

Memorandum

To: Hardwick Planning Commission
From: Heather Carrington, CCDS
Date: July 6, 2023
Re: Hardwick Bylaw Modernization

Purpose

The purpose of this memo is to provide an overview of topics on the agenda for the July 11th, 2023 meeting of the Hardwick Planning Commission. The consultant will be in attendance to:

- present an overview of changes to state regulations enacted in the Vermont Housing Opportunities Made for Everyone or HOME Act (Act 047),
- facilitate a discussion comparing the Hardwick Zoning Bylaw regulations for the Village Neighborhood District with the state recommendations contained in the Zoning for Great Neighborhoods publication and the new requirements of the Vermont HOME Act, and
- present an overview of the decision points and alternatives for proposed amendments to the Central Business District land use regulations. Due to the additional meeting time required for discussion of the Vermont HOME Act, the Highway Mixed Use alternatives will be presented at the August meeting.

Overview of the Vermont HOME Act

Governor Scott signed the Vermont Housing Opportunities Made for Everyone (HOME) Act into law on June 5th, 2023. The HOME Act contains municipal zoning reforms for residential districts served by municipal water and sewer. Most of these changes will be effective in December 2024, and should be included in the current bylaw amendment process. Specific to municipal regulations, the HOME Act:

- Lowers allowable parking requirements for residential units
- Requires that multi-family buildings are allowed uses in districts where residential is an allowable use
- Sets building and lot standards for residential units
- Establishes emergency shelters as a protected public use and places limits on what municipal bylaws can regulate in relation to shelters.

Village Neighborhood District Regulations Comparison with Zoning for Great Neighborhoods (Z4GN)

The Planning Commission packet contains a table comparing the recommended bylaw reforms in the Z4GN document with the existing Hardwick regulations for the village neighborhood district. Each of the recommendations under the six major topics of reform are compared and areas that are not in alignment with the recommendations are highlighted. In addition, the new HOME Act statutory requirements are considered. Notes with recommendations and topics for further discussion are included in the final column of the spreadsheet. The consultant will provide an overview of the findings during the discussion.

The following components of the village neighborhood district regulations are opportunities for reform to better align with the Z4GN publication and/or required changes to meet Vermont statute:

Dimensional Requirements:

1. *Match minimum lot size to local pattern*

The minimum lot size in the village neighborhood district is 7,500 square feet. There are substantial existing non-conformities to minimum lot size in this district. 26% of parcels do not meet the minimum lot size, and there are also a significant number of parcels that do not meet the linear frontage standards. Shifting the minimum lot size to better align with existing conditions may be an option to consider. When calculating necessary changes to other topics to align with state law, such as minimum square footage per unit, it will be important to be mindful of the substantial number of parcels that do not meet the minimum lot size. Any changes to the minimum lot size will also impact the number of units that can be constructed on a lot, thus the density caps will have to be considered in conjunction with this topic.

Alternatives:

- a. Reduce minimum lot size to the smallest lot size ensuring that 100% of parcels conform.
- b. Reduce minimum lot size to allow 90% of parcels to conform.
- c. Reduce minimum lot size to allow a higher percentage of parcels than presently conform (currently 74%).
- d. Take no action.

2. *Remove Density Caps*

The current density limits for the village neighborhood district meet the Vermont HOME Act requirement to allow 5 or more units per acre in districts zoned for residential use. As written, the district regulations allow for over 12 units per acre. However, the HOME Act also requires that “In any district that is served by municipal sewer and water infrastructure that allows residential development, multiunit dwellings with four or fewer units shall be a permitted use.” The density caps in this district effectively bar tri-plex and 4-plex housing on lots under 14,000 sf. The regulations for the district require a minimum of 3,500 sf of lot area per unit on Class 1 lots. Class 1 lots are served by both municipal water and sewer and would be some of the preferred locations for constructing new housing in line with smart growth principles and at a lower financial and environmental cost than developing in areas without preexisting infrastructure. On a lot just meeting the minimum lot requirement of 7,500 sf, only 2 units would be allowable on a Class 1 parcel under the current regulations. The district has the capacity to support more housing.

As discussed at the previous planning commission meeting, complete removal of the density caps is not necessary to improve the likelihood of further housing development. Instead, the planning commission could consider reducing the required minimum square footage per unit for Class 1 lots. At very least, the required square footage per unit will need to accommodate four units on a lot at the minimum lot size of 7,500 sf (1,875 sf per unit). An average rental unit in Vermont is +/- 1,200 square feet. Just under three average Vermont rental units could

be supported by 3,500 square feet, and 5-7 small or micro-units could be supported (at 500-700 sf per unit).

Alternatives:

- a. Remove density caps per the Z4GN recommendations. Dimensional standards such as setbacks and maximum height will limit the size and location of buildings relative to the overall parcels.
- b. Reduce minimum required lot square footage per unit to under 1,875 square feet per unit on Class 1 lots in alignment with Vermont HOME Act requirement to allow multi-family units with up to four dwellings in districts zoned for residential and served by municipal water and sewer. Consideration should be given to the previously discussed issue of 26% of lots not meeting the minimum lot size, thus the minimum required sf/unit should be smaller than the 1,875 sf calculated above to accommodate 4 units on the existing non-conforming lots. There are numerous small lots that are between 4,000 and 5,000 sf, so the recommendation is to set this to 1,000 sf per unit or below.
- c. Set a smaller square footage per unit requirement to accommodate the trend toward smaller households, allow more housing units to be constructed on a parcel and to support affordability. One-bedroom rentals are increasingly in demand and the return on developer investment pencils out much better than on larger units. By setting a lower per unit lot square footage requirement, the same building footprint can hold more dwelling units at a more affordable price and of a size that is in demand.
- d. Taking no action is not an option for this component of the bylaw, which is now determined by the new state law.

In addition, Act 047 requires that:

“bylaws shall permit any affordable housing development, as defined in subdivision 4303(2) of this title, including mixed-use development, to exceed density limitations for residential developments by an additional 40 percent, which shall include exceeding maximum height limitations by one floor, provided that the structure complies with the Vermont Fire and Building Safety Code.”

The amendments to the regulations will include language to comply with this requirement.

3. *Building Heights*

As mentioned under the density discussion, language to allow for affordable housing developments to exceed maximum height requirements by one floor will need to be added to the bylaw (Section 3.7).

4. *Remove Requirements that Forbid a Second Building on Lot*

The current regulations allow some limited flexibility on second buildings on lots as discussed at the June meeting. The regulations state in Section 3.8 that:

“Zoning Administrator may permit two single family dwellings on a single parcel under Section 7.1 provided:

- (1) the parcel meets all applicable lot size, density and dimensional standards for the district in which the parcel is located;*
- (2) the dwellings are set back from one another a minimum of twice the side yard setback distance for the district in which they are located; and*
- (3) the Zoning Administrator determines that if the parcel were subdivided into two parcels each would meet all requirements for a conforming use and complying structure under these bylaws.”*

Under the Home Act duplex buildings are required to be held to the same dimensional standards as single-family dwellings. This may mean that the flexibility granted for ZA approval of two single-family units on a lot must also be allowable for duplex buildings with the same dimensional standards.

Parking:

5. *Reduce the number of on-site parking spaces required.*

This is another required change to the bylaw. The HOME Act specifies that, “In any district that is served by municipal sewer and water infrastructure that allows residential uses, a municipality shall not require more than one parking space per dwelling unit.” The planning commission has several alternatives for addressing minimum parking requirements:

- a. Remove minimum parking requirements for residential uses. This generally does not mean parking facilities won’t be built. Banks that finance residential development frequently require parking as part of the pro forma. In addition, developers are not interested in constructing homes that they can’t sell or rent due to parking limitations. Frequently developers will perform market studies to determine the level of parking need for their target market and given the opportunity they will right-size parking to meet the need.
- b. Set the parking per residential unit rate at 1 space per dwelling unit in compliance with the new state regulations.
- c. Establish parking waiver provisions for certain circumstances, such as development of desired housing types or affordable housing.
- d. No action is not an option under the HOME Act.

Allowable Uses:

6. *Eliminate unnecessary use restrictions on housing.*

The village neighborhood district lists multi-family dwellings as a conditional use. However, the district is a seemingly ideal location for multi-family dwellings due to the larger lot sizes which are served by existing municipal water and sewer infrastructure. By making these “conditional use” the town effectively increases the time and expense required to construct new multi-family housing in the district, thus creating an impediment to housing affordability. Per Vermont statute under the Home Act, “In any district that is served by municipal sewer and water infrastructure that allows residential development, multiunit dwellings with four or fewer units shall be a permitted use.” Multi-family housing up to four units must be made an allowable use in the district. The planning commission has the option of specifying multi-family units up to a 4-plex as allowable and making 5 or more units a conditional use, however that would not align with the

Z4GN recommendation to eliminate restrictions of this type. The alternatives for consideration under this topic are:

- a. Eliminate restrictions on residential as an allowable use. The density caps discussed previously as well as the required setbacks and limits on building height would be the limiting factor.
- b. Add multi-family dwellings of up to 4 units to the list of permitted uses to meet state requirements.
- c. Set another number of units (over 4) as the cut-off for by-right permitting.
- d. No action is not an option for this issue.

7. *Do Not Require Unnecessary Subdivision of Land*

We will examine this topic fully during the October planning commission discussion of the development review process as a whole. The Z4GN publication gives the following guidance:

“Home development can take place with various ownership structures, including detached homes within a condominium association. Municipalities do not need to require that the original tract be subdivided into a separate lot for each home or require PUD approval for development with commonly owned land. Town regulations should ensure that standards that regulate the subdivision of land are not inadvertently applied where they are not relevant or needed.”

Street Standards:

8. *Implement complete streets standards.*

While implementing complete streets standards is a desirable goal, it should be approached incrementally in Hardwick. The priority for complete streets standards should be focused on the central business district and E. Hardwick village center first, followed by the village neighborhood district. Municipal infrastructure can help to catalyze housing development, so this should be revisited in the future, starting with areas already served by municipal sewer and water. Ultimately, the long-term approach to complete streets could involve multiple phases and actions including designating a neighborhood development area through the Vermont designation program and potentially utilizing a tax increment finance district to defray the cost of new infrastructure for the tax base.

ADUs:

Zoning meets guiding recommendations. There is room for further pro-active improvement if desired.

Development Review Process:

The development review process for all districts will be discussed at the October planning commission meeting as set forth in the 6-month work plan.

Zoning Amendment Recommendations: Alternatives for Central Business District

Dimensional Standards

1. *Minimum Lot Size Matches Local Pattern:* There are significant existing non-conforming parcels (under minimum lot size).
Alternatives:
 - e. Reduce minimum lot size to the smallest lot size ensuring that 100% of parcels conform.
 - f. Reduce minimum lot size to allow 90% of parcels to conform.
 - g. Reduce minimum lot size to allow a higher percentage of parcels than presently conform (currently 75%).
 - h. Take no action.
2. *Consider Setting Maximum Setbacks:* This can prevent a “gap-toothed” or inconsistent appearance at the street. Care would need to be taken not to create an issue of non-conformity, although a small number of parcels would become non-conforming. The consultant is seeking planning commission feedback on whether to move forward with bringing back alternatives.
3. *Character-Based Frontage Requirements:* Hardwick does establish some in the CBD, but there are no glazing (window) requirements. The consultant is seeking planning commission feedback on whether there is interest in moving this forward.

Parking

4. *Reduce the number of on-site parking spaces required.*

The planning commission has several alternatives for addressing minimum parking requirements as discussed in the village neighborhood district:

- a. Remove minimum parking requirements for residential uses. This generally does not mean parking facilities won't be built. Banks that finance residential development frequently require parking as part of the pro forma. In addition, developers are not interested in constructing homes that they can't sell or rent due to parking limitations. Frequently developers will perform market studies to determine the level of parking need for their target market and given the opportunity they will right-size parking to meet the need.
 - b. Set the parking per residential unit rate at 1 space per dwelling unit in compliance with the new state regulations.
 - c. Establish parking waiver provisions for certain circumstances, such as development of desired housing types or affordable housing.
 - d. No action is not an option under the HOME Act.
5. *Allow On-street Parking Spaces to Count:*

This is currently allowable but is conditional on a DRB waiver. With the changes to required parking minimums, the planning commission may wish to maintain the current process while waiting to see what the reduced parking minimum impact is on housing construction. However, it would also be appropriate to make changes to streamline this process.

Alternatives:

- a. Allow up to (x) number or (x) percentage of directly adjacent (or within a specified linear distance) on-street parking spaces to count toward parking requirements.
- b. Allow some of the parking waiver conditions to be “by-right” (for example: shared use agreement is in place and documentation provided).
- c. Take no action.

6. *Require Parking to be Placed Behind Buildings:*

The regulations currently prohibit parking placement in front of buildings (unless there is no reasonable alternative) but allow for placement on the side of buildings. Changing this requirement would create existing non-conforming parcels. There is also a possibility that a more stringent requirement could be a barrier to future housing development. For these reasons, no alternatives for this topic have been proposed. Planning commission feedback on this approach will be requested at the July meeting.

Allowable Uses

7. *Eliminate unnecessary use restrictions on housing.*

The central business district lists all residential uses as conditional. However, central business districts are ideal locations for housing, particularly on upper floors in mixed-use buildings served by existing municipal water and sewer infrastructure. By making these “conditional use” the town effectively increases the time and expense required to construct new housing in the district, thus creating an impediment to housing affordability. Per Vermont statute under the Home Act, “In any district that is served by municipal sewer and water infrastructure that allows residential development, multiunit dwellings with four or fewer units shall be a permitted use.” The alternatives for consideration under this topic are:

- e. Eliminate restrictions on residential as an allowable use. The required setbacks and limits on building height would be the limiting factor for how many units could be constructed.
- f. Add residential uses including multi-family dwellings of up to 4 units to the list of permitted uses to meet state requirements.
- g. Set another number of units (over 4) as the cut-off for by-right permitting.
- h. No action is not an option for this issue.