

1.17.24 meeting memo from the Chair

Agenda #5. Buttermilk

Commissioners: if you have time, please think about these possibilities in advance of our meeting on the 17th, so that we can craft a response to Buttermilk.

I'd like to spend the bulk of this meeting determining the direction we are going with the information that has been provided to us by Buttermilk, developer of the Creamery project in downtown Richmond. They have submitted to us several documents and oral presentations that we need to assess and respond to in a timely manner. In my mind they are presenting us with an important opportunity to increase residential opportunities in a time of severe housing shortage. Posts by individuals seeking housing in Richmond show up almost daily in the FPF. Examining various strategies to increase housing underpin much of our work, as well as the work of the state legislature.

Some reasons to consider allowing more residential density at the Creamery:

- The development is in an area that folks expect to be relatively densely populated – our downtown – and is served by town water and sewer, which will benefit from added customers.
- Our downtown merchants will experience more visits by way of foot traffic, rather than cars arriving from the 'burbs. Long term goals in Richmond involve a walkable, vibrant downtown with successful commercial operations. This goal is enhanced by a greater number of residents within a ½ mile radius of downtown.
- We have a developer who is willing to work with us on an existing project to help us achieve our housing goals.
- No new open/green space is being taken up by the additional dwelling units.
- The tenants of the Creamery's building 1 (see attached memo from Buttermilk) are exactly the people that Richmond has expressed an interest in housing – moderate income folks like nurses, carpenters, teachers and recent graduates. More units would provide even more opportunities.

So, in my mind, this is a golden opportunity to walk the talk of doing our part to alleviate the housing shortage. I'd like to start by deciding which specific pieces of the Buttermilk proposal(s) can be modified to satisfy our concerns, and what a win-win, negotiated compromise would look like that is based upon what we believe is, overall, in Richmond's best interest. The ball is currently in our court; let's make some decisions that will put the ball back into Buttermilk's court.

1) Reduction of the commercial space requirement.

The commercial space requirement appears to be a major stumbling block for the financing of ANY new dwelling units for Buttermilk (see letters of Nov. 15 and Jan 10, 2024), but seems to be an issue for which there is some PC appetite. I believe that the current lack of business interest in commercial space is a different animal from any previous real estate cycle, in that online commerce is here to stay. Commercial space is vulnerable everywhere. We are in a different time from 2015. Maybe it is time to allow some of this space to help out with housing, while still retaining a lesser amount for commerce. So, in building 2 – how much commercial potential, out

of the currently required 8,000 sf, are we willing to let go and how much residential usage will that buy us? We need to know what our tolerance is and present this to Buttermilk as a point of negotiation. Some possibilities (round numbers):

- Retain 2/3 (5,500 sf) commercial – how many dwelling units (DU) could go into 2,500 sf?
- Retain 1/2 (4,000 sf) commercial – DU in 4,000 sf?
- Retain 1/3 (2,500 sf) commercial – DU in 5,500 sf?
- Retain 1/4 (2,000 sf) – DU in 6,000 sf?
- Retain no commercial space in building 2 – DU in 8,000 sf?
- With any of these options, there would still be 6,000 (or 4,000?) sf of commercial space in building 1, some of which is in the prime location of Bridge St- facing

And, if retained for building 2, where would we like this commercial space to be? Presumably, as near as possible to Bridge St, which would be somewhat contiguous to the existing commercial space of building 1. Would any other place be an option? Are there any changes that we think should be made to the list of permitted or conditional uses? For instance, would we want to bump the restaurant use from conditional to permitted to more easily allow for a small bagel shoppe??

2) Provision of “Affordable” housing

“Affordable housing” seems to be a hot topic right now with the Selectboard, as well as the Housing Committee and the Racial Equity Committee. We understand that in perpetuity, rent verified HUD affordable housing is a non-starter for this project. But what about workforce or 80% AMI housing? In several places in Buttermilk’s proposals this has been mentioned, both as a reality in building 1, and as a possibility in future phases. In a “Background” (undated) submittal buttermilk mentioned that approximately 2/5 of additional units could be affordable in the workforce sense (15 units out of 40, or 20 out of 50). Could this approximately 2/5 of additional units hold at other levels? For instance, if we increase the density allowance by 27 units, could we be assured of 9-10 units at 80% AMI? In Buttermilk’s most recent submittal (Jan 10, 2024) they suggested that they might offer 15% (approximately 4-5 out of 27) of new units as 80% AMI for 10 years. Is this enough for us? Would we and Buttermilk be comfortable with a signed agreement or zoning provision that required Buttermilk to submit a list of 80% AMI rentals each year for 10 years? Or 15 years if we find we would somehow trigger the Act 47 affordable housing provision for this version of “affordable” housing? (we can discuss this provision more fully). This would be like the “density bonus” concept that the PC entertained at one time, and can be found in the zoning of neighboring towns. Would achieving this additional goal of affordability make increased density more appealing for us and/or for others?

3) Provision of residential neighborhood amenities

If we reduce the commercial requirement, how can we make this into an attractive residential neighborhood that is an appealing place to live? And would the Town support an NDA (Neighborhood Development Area) application if Buttermilk undertook the process? (see attached amenities memo I wrote to Ravi in 2022 when the NDA option was being considered) Buttermilk

has expressed openness to these concepts, as much as can be allowed by ANR for the protected floodplain area. I believe the Town would support the NDA application.

4) Parking and traffic

Act 47 reduces the parking requirement to 1 space per DU. This is with or without any changes to our zoning regulations, as this became state law in July of 2023. Reduction of the commercial space further lowers the amount of parking required as almost all commercial uses require a greater number of parking spaces. Having less parking might allow for a more attractive landscaping and sidewalk plan and better outdoor amenities. The traffic proposal, as approved by the DRB for building 2, does not require a road through the Town Center parking lot or any mitigation measures at the intersection of Jolina Ct with Bridge St – why is this not enough?

5) Increased residential density

This brings us to what seems like the main issue here: can we seize this opportunity to increase Richmond's diverse housing stock? How many additional units would we be comfortable with in order to maximize our contribution to housing stock creation? Can we envision the Creamery as a true extension of our downtown? Possibilities:

- Add 27 units by matching the density of the VD district at 24 U/A. For example, if we removed 2/3 of the commercial space, this space could likely be filled with 6-10 (?) additional DU's even without a redesign of the rest of the building
- Add 14 units, for a density of approx. 20 U/A. If we remove the whole commercial requirement for building 2, these units might all be created on the ground floor, without additional building redesign.
- Adding any less DU's than this would likely not meet Buttermilk's needs, but perhaps could be considered.
- Adding more residential density to meet the longer term goals expressed in Buttermilk's PUD master plan, i.e. 125 units = approximately 40 U/A, might be more than we wish to consider, but is on the table per their phased proposal, and would fully maximize Buttermilk's ability to increase housing with the Creamery project without further zoning changes.

In summary, I believe that this Planning Commission is quite capable of making decisions that are in the best interests of Richmond when all factors, including our need for more housing, are considered. I think our best bet for keeping viable commercial enterprises in town is having many shoppers, rather than fighting market forces. More village residents meets long term Vermont anti-sprawl and climate change goals, as well as our own goals of housing for workforce, returning sons and daughters and senior downsizers. I think we can and should offer a counter proposal for Buttermilk that we have generated by a careful weighing of the information and our own discussions and experiences.

Virginia

