisi said he had experienced difficulty in Williston getting the town to follow Act 47, and that he had encountered many hurdles and red tape. Clarke said that the Provisional Guidelines document from ACCD had not yet been finalized, and that there has been more discussion about Act 47 in this legislative session. Osborne confirmed that we had asked for clarification which was not forthcoming, so we are just doing the best we can to incorporate the law as we perceive it.

Parisi questioned a Buttermilk document that stated that all utilities except electricity were included in the rent, feeling that it was misleading because the units all have electric heat pumps. Osborne and Clarke said that it was only problematic if they are saying that their units are “affordable.” Parisi felt Buttermilk’s range of rents seemed high, based on his experience, but Osborne suggested that maybe these might not be up-to-date. He also suggested that we assign AMI numbers to the three categories of “affordable,” with “market rate” at 100% AMI or higher. After determining that the numbers in the VHFA chart just went up in 2024, he suggested 60 – 80% AMI for the “workforce” category, and below 60% for the “subsidized” category. Osborne agreed that a defining AMI number was needed for the

categories, so that there would be an empirical reference point. He also felt that the complications associated with “subsidized” housing made it difficult for anyone other than a housing authority to administrate. Parisi added that there may be other social issues with subsidized housing, which may contribute to the public’s uneasiness. There was further discussion about whether most people actually spend only 30% of their income for housing; possibly not. Osborne said he would work on a draft of the idea of the three categories of “affordable,” and bring it to the next meeting. Clarke wondered if the smaller municipalities should have the same aspirations as the more urbanized cities, which have, as Parisi pointed out, more resources and staff.

### **5. Water and Sewer policy**

Mannix said he is researching how other towns approve and allocate water and sewer, because the policy in Richmond makes it so prohibitively costly to add water and sewer service that it prevents the larger housing projects from coming here. Clarke said she thought it would be good to look at a map of the current W&S area and figure out where it would actually work to extend the lines before we engaged in the likely difficult and contentious discussion of changing the funding mechanism. Parisi added that the floodplain and wetlands would have to be considered when thinking about what might be useful areas for extending the lines. Mannix stated that this mapping exercise has already been done by developers he works with, and that he could get them to talk to us. He feels that there are large parcels in Richmond that could be developed, and also that there are existing parcels with failing septic systems which would benefit from extended lines, and that there might be opportunities for starter homes that could put people on the wealth-building path of ownership. He mentioned that environmental factors and neighborhood objections slow down the development potential. Clarke said this was the kind of discussion we should be having in order to ascertain the costs and benefits of the different expansion directions. Mannix also said that developers generally don’t want to put time and energy into developing in Richmond because of the hurdles, including lack of W&S.

Osborne mentioned the physical limitations in Richmond, and suggested maybe building upwards would be easier. He feels the lack of suitable land is more of a problem than the permitting process. Mannix mentioned objecting neighbors as an issue. Hall asked Mannix for something from this perspective for a future agenda item.

### **6. New member goals - Matt Parisi and Andrew Mannix**

Parisi began by saying his main interest is around affordable home ownership. Because of land limitations, as well as restricted W&S, he feels the traditional starter home development idea is less possible here, and he’d like to think about infill development in the village, with possibly condo-style affordable home owning opportunities. He said he’s building some relatively affordable homes in Starksboro, which seems like the kind of workforce affordable housing that we should be aiming for. Part of the reason these lower cost homes aren’t being built, he feels, is because all the work is subcontracted out by the builder, which makes everything more costly – a situation he characterizes as a “loss of vertical integration.”

Mannix said he has more of a long-term focus, wondering what Richmond village will look like in 25 years. He'd like to be part of the inevitable process of change and transition as older buildings and poorly utilized space turn over. Parisi agreed that some of the renovations of single family homes should really have been removed to replace with multifamily homes, but because of existing regulations and resulting economics this doesn't happen. Clarke asked what regulatory changes would be needed. Mannix felt that zoning changes and tax incentives could help corridors be redeveloped. Parisi said the quickest way to do this would be to greatly increase the density per acre. Mannix agreed, and said that even though folks panic when they hear about density increases, it would not happen all at once and, in fact, it would take 25 years for the increases to play out. Mannix thought that compromising at 10 U/A, for instance, between developer-desired 20 U/A and public-desired 5 U/A, might be the way to go forward. He added that Act 47 had made some progress towards reducing opposition to projects by removing the "character of the neighborhood" objection. Clarke added that the housing consultant (*Brandy Saxton*) had suggested that encouraging a YIMBY rather than a NIMBY culture here would be an important first step for developing more housing. Hall thanked them for sharing their perspectives.

#### **7. One Drive "workingdocs" folder**

Hall said that Housing Committee data was lost in the transition from Google Drive, and he was hoping that folks might be able to repopulate the new folder from their own records. The "housing resources" list that Connie van Eegen started is in the folder. Hall also mentioned that Hinesburg's Affordable Housing Committee Chair has offered to come and speak to this committee, and members thought this would be useful. Hall said he would invite him for a 30 minute presentation. Osborne said he would work on the second draft of the standardized "affordable" terms. Clarke mentioned that she and Osborne would think about what to do about the email mentioned in item #2.

As there were no further comments, Hall adjourned the meeting at 8:42 pm.

Minutes submitted by Virginia Clarke