

3.5.25 meeting memo from the Chair

**Planning Commission Public Hearing for Jolina Court Zoning District and associated amendments**

Buttermilk LLC, developer of the Creamery project, wishes to begin work on their second multi-family building on Jolina Court, but have stated that they are unable to obtain financing under the current zoning restrictions. After more than a year of work, the Planning Commission (PC) has developed some revisions to the Richmond Zoning Regulations (RZR) which we feel will be in the Town's best interest and will also make it easier for the project to advance and to provide some much needed housing in Richmond. The two changes envisioned are: removal of the commercial-only requirement on the ground floor, and allowance for an overall increase in the number of dwelling units by way of a new town-wide "residential density bonus program." Both of these changes bring up complex issues, and both have proponents and opponents. The resulting documents represent the best compromise we could reach. The Planning Commission voted to approve the following documents dated 1/15/25 for PC Public Hearing on 3/5/25:

***Section 3.9, Jolina Court Zoning District: Section 5.12, Planned Unit Development; Section 6.15, Residential Density Bonus Program, and Section 6.16, Affordable Housing Development.***

Subsequently, on 2/5/25, a revised version of Section 6.15.5 providing more details on the source of the standards for Adaptable/Accessible Dwelling Units was approved by the Planning Commission to be substituted into the packet of amendments. The documents that we are now presenting for public hearing are those listed above but updated to **3/5/25**.

The original permanent zoning for the Jolina Court Zoning District (JC ZD) envisioned a traditional mixed-use, village style district with businesses on the ground floor and residential units on upper floors similar to our existing Bridge St downtown. Buttermilk's building 1 is arranged this way, and we had conceived that building 2 would follow this pattern. However, in the intervening decade, the market for commercial real estate has diminished significantly, and banks have become reluctant to finance such projects. In fact, Buttermilk has found it difficult to keep building 1's commercial ground floor leased, and we do not foresee a return to a robust bricks-and-mortar commercial real estate market anytime soon.

Simultaneously, our housing crisis has intensified, making housing in Richmond, and throughout Vermont, either unavailable or unaffordable. In light of these developments, the PC is in agreement that the ground floor commercial requirement now represents a barrier to housing development, and that our interests would be better served by allowing

ground floor housing in Buttermilk's building 2, enabling a project that helps fulfill Richmond's goal of providing additional, diverse housing opportunities. We are proposing to amend **Section 5.12** of the RZR to enable the removal of the ground floor commercial requirement.

The second part of our deliberations involved the question of "residential density." Should we allow additional dwelling units in this development, as requested by the developer? And should these "extra" units provide benefits to Richmond beyond just the additional housing? Currently 31 new dwelling units are allowed in building 2. If we remove the ground floor commercial requirement, theoretically more residential units could be developed. The Commission was divided on these questions, and debated the following options: 1) to not allow more than 31 residential units, 2) to allow an additional number of residential units of any sort, or 3) to allow an additional number of residential units only if certain kinds of units are developed. We discussed anywhere from 6 to 27 additional units, and various types of requirements that might be asked of the developer in order to "earn" the extra units. All the options seemed to have pros and cons

The proposal that we ended up with for tonight's hearing represents a compromise amongst the options. In our amended **Section 3.9**, we are proposing allowing an additional 15 units (besides the 31 that are currently allowed) which can be permitted through a "residential density bonus program," the new **Section 6.15**. These additional units can be "earned" if the developer agrees to provide either affordable units, adaptable/accessible units suitable for seniors, or additional public parking on the Creamery lot. A more complete discussion of the options and the choices that we have made will be presented by commissioners at the hearing.

In addition to the Residential Density Bonus Program, Section 6.15, we are also proposing to add a new **Section 6.16**, Affordable Housing Development, which contains language directly from Act 47. This section provides an additional statutorily-mandated mechanism by which extra dwelling units can be "earned" by a developer, and could be utilized by Buttermilk if they adhere to the requirement to make 20% of their units "affordable." We are already required to follow this law, so this amendment to the RZR is not optional.