

Testimony on S.100 Housing Opportunities Made for Everyone

April 19, 2023

The Vermont Association of Realtors® represents over 1800 members across the state who work every day to help their clients achieve the dream of home ownership. We are on the front line of our housing crisis, restricted by the lack of availability of homes for sale, especially workforce housing for first time homeowners.

When we think about Vermont's goals to support traditional compact settlement patterns, we think about villages nestled into the countryside. Creating infill opportunities in these communities is all about small scale development of housing in an incremental manner.

Sections 1-10 of the bill address Municipal zoning and bylaw guidelines. We understand the need for standardizing permits across our municipalities and are supportive of the changes offered in the bill.

Section 16 changes 10 VSA 6001 definitions by adding a new subsection (xi) to expand the 10/5/5 definition to 25/5/5 within a designated downtown development district, a neighborhood development area or designated growth center.

One of our continuing legislative priorities is the elimination or modification of the 10/5/5 definition. More than any other component of Act 250, this definition has restricted housing in towns and villages where builders live and want to work. We appreciated the work of Senate Economic Development, Housing and General Affairs when they changed this threshold to 25/5/5.

The Senate Natural Resources and Energy committee felt that this change was too broad and limited the approach to 24 Designated Downtowns and overlay districts including 12 NDA's and 6 Growth Centers. Because 5 of the NDA's and 3 of the growth centers overlay Downtowns, this extended the 25/5/5 to only 34 distinct municipalities. As a result, over 200 municipalities in Vermont will not be able to offer this expanded threshold to encourage new housing development in their towns.

We felt that this limitation was too restrictive and along with a group of housing advocates encouraged the Senate to consider extending this higher threshold to towns with permanent zoning and sub-division bylaws as identified by the Natural Resources Board, commonly known as 10-acre towns. We recognized that this expansion may have been too broad as well, not focusing development in areas most suitable for smart growth and infill development.

As discussion of this enhanced threshold moved to the House, a new proposal to include Village Centers with permanent zoning and subdivision bylaws has been

brought forward by your rural caucus. This proposal would open the 25/5/5 enhanced threshold to the 138 10-acre towns, but only in their village centers. Village Centers provide tax credits for historic rehabilitation, façade improvement and for building code improvements in tightly drawn downtown commercial and civic districts. While there may be existing residential in this area, village centers are too small to allow for new residential development.

We propose that Village Centers that have permanent zoning and subdivision bylaws and can provide municipal service as defined by the Senate Natural Resources amendment (shown in blue below) should receive this 25/5/5 enhanced threshold. This would require changes to section (xi) on page 20 of the bill you received from House General and Housing. This would apply to around 100 towns in Vermont including the already identified downtown centers and municipalities with permanent zoning and subdivision bylaws.

Proposed Language Change

(xi) Until July 1, 2026, the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, with 25 or more units, constructed or maintained on a tract or tracts of land, located entirely within a designated downtown development district, **a village center with permanent zoning and subdivision bylaws that has at least one of the following: municipal sewer infrastructure, a community or alternative wastewater system approved by the Agency of Natural Resources, or a public community water system and** a designated neighborhood development area, or a designated growth center, owned or controlled by a person, within a radius of five miles of any point on any involved land and within any continuous period of five years.

The language in Section 16b that requires a jurisdictional opinion does not seem to work correctly. We have included guidelines for jurisdictional opinions with our testimony.

Section 17 looks to add an Enhanced village center designation. We feel that additional designation centers at this point may not be appropriate since the AHCD has hired a consultant to look at all the designation areas. This designation would require permanent zoning and subdivision bylaws that are already present in the NRB 10-acre towns. Many of these towns have municipal sewers, community or alternative systems or community water systems already. We already have these criteria in place.

Section 18 and 19 allow for enhanced destination so long as municipalities meet the model municipal bylaw created by the Natural Resources Board by Jan 1, 2024. This is the earliest that a municipality could apply for this designation is well after January first if the parameters are set on time and they can figure out how to meet the requirements of



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this designation. With the designation report due this year, we feel that this enhanced designation program is not necessary at this point.

Ultimately, the need for designation could fall into three simple areas, Downtown, Villages and New Town Center commercial and civic areas, Neighborhood Development Areas that surround and include these core designation areas and working lands that should have different development criteria.

Respectfully submitted,

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