

**State of Vermont****Agency of Commerce and Community Development**

One National Life Drive, Deane C. Davis Building, 6th floor  
Montpelier, VT 05620-0501

[accd.vermont.gov](http://accd.vermont.gov)

[phone] 802-828-3211

[fax] 802-828-3383

**MEMORANDUM**

**TO:** Senate Committee on Natural Resources and Energy  
**FROM:** Lindsay H. Kurrle, Secretary, Agency of Commerce and Community Development  
**RE:** H.687 Testimony Offered on April 16<sup>th</sup>  
**DATE:** April 17<sup>th</sup>, 2024

Mister Chair and Committee Members:

Thank you for the opportunity to testify last evening. At the Committee's request, below is a summary of my testimony that I offered on the record.

The Administration's position has always been that we need a housing bill that addresses the immediate needs of Vermonters, and that will help jumpstart the creation of new units. It is our position that the Housing bill (S.311) and the land use and conservation bill (H.687) should remain separate in order to achieve that goal.

Your Committee, and others, have heard from builders, developers, land use experts, planners, and housing advocates, who have all said that more housing will be built in areas where they create regulatory exemptions, including from Act 250. I offer these comments to you under the assumption that there is an agreed upon premise that we will be able to immediately increase housing production by creating exemptions in areas where we know we want housing, where municipalities and families have signaled that they need housing.

There is enough evidence to show that modernizing zoning, tax incentives, and investments will move the needle and what we need in this moment is to move the needle. We can preserve the beauty of our state and encourage the growth in the areas where we want it at the same time.

Recent data shared with the Agency indicated that only 6% of renters can afford the median cost home in Vermont as of 2023. That is alarming. It should alarm all of us. And to me and my Team it signals that we need to be doing everything we can, and expending all of our energy on, ways to move the needle.

All Vermonters need more housing options. We need them for young people just getting their start, families with kids who attend our schools, older people looking to downsize, individuals and families experiencing homelessness, as well as people who want to move here and share the Vermont experience with us.

We didn't get here overnight. It took decades of underbuilding AND this problem cannot be solved with state spending and programmatic investments alone. We firmly believe we can preserve our rural working lands and key natural resources while supporting the rehabilitation of blighted housing stock and adding new housing units. So please give us two bills so we can accomplish those goals together.

Understanding the likelihood of getting two separate bills is slim, the following are the Administration's "must haves" of the provisions of S.311 that must be included in a final housing bill, or added to a combined bill:

- **Adopt S.311 position to add an Environmental Judge to further expedite appeals:** An additional judge should be added, as per S.311, to expedite processing and efficiency of the Environmental Court.
- **Adopt all other appeals updates in S.311:**
  - o The appeals updates in S.311 make several updates to the appeals process including increase the threshold for appeals from 10 people to a minimum of 25 people who participated in the process or, up to 3% of the recent census population.
  - o Prohibits appeals of: 25 units of housing in areas served by water/sewer, housing that doesn't require conditional use review, and housing in designated area.





- **Adopt S.311 Interim Act 250 relief.** The Administration supports the immediate interim Act 250 exemptions as laid out in S.311. Department of Housing and Community Development Commissioner Alex Farrell offered some opportunities for refinement, in addition to these interim exemptions sunsetting in 2029. This interim proposal is built on similar logic to the longer-term vision. While work is **commencing** on the development of the new location-based jurisdiction tiers and mapping, these interim exemptions will allow housing to be built now.
- **S.311 Zoning and municipal changes:** The Agency has been made aware of instances where towns are trying to work around provisions passed last year in Act 47. There is language in S.311 that address those concerns by clarifying provisions from Act 47 and expand upon those provision with further updates such as parking bylaws, the increased density requirements for places with water and sewer, and other clarifications to Act 47.

### **Other Housing Provisions**

The Agency would like to see the following policy proposals included in the final housing bill or added to the combined H.687, and restored to the Administration's original funding request:

- Tax valuation freeze for blighted properties at 5 years; it is currently in H.687 for 2 years.
- Property transfer tax exemption for blighted structures proposed in H. 719
- Funding of VHIP at Governor's recommend (\$6,000,000 one-time, GF)
- Healthy Homes at Gov's recommend – (\$2,000,000 one-time, GF)
- MHIR Gov's recommend – (\$2,000,000 one-time, GF)

### **Changes to H.687**

The Administration did participate in testimony in the House to communicate concerns with H.687, but many issues were not resolved and additional issues have come to our attention in each of the new iterations of the bill. The Administration is actively reviewing the most recent version of the bill (Draft No. 3.1 posted 4/16 at 9:56pm) and therefore the following should not be considered an exhaustive list of the changes the Administration may wish to see. We would be happy to provide further comment should you wish to engage with us.

- **Appeals must stay with Environmental Court:** The Administration does not believe that the Land Use Review Board should hear appeals. By bifurcating appeals, we anticipate that it will further increase permit time and increase in potential development costs.
- **Tier 1a requirements need to be scaled back.** The Administration agrees with and supports the position of the Regional Planning Commissions, and the testimony submitted by Charlie Baker. Tier 1a and 1b criteria need to be simplified if we want towns to actually be able to participate. The Committee heard briefly from Secretary Moore and Commissioner Farrell that the threshold right now is far too high.
- **Adopt Tier 3 Definition and Rulemaking Directives from House As-Passed Version of H.687.**
- **Updated and fixed timeline for Implementation of Land Use Mapping and Tiered structure.** The timeline to establish and create the tiered system in S.311 will allow more time to create a realistic and thoughtful onramp for the development of the tiered jurisdiction. The timeline for creating the tiered jurisdiction in H.687 is not realistic. The timeline for the creation of the newly established Land Use Review Board and their defined duties is also not realistic. The Committee has heard testimony to this fact from Secretary Julie Moore and others. The Natural Resources Board has also provided a detailed, more manageable timeline.





- **The bill is not properly resourced.** The Administration maintains that this bill is not properly resourced. The bill lacks the monetary support for the new roles and responsibilities within the bill, but in addition it lacks the staff needed to be successful.

Thank you again for the opportunity to testify.

A handwritten signature in cursive script that reads "Lindsay Kurrle".

Lindsay Kurrle, Secretary  
Agency of Commerce and Community Development

