

Planning Commission -

The Planning Commission is starting the 8th month of discussions on how our property the Creamery can provide more housing in Richmond. As per the PC's stated objective, the goal is to remove barriers (like unrealistic and constraining density) that have prevented progress for +5 years. Yet, after the many months of discussion, only 9 additional units over the 2015 density (45 units) are being considered. This fails to address the housing crisis in Richmond.

Plus, several draft regulations in the Multi-Family Housing Development Standards and Density Bonus standards will burden our project and other housing projects with complexity and costs. If these town wide regulations are not well vetted, these specifications will be barriers to housing.

Meanwhile, construction climate has worsened and once viable housing projects are failing. It is unprecedented. We want to manage expectations that even removing all barriers and providing strong support to developers in Richmond (like achieving requirements of the RRLF program as introduced and championed by Chris Granda) will not guarantee that our project or other housing projects are viable, especially if any moderate-income housing is included. There are countless stories and examples but here are one recent story about a [UVM housing projects](#). According to Vermont Housing Finance Agency, the costs of construction from planning to closing is soaring (now over \$323 cost per square foot for moderate / workforce housing). This is causing projects the were initially approved (by banks and VHFA) fail to close on loans and are now not progressing. This is a reality for our development and current forecast for B#2 even if we are awarded RRLF financing. The reason is simple: the costs of construction today are too high for forecasted income. Therefore, we encourage Richmond to remove any regulation that will put additional costs on a housing project and to improve the current laborious, costly process.

Feedback to current regulations in the JC Zoning, Multi Family Developments and Density Bonus sections as recently purposed:

- 3.9.4 - Underlining density of 1/18 acre of developable land (a small increase from 1/15). Total increase from 2015 density is 9 residential units. It is disappointing that the PC continues to limit housing in Jolina Court (JC) while neighboring districts allows for more density (VD allows for 1/24) yet those districts lack parking, green space and other requirements that will be required for new housing. This spot zoning is restricting housing.
- 3.9.7.iii - Public/Neighbor Parking requirement. This clause is trying to circumvent Act 47 and defines 'government overreach' by attempting to appropriate our private property for public use, or provide that land to another property owner. It is illegal in both regards. If the town or a neighbor requires parking on our property, a lease is the only path forward. We have reviewed several times in the past months and its current inclusion is creating false expectations and delaying progress.
- 6.13.8. Outdoor Living Space – Based on our current permitted building, we would have had to ask the DRB for a waiver to achieve these requirements despite having significant outdoor space.
  - Exclusivity requirement. Several references mention that the space needs to be exclusive space for residents. Many of our current or project spaces are shared with commercial tenants or could be shared with the public (e.g. Community Garden). Therefore, we would not achieve this standard.
  - A. 80 square feet minimum for private use. None of our planned private patios or balconies achieve this dimension.
  - B. Minimum size of 20 feet for a common outdoor space. That is 400 square feet of common shared outdoor space. We provide this (although not exclusive to residents) but for other more densely located properties that you hope to encourage housing (e.g. VD), this might be challenging and limit new housing.
- 6.13.11. Bulk Storage. We provided storage units in our buildings (existing and permitted) but based on current purposed dimensions (50 square feet) 95% of our existing or permitted storage units for our apartments would not suffice. Today, some tenants do not use the existing storage space at all versus

others overflow their storage units. It depends on their needs (eg travelling nurses do not need storage). In fact, we are exploring providing units at different rent levels based on with or without storage - allowing the tenant to define what they need and want to pay for. Your regulation forces a developer to supply amenities that increase costs and thus impacts affordability. Our recommendation would require storage space in private or shared storage but remove dimensions.

- 6.13.14. EV-Charging Parking Spaces. We agree with the intent but this is a yet another cost and will impact affordability or viability. We have already installed and prioritizing EV so we will achieve these regulations. But alas, for other developers will find this a significant financial burden and barrier.
- 6.15.3 - 400 square feet requirement to achieve density bonuses. There is proven interest in smaller residential units globally and in Richmond itself. Tiny living is a worldwide trend for the past +20 years. Consumers want smaller units for a range of reasons including costs and environmental impact. If individuals do not want smaller units, they will not rent or they move out. Our smaller units are some of the most popular and the lowest vacancy. This size restriction is unnecessary and will limit interest in the density bonuses. We recommend removal and allow the market & consumer to determine what they want.
- 6.15.4a - Workforce housing - Your definition of workforce housing is not in line housing leaders. Vermont Housing Finance Agency defines "Workforce" or "middle-income" housing is typically defined as housing that serves households with incomes of 80%-120% AMI. A 15-year requirement is above the 10-year standard or VHFA programs. Plus, a 1 to 1 ratio will not offset the lost income. Based on how its written and current market conditions, we are unlikely to achieve this bonus on future units.
- 6.15.4c - Condominiums - 'Covenants will be required to prohibit use as a short-term rental.' If the goal is to create paths to homeownership, why erect barriers or restrictions for ownership that is not being regulated elsewhere in Richmond? The 'density bonuses' are designed to increase density thus make more affordable for potential homeowners. It is likely that condo owners in a moderately dense development, like the Creamery, would be entry level or cost sensitive homeowners. This restriction creates barriers to their home ownership versus allowing STR in single family homes in Richmond. If you want to regulate STR, do that across all properties in Richmond. Including this bylaw requirement on this specific type of dense housing will increase complexity, restricts homeowners' income and reduces marketability of units (e.g. our financing and interest).
- 6.15.4d - 'True, income sensitive affordable housing – As written, this 'bonus' is unviable for a normal developer in today's market. If Richmond is serious about this need for another developer or project, we recommend that you increase the multiplier significantly.

#### **Our opinion density bonuses versus standard density allowances:**

In theory, density bonuses work to incentivize certain strategies or needs. But they must be feasible or they will not achieve any goals. Based on our forecast, the current density bonus drafts are not motivating nor viable. Revisions and discussions to get buy in from the various stakeholders must be done. In 2019, the PC attempted to do density bonuses as well. Yet, it created complexity and ultimately it was decided to proceed with the JC zoning alone and then do the density bonuses separately. After 8 months of discussion, we encourage this approach now:

1. Update the Jolina Court (JC) zoning to remove commercial burden and match density to the neighboring VD district. Pass these amendments alone so we can make progress with Building #2 and we can ***hopefully*** add housing by 2026/2027.
2. Develop density bonus regulations for the Town overall. Take time to get right to ensure you are creating incentives – not unrealistic goals. If they are motivating or viable, we can revise our plans to include these elements.

If Richmond wants more housing, there are simple solutions. We encourage you to prioritize them.

Josi and Brendan