

## Background

- **We, the owners of the Creamery, are committed to supporting the housing crisis in Vermont.** Since the start of this project in 2015, we have been advocating for increased residential density to ensure we are able to provide cost effective, smaller units. The 45 units - the residential density cap - was established in 2015 and is the largest barrier to our ability to support the goal of increasing housing in Richmond with provide units that are affordable.
- **Cost of construction has skyrocketed in recent years.** Our forecast for future buildings budget is nearly 40% increased from previous building. Those costs must be financed and our monthly cash flow is required to service that loan. Our ability to offer affordable housing is now more challenging then ever.
- **Commercial property market continues to be weak.** Rental rates do not justify the costs of construction. Therefore, the shortfall in income for commercial means additional burden on the residential units to improve or justify the cash flow of any building.
- **Without external funding (grants or organizations), the income and profit from 'at market' units are required to offset the lost income of affordable units.** Based on current projections, we would need roughly two 'at market' units to offset the loss of income from providing one 'affordable' unit.
- **After our next building (#2), we will have no more residential units left for our development according to current zoning.** To cash flow and finance the construction of our next building, we will use the remainder of our residential units (31 of our 45 units). All these units will be rentals 'at market' rates at various sizes as required by the cost of construction and financing.
- **Timeline is URGENT** – We are actively planning and engineering Building #2 for permits and construction later in 2022-2023. If there is interest in providing affordable units in Richmond at the Creamery, a decision must be quick and certain. Soon, it will be too late to influence Building #2 without significant increased costs that would be impractical. Decisions made too late would only impact future buildings scheduled for construction in 2025 or beyond.

## Proposal

1. Increase residential density of Jolina Court District. Our current density is capped at 45 units. We would like to recommend increasing to 85 - 95 units of which we can provide either 15 or 20 affordable units to for 10 years at least 80% of AMI for Chittenden County. The additional 'at market' units will help us cash flow and finance the affordable units. Also, it will enable us to provide a wide variety of units to support long term tenancy of individuals and a more diverse community.

<i>Existing Units</i>	45	45
Total New Affordable Units	15	20
Total New 'At Market' Units	25	30
<b>Total Creamery Units</b>	<b>85</b>	<b>95</b>

2. Remove the 'street front commercial requirement' on the non-main street located or accessible buildings in the development (e.g. those directly located on Bridge Street). The regulation

requiring non-main street commercial use is a burden to development and un-necessary. Many of the buildings proposed for the Creamery development are not visible to the main street (e.g. Bridge street). They are exclusively accessible via our private road and visible within our private development only.

3. Reduce Parking Burden or Requirement.
4. Decision required by July 1<sup>st</sup>. Due to our current construction timeline, we would require approval and agreement of this increased density by July 1<sup>st</sup> to enable us to include affordable units in Building #2. If a decision is not possible by then, we will have to look for future phases of construction (e.g. 2025 and beyond).