

H.823 Overview

The proposed incentives are based on stakeholder input (Act 59 Outreach) to reduce the cost and improve the predictability and timeliness of state permitting in designated areas.

Changes to increase the supply of housing in Downtowns, Growth Centers and Neighborhood Development Areas:

- **Increase the “smart growth” unit thresholds** for “mixed-income” residential development with a unit count scaled to the population of a municipality (see table).
- **Adjust the definition of “mixed-income”** for rental housing to require that 20% of units be affordable to households making 80% (currently 60%) of county median household income, for a period of 20 years (currently 30 years).
- **Clarify an existing jurisdictional trigger** for projects located within Downtowns, Growth Centers and Neighborhood Development Areas, so that jurisdiction over a project would be made counting only the housing units included in that discrete project.

Population	Existing Unit Threshold	Proposed Unit Threshold
15000+	200	275
10,000 - 15,000	100	150
6,000 - 10,000	50	75
3,000 - 6,000	30	30
<3000	25	25

Changes to encourage all development in Downtowns, Growth Centers and Neighborhood Development Areas:

- **Streamline state permit reviews within Designated Downtowns.** Downtown developments are not required to obtain an Act 250 permit if the project meets state energy efficiency requirements and state agencies determine the project has no substantial impact on:
 - historic sites (ACCD, Division for Historic Preservation)
 - state land and roads (VTRANS & BGS)
 - important natural resources (ANR)
 - prime agricultural soils, mitigated 1:1 (AAF&M)
- **Reduce the cost and increase the flexibility to mitigate primary agricultural soils.** Projects located within Downtowns, Growth Centers and Neighborhood Development (associated with Downtowns) areas are eligible to pay on off-site mitigation fee for any impacted prime-agricultural soils at a ratio of 1:1.
- **Define “existing settlement” and “strip development”** to encourage development in designated (or similar areas), promote more efficient use of land and existing infrastructure, build upon Vermont’s traditional development pattern, support working lands and protect natural resources.
- **Amend Criterion 5 (transportation)** to allow for reduced “Level of Service” and promote transportation alternatives (walking, biking, public transportation) in designated areas.
- **Target ANR wastewater funding to designated areas.** Clarify that funding for sewer line extensions only applies to projects in designated Downtown, Growth Center, or Neighborhood Development Areas.
- **Accelerate state waste water permits.** Allow licensed engineers to certify connections for state wastewater permits in Downtowns. ANR to approve the permits administratively, without a site visit or other analysis.