

January 12, 2024

Richmond Planning Commission:

We want to thank you for continuing to explore how the Creamery can help ameliorate Vermont and Richmond's housing crisis. We remain committed to the goal and appreciate your efforts.

Yet, we have decided to not participate in next weeks January 17th meeting for a few reasons:

1. Details on the options and constraints have been provided in prior sessions and are public record. These include facts about market realities of commercial and residential construction, traffic studies, site plans, ANR reviews and our various options on how to support the various housing needs in Richmond.
2. The Planning Commission must now decide what they want, or don't want for Richmond. Our participation is both un-necessary and un-productive.
3. Finally, we are not interested in participating if the process allows individuals – both from the committee and wider community - to misrepresent facts & history. These types of unproductive contributions have wasted time and eroded good intentions (on both sides) in years past and we do not wish to repeat.

Please note this does not change our commitment and interest in supporting progress in Vermont or Richmond. If anything, our goal is to remove conflict to encourage success. We are committed to achieving the Town Plan, delivering the recent housing study and creating a healthy balance of residential and commercial opportunities that support both people and planet.

As a reminder, whilst the Town has been discussing how to provide affordable in recent years, we have been providing affordable and workforce housing – *without incentive* – in a Net Zero building in Richmond. The review of the Creamery Tenants – as provided in December – demonstrates who has benefited and should showcase the opportunity of those who would benefit. Plus, it should be clear proof of our intrinsic commitment. Our hope is that Richmond Planning Commission and the Selectboard provides us a path to do more.

To support, please see the below table of options for the PC consideration. This information should be reviewed in coordination of other documents in recent meetings. The facts and proposals remain the same.

Options	Our Path Forward	Allowable Residential Density	Requirement Affordable Units (80% of AMI for 10 years)
<p>#1</p> <p>No Changes to Jolina Court Zoning</p>	<p>We will not be able to proceed with future development until a significant change in market conditions or change in zoning.</p> <p>This was the feedback provided in 2020 after the 2015 Interim Zoning was adopted into permanent zoning.</p>	<p>45</p>	<p>0</p> <p>(Note: we voluntarily offer affordable units from 60-90 AMI for past 3 years and hope to continue if our finances allow. But, these are not required.)</p>
<p>#2</p> <p>No change in Residential Density.</p> <p>Removal of Commercial Space Requirement.</p>	<p>We would re-design Building #2 to use all remaining 31 units.</p> <p>The building would likely include relevant and fiscally possible commercial space –like a gym, café, small office or retail – as that would boost vibrancy and ensure success. Please note we would still have over 6,000 square feet of commercial in the development.</p> <p>Building #3& #4 would be on hold until market or zoning changes.</p> <p>This was <u>not</u> our recommendation in earlier proposals as the remaining units would have to be ‘at-market’ to finance construction. Therefore, it would not achieve 2022 requests for Affordable Units or deliver on the recent discussions by the Selectboard. But if the PC believes that capping residential is required, this option is possible.</p>	<p>45</p>	<p>0</p> <p>(Note: we voluntarily offer affordable units from 60-100 AMI for past 3 years and hope to continue if our finances allow. But these are not required.)</p>

<p>#3</p> <p>Match Jolina Court Residential Density to Downtown Village Density</p> <p>Remove Commercial Space requirement.</p>	<p>We would re-design Building #2 to included existing 31 units and ~24 new units. Total units 50 -55.</p> <p>Building #2 would likely include relevant and fiscally possible commercial space –like a gym, café, small office or retail – as that would boost vibrancy and ensure success. Please note we would still have over 6,000 square feet of commercial in the development.</p> <p>Building #3 & #4 would be on hold until market or zoning changes.</p>	<p>72</p> <p>(27 new)</p>	<p>4</p> <p>(15% of new Units)</p> <p>Note: again, we hope and plan to voluntarily offer more – as we have been - but we are not required.</p>
<p>#4</p> <p>Increase Density to achieve higher volume of Affordable Units – as per requests in 2022.</p> <p>Remove Commercial Space requirement.</p>	<p>We would re-design Building #2 to included existing 31 units and ~24 <u>new</u> units. Total units 50 -55.</p> <p>Building #2 would likely include relevant and meaningful commercial space – including options like a gym, café, small office space, small retail – as that would boost vibrancy and ensure success. Please note we would still have over 6,000 square feet of commercial in the development.</p> <p>We would start planning and forecasting for Building #3 & #4 in the next 10-15 years. Construction, uses and scope would be based on market conditions, needs and finances.</p>	<p>100-125</p>	<p>10-15 Units</p> <p>(Based on request from 2022, this high volume equates to 17.5 - 20% of new units to be affordable.)</p>

We hope this helps the Planning Commission to make some decisions on what they believe is right for Richmond. As per the housing study recommendations, we believe our property offers the best opportunity to increase housing supply in Richmond and we are willing partners.

Also, we are attaching additional information in the Appendix. Please take time to as we were not able to discuss in recent discussions due to lack of time. The best-case scenario would be to be completed by Winter 2027. Also, we have recapped information based on comments or discussion made in the recent meetings for transparency and accuracy.

Once the PC has reached an agreement about what they believe is right for Richmond, we will attend or respond to any proposals. In the meantime, please note we will be watching the replay & meeting minutes to ensure no further inaccuracies are conveyed.

Thank you,

Josi and Brendan

APPENDIX

Item #1: Timeline – as submitted in December Meeting

‘The goal is to get Building #2 done by 2027. That would be seven years after our first building and 12 years into the project. But due to timelines, it's the quickest we could forecast it being completed and ready for new residents.

Our current approved permit for Building #2 includes 31 units – that is the remaining unit density allowed by zoning (e.g. unallocated 31 of the 45). This current request is asking for 24 additional units to be allowed (along with the other changes requested on November 15th).

Due to the current residential cap and commercial limitations, many of the units are large and thus expensive to build and drive the rent. Like we did in Building #1, we would use the additional units to redesign the existing floor plan to provide smaller units – affordable and workforce housing. We would retain some larger units for families and higher income individuals – ultimately to achieve the wide mix of housing requirements that Vermont and Richmond needs. Additionally, the removal of the unrealistic commercial requirement, we would convert some (not all!) of the commercial space into residential units while still allowing for meaningful commercial space (like a gym, small offices, a café or bookstore etc).

Therefore, to confirm, our short-term request for Building #2 is 24 additional units (above the existing 31 units permitted) of which some of those would be able to offer affordable / workforce housing. As a reminder, without those units and removal of the commercial burden, we will not be able to progress.

For Building #3 and #4, it is extremely challenging to project the community need, the economics or the timeline. We have attempted to do that here to help manage expectations but all assumptions on uses, number of units, and timeline should be seen as *directional*.

Our intention for the ‘Planned’ Unit Development would be to use the insights from Building #1 and #2 to inform the use, timeline and details. As explained previously, to proceed with any further buildings, we would require residential units for the economics. Therefore, we have requested the additional units based on a similar scope and plan for Building #1 with less commercial burden. Also, we have estimated the costs of construction based on current forecasts and what would be required to offer a mix of units (at market to affordable) for these buildings in the next 15 years. Again, these estimates are highly challenging but are based on the past 8 years of experience.

Occupancy in late 2026 or early 2027 is the **best-case scenario** for Building #2:

We believe clarity and timeline estimates are essential to any progress. Below is the best-case scenario for Building #2 completion.

- May 2024 – Approval Zoning Changes for Jolina Court
- June - December 2024 - Permitting - Act 250 & PUD

- Spring 2025 - Construction Starts (20 months construction timeline)
- Fall 2026 / Winter 2027 - Certificate of Occupancy

We are well aware that achieving the Zoning Changes will be challenging. It took 18 months to indoctrinate the 2015 Jolina Court Interim Zoning into permeant zoning (from Jan 2019 to May 2020). But, creating a target could be helpful. And doesn't 2027 sound very far off already?! It would have been 7 years from the opening of the Building #1. "

Item #2: Response and details to various comments and discussion from Jan 3rd:

Please note there is substantial information on all these points provided in historical meetings that are public record. This serves as a brief recap.

- **Traffic Study** – The submitted traffic studies were conducted by large national engineering firms ([Wall Consulting](#) in 2023 and [RSG](#) in 2016) that are *licensed*. The first study's firm (RSG) was referred to by the State for use in our HUD grant application - *before Richmond had any regulations on traffic*. Our involvement – similar with structural, civil, mechanical engineers – was to provide usage estimates per building and by square feet. We had no further involvement except to pay the bill. These qualified, licensed engineers produced the report as submitted. The earlier study was included and reviewed in the HUD grant application by National and State experts. In the 2023 PUD permit process, the Wall Consulting engineers reviewed the historical study, the current ITE data, and the updated development usage and site plans. The findings found that the full build out of 70,042 square feet of development in the 2023 PUD, the current site plans did not trigger the regulation of 70 PM trips. These studies might not be what the committee members expected, nor hoped, but their validity or their bias should not be a questioned.
- **Concerns about floodplain, wetlands, areas of natural resource, etc.** Prior to the PUD permit application, from 2021 to 2023, we consulted and met with ANR many times to review the site plan. Our goal was to ensure any plan presented to the DRB for the PUD would be likely approved by Act 250 *PRIOR* to our submission to the Town. The current plan is a result of those discussions. Of course, all final plans will be submitted and will require approval by ANR at the point of Act 250 application. There is a high level of subjectivity to their approval and regulations change. But based on 2023 guidelines and their requirements, the current site plan adheres or addresses their concerns.
- **There is no 'road through' from the town center to our development depicted on our site plan.** The farm access through the Town Hall remains as that is legally required by easements as it's the only access to that property.
- **Neighborhood Amenities (garden, walking path etc) in our 3 acres of greenspace** - We are in full support and historically our plans included these elements. However, we faced constraints from Agency of Natural Resources. In 2023, they requested us remove many of these elements from the area of significant natural relevance. The current site plan does include a garden (Note: we wrongly conveyed that it was removed in the last meeting). This location will likely be challenged by ANR during the Act 250 process so there is no guarantee of the current location and inclusion.

So, if these amenities are required by Town, we would ask that the Town verify with ANR prior before creating a policy that could prevent progress.

- **Design concept for Building #1.** Three facts: 1) There was not design or architectural requirement in the Interim Zoning. In fact, the word ‘design’ or ‘architecture’ was not in the regulations in 2014 - nor the update in 2015. 2) The design concepts for the Creamery that were voluntarily submitted & approved in 2015 and 2016. They are exactly as what was built. The concept with sample photos was described as ‘Building on Bridge Street will reflect the character of the town and neighborhood. Further into the development the design concept will look more contemporary similar to Energy Mill design.’ Please review SB Public Hearing documents from August 2015 and Dec 2016. 3) In 2019, the Town Admins explained this history to community members after receiving complaints. Alas, this erroneous misrepresentation continues today.
- **Historical reference to the number of residential units in Building #1 – e.g. 12 vs 14 units.** Again, a discussion that has been reviewed in many public discussions. It was found that there was no deceit - as was implied by the committee member. All changes were allowed within Zoning and, in fact, the changes were the reason we could provide additional affordable housing units today. We had reduced larger 1 bedroom to create 2 studios. This was internal floor plan redesigns. We had provided to the state for approval and received an immediate approval based on administrative amendment. We apologized for failing to update the town on the revised # of units (floor plans are not reviewed by the town). As our Zoning was not under DRB jurisdiction at that point (Interim Zoning required SB approval), the approval was confusing. The timeline provided for the November 15th meeting includes further details. Or interested parties could review the SB meetings and discussion in early 2019.
- **Affordable Units in perpetuity.** As mentioned, historically, there was a request for us to considering offering affordable units in perpetuity. We understand the motive by the PC and would ask the same in your position. In 2023, we researched this option in good faith – spoke to lenders, other developer, VHFA, and commercial real estate experts – and the feedback was not in support of this condition. It would create significant complications and burden to the financing and management of the building. Complications = risk = additional costs. In 2022, according to our current mortgage provider, it would be a ‘deal-breaker.’ Therefore, any discussion on this subject would be have to well thought through and research... or it could impact viability.
- **Pathway to ‘Ownership’ for residents** – Again, we understand the motivation to investigate this option and altruistically support it. However, historically, we looked at this selling at-market condos to finance the construction and some of our partners were not in support. We are open to discussing again. However, if the intention is to link a condo option to ‘affordability’ (e.g. if the intention is to make some of those affordable for ownership and not ‘at market’) this is likely even more challenging as it create complexity and insecurity for the banks. We have not investigated that option but based on the market and past feedback, it would incur addition costs and risk. Therefore, any benefit (e.g. density or such) would have to offset that.