



Vermont Housing & Conservation Board

House Natural Resources and Energy Committee

Friday, February 12, 2016

§ 302. Policy, findings, and purpose

(a) The dual goals of creating affordable housing for Vermonters, and conserving and protecting Vermont's agricultural land, forestland, historic properties, important natural areas, and recreational lands are of **primary importance to the economic vitality and quality of life of the State.**

(b) In the best interests of all of its citizens and in order to improve the quality of life for Vermonters and to maintain for the benefit of future generations the essential characteristics of the Vermont countryside, and to **support farm, forest, and related enterprises**, Vermont should encourage and assist in creating affordable housing and in preserving the State's agricultural land, **forestland**, historic properties, important natural areas and recreational lands, and in keeping conserved agricultural land in production and affordable for future generations of farmers.

- (3) “Eligible activity” . . . including activities which will encourage or assist:
- (A) the preservation, rehabilitation, or development of residential dwelling units which are affordable to lower income Vermonters;
 - (B) the retention of agricultural land for agricultural use, and of **forestland for forestry use;**
 - (C) the protection of important wildlife habitat and important natural areas;
 - (D) the preservation of historic properties or resources;
 - (E) the protection of areas suited for outdoor public recreational activity;
 - (F) the protection of lands for multiple conservation purposes, **including the protection of surface waters and associated natural resources;**
 - (G) the development of capacity on the part of an eligible applicant to engage in an eligible activity.

Housing and Conservation Trust Fund

32 VSA § 312

- By statute, 50% of revenue from the property transfer tax (PTT) after a 2% reduction for the Tax Department.
- PTT is the source because as property transfers increase, the pressure on affordable housing and important land and farm resources also increases.
- However, VHCB does not always receive the full amount of funding set by statute.
- In FY17, statutory amount would be \$19.4 million. Governor recommended \$14.1. (\$11.3 million from General Fund; \$2.8 million from Capital Bill.)
- Full funding would allow for more forest and farmland conservation, water quality protections, business assistance to farm and forestry businesses and affordable housing.

Conservation easements are an important water quality improvement tool. VHCB easements:



- Prohibit industrial development
- Limit commercial and residential development
- Require forest management planning
- Prohibit mining and trash dumping
- Limit % of impervious surfaces (farms)
- Can require wooded buffers near surface waters and unique natural communities
- Limit forestland conversion
- Require agricultural mgt plans (since 2014)

VHCB Results in FY 2015 and FY 2016

2015

388 affordable housing units

24 farms—3,623 acres

8 natural area projects—
2,695 acres

2 historic projects

82 Viability Program participants

2016

429 affordable housing units

26 farms—3,721 acres

7 natural area projects—
3,638 acres

1 historic project

80 Viability Program participants

Total invested in two years: \$20.3 million

Total leveraged from other sources in two years: \$140 million

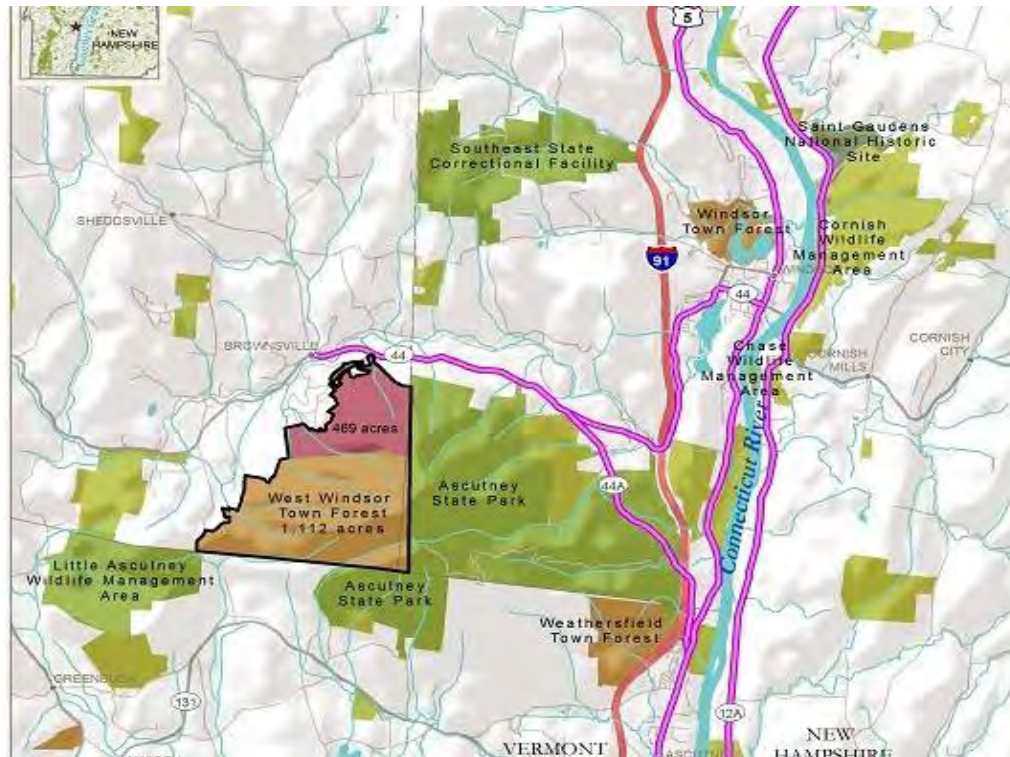
For more information, see the [VHCB 2015 Annual Report](#) and the [2015 Vermont Farm & Forest Viability Program Annual Report](#)

VHCB Forestland Conservation



- Forests are the best form of land use for sustaining water quality and quantity. Studies clearly show that the amount of forestland within a watershed is an indicator of water quality and healthy aquatic ecosystems.
- 9,618 acres of forestland were conserved by VHCB in the last 3 years.
- VHCB forestland easements now contain special restrictions designed to protect surface waters (wetlands, waterways, water bodies).
- VHCB has a new focus on private forest and private sugarbush conservation (these projects require robust management plans that address water quality).

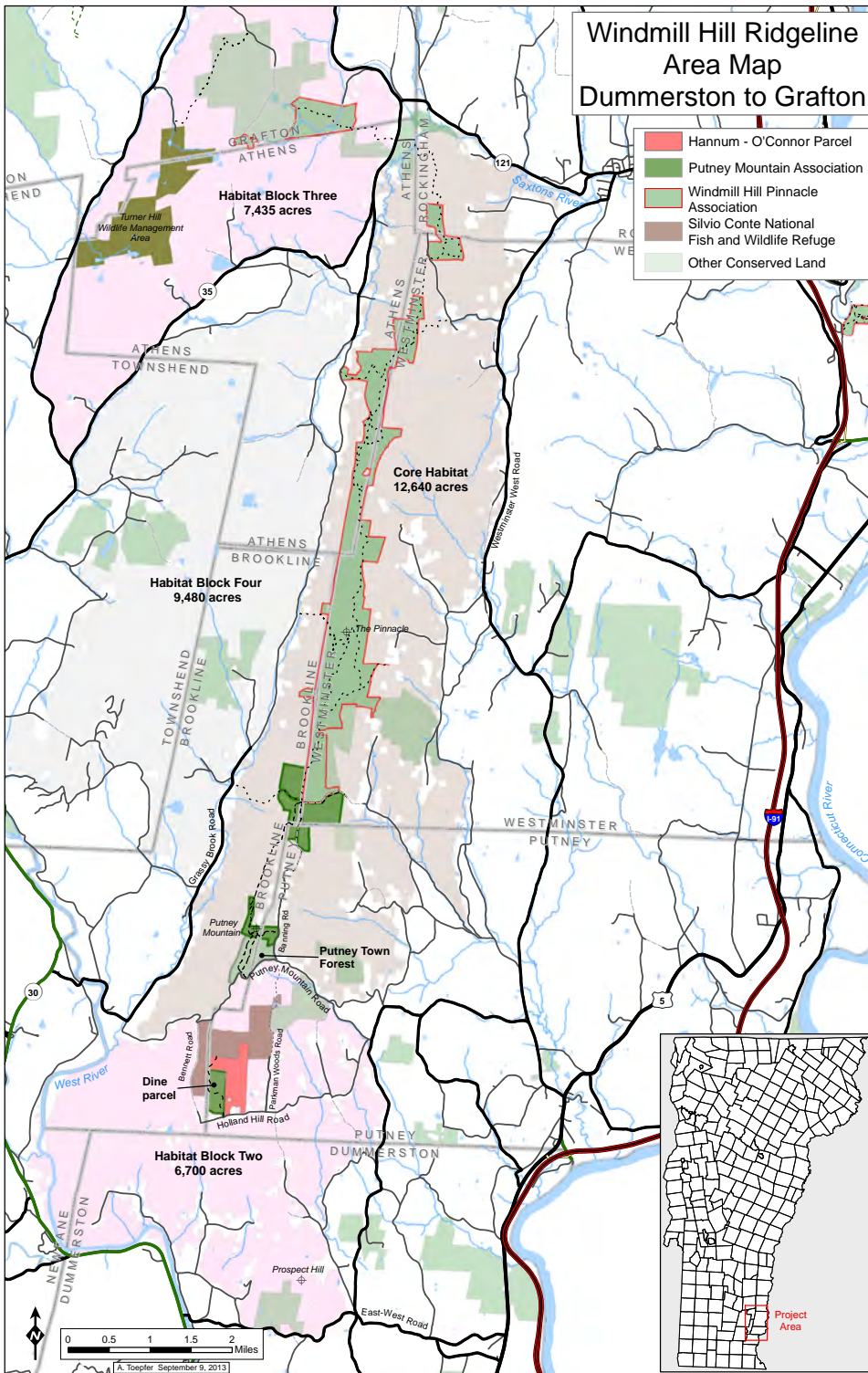
Mt. Ascutney Addition to West Windsor Town Forest



VHCB funds helped the Town of West Windsor acquire 469 acres of the former Mt. Ascutney Ski Area, permanently protecting part of a 49-mile mountain bike trail network, 17 miles of hiking trails, and contributing to the economic revitalization of the area. The Town also donated an easement on an existing 1,112-acre town forest that protects headwater streams and biodiversity.

Impact of Outdoor Recreation on the Vermont Economy

- Outdoor recreation is big business in Vermont, generating \$2.5 billion in consumer spending and comprising 12% of the state's gross product.
- 73.7% of visitor spending is captured and recirculated in regional economies, with trail users alone spending \$100 a day.
- The estimated yearly economic impact of the 110-mile Kingdom Trails network to the region is \$6.5 million. With an 18% yearly growth rate since 2004, the recreation system is a low impact, high-value economic driver.
- Residential property values decreased by \$12.9 M the 3 years following the closure of Mt. Ascutney ski area in 2010. Over the next few years the town's efforts to promote their trail system and reestablish a community ski area should increase the value of residential properties, lower tax rates and help stabilize the economy.



Windmill Hill Pinnacle Association and the Putney Mountain Association

Since 1996, VHCB has made multiple grants to conserve 1,808 acres along a ridge-line running through Rockingham, Athens, Grafton, Brookline, and Westminster. These publicly-accessible lands include a 20-mile hiking trail system and wildlife sanctuary.



Willoughby Peaks, - 2,695 acres of conserved forestland in Westmore, protecting 199 acres of wetlands, 8 miles of headwater streams, much of the shoreline of 2 ponds, 4 miles of public trails, and 5 peaks over 2,000 ft.

VHCB and Water Quality Since 2012

- Adopted Water Quality and Flood Resilience Guidelines;
- Revised Conservation of Agricultural Lands policy to incorporate water quality/flood resilience attributes;
- In partnership with USDA Natural Resources Conservation Service (NRCS), now requires a management plan (ALE plan) addressing soil health & water quality prior to closing on a farm easement purchase;
- Includes special easement language protecting surface waters on projects that contain them;
- Pledged over \$5 million match to the state's \$16 million Regional Conservation Partnership Program (RCPP) award from NRCS;
- Farm and Forest Viability Program awarded over \$700,000 from Commonwealth Dairy to 27 dairy farms—48% of the awarded funds were for water quality-related improvements;
- Farm and Forest Viability Program now offering farms financial planning and technical services related to water quality investments and practices.

Farmland Protection & Water Quality

In the past 3 years, VHCB has protected:

- 74 farms and over 9,600 acres
- 49 farms in the Lake Champlain Basin
- 46 have special water quality easement protections
- 35 have or will have NRCS ag management plans
- In FY16, 23 out of 26 farms—all those with surface waters—include special easement protections

Marquis Farm, Newport

90-COW ORGANIC DAIRY ON ROUTE 100 IN THE MISSISQUOI WATERSHED

- FY16 RCPP project—VHCB committed RCPP & WQ Bond funds to conserve these 120 acres of cropland
- Fields were identified as critical source areas for potential phosphorous loading
- At least 35' buffers on all ditches and wet meadows specified in easement
- The Marquis are working with NRCS through EQIP on new manure pit, paved barnyard and fencing on home farm
- Marquis home farm (an additional 126 acres) is a potential RCPP project in 2017
- Conserving both parcels will reduce debt and cover the farmers' EQIP cost share



Harrison & Kilby-Harrison Farms, Addison

The Harrisons enrolled in conservation programs to protect tributaries of Dead Creek flowing into Dead Creek Wildlife Management Area, and then conserved the 2 farms with VHCB. The easement ensures that the riparian buffers are permanent. Proceeds from the sale of development rights will help fund infrastructure improvements that enhance both water quality and herd health.



Decline of Phosphorous in the LaPlatte River

VHCB has conserved 17 parcels encompassing 2,200 acres along the LaPlatte. According to the U.S. Geological Survey, between 1990 and 2012, total phosphorous loading in the LaPlatte decreased 2.6% as a result of improvements in nonpoint source management and upgrades to wastewater treatment facilities.



Harrington Village, Shelburne

This VHCB-funded housing project features 13 acres of conserved natural area on the LaPlatte River as well as a fully engineered stormwater retention facility.



Habitat for Humanity Home: Green Bush Road, Charlotte

Katie Palmer and her sons in front of the net-zero home constructed by Green Mountain Habitat for Humanity on land near the town green that was donated by the Vermont Land Trust.

“The opportunity to have a home that is ours, that we are paying the mortgage on, that’s affordable, that’s in a beautiful location—you know my boys are going to come home from college to the house they grew up in.”



Algiers Village

The Windham & Windsor Housing Trust and Housing Vermont construct-ed new apartments in the village center to create 17 homes. The \$4.3 mil-lion development used \$425,000 in VHCB funding and \$265,000 in federal HOME funds awarded by VHCB.



Energy Efficiency and Generation/Carbon Savings

- Energy retrofits to 3,444 apartments with an average 30% reduction in fuel use
- 915 new construction and adaptive reuse units built above energy code standards
- Solar thermal systems installed in 80 buildings with 1,378 apartments
- Biomass heating systems installed and planned in 27 buildings with 706 apartments
- Photovoltaic systems installed in 13 buildings with 356 apartments
- 650 KW of community solar PV provide net metering credits to 12 properties with 480 apartments



Modular Housing Innovation Program

- Partnership with VerMod High Performance Modular Homes, Wilder
- 30 new net-zero-capable homes delivered
- 2 mobile home parks with 27 net-zero-capable VerMod rental units under development
- Homes consume 1/3 the fuel of traditional manufactured homes
- Net-zero performance with solar package

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