

**VILLAGE OF ESSEX JUNCTION
PLANNING COMMISSION
PUBLIC HEARING
MINUTES OF MEETING
MARCH 9, 2023
APPROVED APRIL 6, 2023**

MEMBERS PRESENT: Phil Batalion, Chair (remote); Patrick Scheld, Vice Chair; Diane Clemens; Scott McCormick; Elijah Massey

ADMINISTRATION: Regina Mahony, City Manager; Chris Yuen, Community Development Director

OTHERS PRESENT: Katie Ballard; Ned Daly; Mike Hoey, ABC 22 / Fox 44 News

1. CALL TO ORDER

Patrick Scheld called the meeting to order at 6:32 PM. Mr. Scheld will be running the meeting as Mr. Batalion is participating remotely.

2. AGENDA ADDITIONS/CHANGES

Mr. Batalion suggested that the Item 5c, Housing-Conversation with Katie Ballard & Ned Daly from the Housing Commission be discussed prior to Item 5b, Rental Registry & Inspection Program Next Steps. All agreed.

3. PUBLIC TO BE HEARD

a. Comments from Public on Items Not on Agenda

None.

4. MINUTES

a. February 2, 2023

MOTION by DIANE CLEMENS, SECOND by ELIJAH MASSEY, to approve the minutes of February 2, 2023. Motion passed 5-0.

Mr. McCormick requested including a table with action items and who is responsible for each in the minutes going forward. Mr. Yuen said that he will ask the Recording Secretary to do this from now on.

5. BUSINESS ITEMS

a. Introduce Chris Yuen, Community Development Director; Zoning Administrator appointment

Ms. Mahony introduced Mr. Yuen, who has been working as the Community Development Director for a little over a month. Mr. Yuen said that he previously worked in consulting and has worked in public transit network design throughout the United States and Europe. He has lived in Toronto, Vancouver, Hong Kong and Portland. He is excited to join the City of Essex Junction in this role.

The position of Zoning Administrator needs to be nominated by the Planning Commission (PC), and formally appointment by the City Council. Ms. Mahony said that this is a statutory step that the PC is responsible for, and Mr. Yuen said that it will need to be repeated every three years. She clarified the roles of the Zoning Administrator and Assistant Zoning Administrator, noting that the current Assistant Zoning Administrator should also be formally appointed as well.

DIANE CLEMENS made a motion, seconded by SCOTT MCCORMICK that the Planning Commission nominate Community Development Director Christopher Yuen for a three-year term as Zoning Administrator. Motion passed 5-0.

b. Housing – Conversation with Katie Ballard & Ned Daly from the Housing Commission:

Mr. Scheld introduced Housing Commissioners Ms. Ballard and Mr. Daly and thanked them for attending.

i. Inclusionary Zoning

Ms. Ballard said that she is the Chair of the Housing Commission (HC), and a City resident. She gave an overview of the work that the HC has been doing on the issues of inclusionary zoning and the development of a rental registry, as well as the other agencies that they have been working with. The HC has voted and is in favor of inclusionary zoning and feels that it is now time to pass the baton onto other boards for implementation. She discussed how the HC defines inclusionary zoning, noting that it would apply for both rentals and owner-occupied units. The HC has worked to get input from landlords and developers, who expressed concern about the current planning review structure in both Essex and Essex Junction regarding larger projects. Ms. Ballard discussed the recommended implementation process, and asked what type of role the PC would like to have in it. Ms. Clemens asked how this program would support the middle class. She said that it is important to balance the needs of those looking for studios and those looking for family housing. Ms. Mahony said that inclusionary zoning is one of many tools for housing access, and that other programs may better target this group.

Mr. Battalion said that the PC is in favor of inclusionary zoning, however more work is needed prior to implementation. Mr. Scheld said that some type of incentive would need to be required in order to entice developers to participate, as otherwise low-income units would be a financial loss. Developers may not be able to access the same subsidies if only a few of their units are affordable, rather than the entire building. Mr. Yuen said that inclusionary zoning alone will not increase housing supply, but can influence the types of housing built. To increase total housing supply, it must be paired with the adjustment of density and dimensional limitations in the Land Development Code. Mr. Battalion asked how inclusionary zoning was enforced. Ms. Mahony discussed the different options and suggested that the PC speak with South Burlington, as they have recently implemented inclusionary zoning. Ms. Clemens said that it would make sense to have inclusionary zoning work simultaneously with a rental registry. Mr. Massey said that mixed-income buildings have a lot of benefits, all agreed that this was preferable. Ms. Ballard discussed potential incentives, noting that this was something that the HC felt would need to be further explored by the PC. Mr. McCormick said that he is fearful that inclusionary zoning could drive developers out of Essex Junction, which would harm the overall housing shortage. Ms. Clemens added that Essex Junction already has a four-story limit on buildings, but a density bonus through a fifth floor may help increase financial viability for developers required to add affordable housing through inclusionary zoning.

i. Housing Trust Fund

Ms. Ballard said that the HC has not discussed using these funds to mitigate construction costs, however she thinks that it could be viable. They did, however, investigate the possibility of inclusionary zoning funds to finance the Housing Trust Fund (HTF). She said that the HC investigated the amount of money that would be required to start this fund, as well as the types of uses that would be acceptable. The City Council and Selectboard have said to the HC that they would like to see them do a broad community

engagement effort on this issue, which is anticipated to begin in May. Ms. Ballard said that the HTF could be used to assist a variety of people, such as first-time homebuyers and landlords looking to repair their units. Mr. Scheld said that it is important to prioritize the most vulnerable community members to ensure that enough money continues to be available. Ms. Ballard said that it is important for there to be some flexibility in the fund as time goes on and the fund increases.

Ms. Mahony said that some communities allow developers to make a payment to the HTF in lieu of following inclusionary zoning regulations. These funds can be saved to build a major low-income housing project. There may be efficiencies to this method, but it may run contrary the potential goal of creating mixed-income buildings through inclusionary zoning. She also said that Vermont is in a period where construction is very expensive, and it is important to balance this fact with a desire to include housing opportunities for all. Inclusionary zoning could also be included in some, but not all, zoning districts. Ms. Ballard said that inclusionary zoning is not something that the HC is actively working on, however the creation of a housing trust fund continues to remain a priority. Mr. McCormick asked what the PC's role would be in the creation of a HTF. Ms. Ballard said that both the City Council and Selectboard are interested in putting this issue on the ballot after at least a year has passed post-separation. She expects that conversations will continue regarding the issue. Ms. Mahony said that the HTF will most likely be a City Council issue, however this will directly connect with the PC's other work on housing. Inclusionary zoning is directly tied to the Land Development Code (LDC) and will thus need to be reviewed by the PC. Mr. McCormick suggested that the HC and PC continue to stay in communication on these issues. Ms. Ballard said that a HC member will plan to join PC meetings every other month. Mr. Scheld said that this expertise would be helpful in developing housing policies. Mr. Scheld thanked the HC for their hard work on these issues.

Mr. Scheld said that the PC would need more information on the results of the previous inclusionary zoning Developer's Roundtable event and requests that the HC share the notes from the event if possible. Ms. Clemens said that it is important to engage the City Council to determine how they feel on these issues, as it could determine how the PC proceeds. Ms. Mahony said that many of these issues, especially a HTF, would be voted on and potentially partially funded by the taxpayers. Mr. Yuen said that the HC is working on developing best uses for the HTF, and that these may be different between the Town and City. The HC is currently joint for these communities but will be separating in the next few months. Mr. Scheld said that it is important to expand affordable housing now as the City has many new developments being built. Ms. Clemens said that she expects additional development in the City once the Crescent Connector is constructed. Mr. McCormick asked if inclusionary zoning would be added into the LDC, Ms. Mahony said that it could be done as an ordinance or in the LDC, but the LDC makes the most sense. Mr. Yuen said that he hopes that the City Council will be reviewing the current draft LDC amendments in May, as there are some state-level changes that will need to be included. Ms. Mahony said that, once the process is started, all applications must be reviewed under the current and future LDC.

iii. Rental Registry & Inspection Program

Mr. Yuen said that two UVM students are assisting in process and implementation research. The students have read through ordinances of other Vermont communities, and have begun having conversations with other towns. He asked if the PC had any questions, that they would like the students to address. Mr. McCormick said had recently spoke with Barre officials and that the biggest issue that they face is compliance and enforcement. Barre has had a rental registry for at least fifteen years and second homes are also required to be listed on the registry. No new staffers were required to implement this, as the fire

department conducts inspections. Mr. Scheld said that he would like to see something in the registry that benefits landlords, such as the easier sharing of information. It is important that it be seen as a positive issue to all, not just the tenants. Mr. Yuen said that he will ask the UVM students to look into the benefits to small landlords. Mr. Scheld suggested that they review similar communities throughout the nation that have implemented rental registries. Ms. Mahony suggested reaching out to Brattleboro and Bennington to ask about the implementation of the rental registry.

Mr. Massey said that it would be helpful to focus on the positive aspects of enforcement from other communities and learn from best practices. Ms. Clemens said that having the rental registry would also help to make sure that the LDC was properly enforced. She discussed sensitivity around the rise in short-term rentals, as a desire to regulate these properties as well. Ms. Mahony gave an update on the City budget, and said that if approved this budget will include a new position which will be responsible for the rental registry, code enforcement and health inspection; as well as a planner to cover more committee work. It is assumed that some of the salary for this person would be covered by the rental registry.

c. Rental Registry & Inspection Program Next Steps

Chris Yuen: Follow up with the City of Winooski, collaborate with UVM students and continue to provide the PC with updates about the process; share HC document link to with Planning Commission; Send VPR Vermont Edition article link to the PC

UVM Students: Contact Shaun Gilpin, at the Vermont Housing & Community Development Department and Chip Sawyer, City of St. Albans Community Development Director.

Katie Ballard: Locate and share housing commission notes from the inclusionary zoning Developer Roundtable with Staff

Scott McCormick: Send the PC notes from meeting with Barre officials, including the contact information for the Deputy Fire Chief.

6. READING FILE

a. Nothing this month

7. MEMBERS UPDATES

Ms. Clemens directed the PC to a recent article in VPR Vermont Edition regarding housing.

8. STAFF UPDATES

None.

9. ADJOURN

MOTION by DIANE CLEMENS, SECOND by SCOTT MCCORMICK, to adjourn the meeting at 9:09 PM. Motion passed 5-0.

Respectfully submitted,
Darby Mayville