



TOWN OF RICHMOND
RICHMOND TOWN CENTER
203 Bridge Street, P.O. Box 285
Richmond, Vermont 05477



May 19, 2024

To the RHC,

Below is an email to Bard Hill from Alex Weinhagen, Planning Director for the Town of Hinesburg about Inclusionary Zoning and Subsidized Housing. Alex and I share the same approach to Affordable Housing and that is to set the “environment” to lure the developers of these products. It has been my experience that inclusionary zoning has a chilling effect on developers and should not be solely relied on to achieve the Town’s purported goal for AH. There is great information contained below on how to proceed on this issue and I am hopeful we can utilize his knowledge and experience. The RHC was purpose built to lead and support the goal of sustainable AH.

Thank you,

Keith

From: Alex Weinhagen <aweinhagen@hinesburg.org>
Sent: Tuesday, May 7, 2024 10:03 AM
To: bard hill <bard.hill@richmondvt.org>
Cc: 'Merrily Lovell' <mlovell@hinesburg.org>
Subject: RE: inclusionary zoning for affordable housing

Bard,
Feel free to give me a call to discuss Hinesburg’s Inclusionary Zoning.

We first adopted inclusionary zoning in 2009, as part of a rezoning effort that nearly doubled the size of our village growth area. Our Affordable Housing Committee formed in 2006, and was instrumental in our adoption of inclusionary zoning back in 2009. At that time, there was concern that simply planning for more housing wasn’t enough. We weren’t convinced that the housing market would produce housing for all income levels, and inclusionary zoning was seen as an “insurance policy” to make sure that we got some affordable housing. The current housing market certainly confirms that concern, but there is more to the story – see end of this message.

We haven't seen too many developments large enough to trigger the IZ requirements, but we've still learned a bit since 2009. A few lessons learned: 1) our formula for calculating the required IZ units used our "base density" and not the total number of housing units in a project, and this resulted in too few units per project; 2) our required percentage of IZ units was too low, again resulting in too few units; 3) we weren't clear enough about our desire to see a mix of ownership and rental IZ units (i.e., similar to the market unit spread in a given project); 4) we anticipated a partnership with Champlain Housing Trust to help administer the program, which never happened and isn't really necessary.

With that in mind... As part of a larger zoning modernization project, the Affordable Housing Committee suggested and the Planning Commission is proposing changes to our IZ requirements. If adopted by the Select Board, these changes would do the following:

- Minimum required affordable units would increase to 15% of the total number of dwelling units in a project. Still only applies to projects of 10 or more new dwelling units. Still only applies to projects in our village growth area – i.e., NOT townwide.
- Affordability level adjusted upwards a bit for ownership IZ units – i.e., sale price can go up to what is affordable for a household income at 100% of area median income.
- Income eligibility adjusted upwards a bit for ownership IZ units – i.e., eligible buyers can earn up to 120% of area median income.
- Mix of ownership and rental IZ units must be the same as the ownership/rental mix in the market rate units, unless waived by the Development Review Board.
- Density bonus system completely rewritten. Current density bonus system eliminated in favor of the State's required density bonus system for affordable housing projects – i.e., 40% density bonus and one additional story of building height. New State requirement as of July 1, 2023 due to the HOME Act (Act 47).
- Champlain Housing Trust dependencies eliminated in favor of Town administration of the IZ system and perpetual affordability provisions.
 - You can find our current inclusionary zoning provisions in section 5.21 of the Hinesburg Zoning Regulations – [available online](#).
 - You can find the proposed updates to the inclusionary zoning provisions in section 3.1.7 of the proposed Hinesburg Zoning Regulation revisions – [available online](#).

While I'm a firm believer that inclusionary zoning is necessary, the fact is that this regulatory requirement approach will not produce enough affordable housing to address the real need here in the overpriced housing market of Chittenden County. Furthermore, inclusionary zoning (at least our version) will not produce housing with deep affordability that is needed for lower income households – i.e., housing affordable to households making below 80-100% of area median income. Inclusionary zoning is

simply an insurance policy to provide a small amount of affordable housing. It's also a decent tool to prevent exclusive or exclusionary new neighborhoods and developments.

Public, private partnerships with non-profit housing developers are what truly moves the needle on the production of affordable housing – both in terms of number of units and depth of affordability. We've seen this over and over here in Hinesburg. Such partnerships are a top priority action item in our Town Plan, and have been critical in delivering substantial affordable housing over the last 10+ years. How does the Town facilitate such partnerships? We collaborate and cajole the non-profit housing sector to do projects here in Hinesburg. We cheerlead and provide letters of support when these partners seek out grants and other financing to scope a project and when it's time to bring it to fruition. We have obtained State Neighborhood Development Area designations to help these projects be exempt from State Act 250 review – i.e., saves time and cost. We apply for State Community Development Program grants to pass through to these projects. We sometimes provide Town funding to help make the project more affordable, and to demonstrate the community's commitment in order to leverage far larger funding from other sources. Our Affordable Housing Committee keeps lines of communication open with our non-profit housing partners, and advocates for good projects when they are considered by our Development Review Board, Select Board, etc. We've done multiple housing needs assessments, and we leverage those to explain to all developers (non-profit and for-profit) what sort of housing Hinesburg is most in need of.

Partnership examples:

- Green Street project (Champlain Housing Trust & Snyder Homes) – 23 affordable apartments; built in 2016; Town received a \$675,000 State CDP grant that was passed through to the project
- Kelley's Field 1 rehab project (Cathedral Square & Evernorth) – 2014 rehab project on 24 existing, subsidized, senior apartments; Town received a \$475,000 State CDP grant that was passed through to the project
- Kelley's Field 2 project (Cathedral Square & Evernorth) – 24 new, affordable, senior apartments in a single new building; currently under construction; Town received a \$600,000 State CDP grant that was passed through to the project; Town also provided direct financial support of \$50,000 from Hinesburg's revolving loan, affordable housing fund; Town applied for and received NDA designation, which made the project exempt from State Act 250 review
- Windy Ridge project (Champlain Housing Trust, Evernorth, Habitat for Humanity) – 76-unit development with 60 affordable units; currently in the Town's permit review process; Town applied for and received NDA designation to make the project exempt from State Act 250 review; Town likely to make a direct financial

contribution from our revolving loan, affordable housing fund; Town likely to apply for a State CDP grant.

- Habitat for Humanity project – 6-unit development (all affordable); currently in the Town’s permit review process; as Merrily noted, the Town recently provided \$30,000 (\$5,000 per unit) in direct financial support; project only happening because our Town Manager proactively contacted Habitat for Humanity when a suitable property (single unit dwelling on a one-acre lot) came on the market.

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