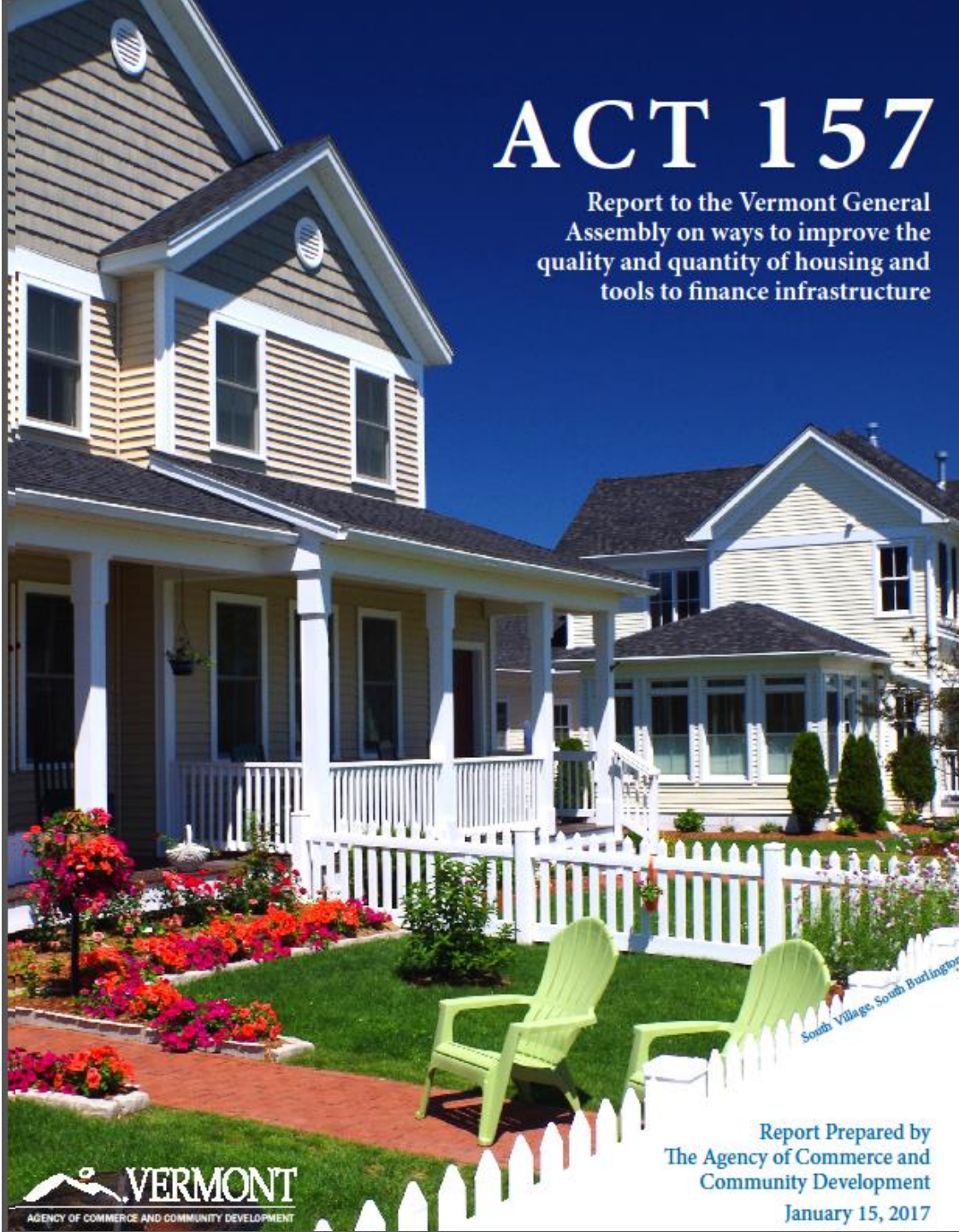


ACT 157 and S. 100



ACT 157

Report to the Vermont General Assembly on ways to improve the quality and quantity of housing and tools to finance infrastructure



South Village, South Burlington

Act 157

Steering Committee

H.702 – \$1m for ‘Workforce Housing’ related infrastructure

Bob Giroux

Executive Director, Vermont Municipal Bond Bank

Christopher Louras (municipality with a designated DT, GC or NDA)

Mayor, City of Rutland

Dominic Cloud (municipality with a TIF District)

City Manager, City of St. Albans

Erik Hoekstra (private housing development)

Managing Partner, Redstone Commercial Development

Jake Feldman (Dept. of Taxes)

Research Statistician, VT Department of Taxes

Jen Hollar (VHCB) Director of Policy and Special Projects, Vermont

Housing and Conservation Board

Joan Goldstein (DED)

Commissioner, VT Department of Economic Development

Josh Hanford (DHCD)

Deputy Commissioner, VT Department of Housing and Community Development

Mike Harrington (municipality with a designated DT, GC or NDA)

Economic and Community Development Director, Town of Bennington

Robin Scheu

Executive Director, Addison County Economic Development Corporation

Sarah Carpenter (VHFA)

Executive Director, Vermont Housing Finance Agency

Trevor Lashua (municipality with a priority housing project)

Town Administrator, Town of Hinesburg

Wright Preston (private lender)

Vice President, Commercial Banking, Northfield Savings Bank

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Timeline

9.26.16 – Steering Committee Meeting # 1

10.12 - Housing Development Stakeholders Meeting

10.21 - Housing Developer Survey Due (extended 10/28)

10.21 - Municipal Survey Due

10.31.16 – Steering Committee Meeting # 2

Review survey results

Identify top recommendations

Review report outline

12.16.16 – Steering Committee Meeting # 3 (final meeting)

Discuss and refine draft report

1.15.17 – Submit Final Report to General Assembly

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What we heard

State agency goals and development review can sometimes be inconsistent or undermine each other. These conflicts can delay approvals and result in missed opportunities to use limited staff resources efficiently and effectively.

State regulatory framework (Act 250 and State permitting) could benefit from updates to reduce the cost and time it takes to build housing in areas designated for growth.

Vermont's short building season and narrow margins mean delays are costly and can prevent projects from going forward.

State and local permitting could be improved with better coordination and integration.

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What we heard

Local development review can be slow, unpredictable, and inconsistent which can add cost to development.

Local appeals or the threat of appeal can delay or substantially reduce the number of units proposed in a housing development.

The cost to hire a licensed designer and the perceived complexity of the state and local water and wastewater permit process has discouraged smaller developers from creating new units in existing buildings.

Developers state that outdated local requirements (zoning bylaws) for more parking than necessary, overly-wide streets, impact fees, and low densities add to the cost of development (in some cases several thousand dollars per housing unit) and result in underutilized land.

Municipalities feel there are too few resources to help them modernize their regulations and the work required for state designation is greater than benefits offered.

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What we heard

Many federal and state funding sources for infrastructure are no longer available, Tax Increment Financing (TIF) is limited to ten municipalities statewide and there are few other resources communities can access to fund or finance infrastructure.

Many communities around the state do not have the necessary infrastructure (stormwater and wastewater infrastructure) to support new development.

Most critical infrastructure cannot be seen – water, sewer and culverts – and therefore it is easier to overlook their maintenance when funds are limited.

Vermonters are concerned that their taxes are too high and consequently elected officials are reluctant to bond for long-term infrastructure improvements.

Municipalities have looked to the private sector to build needed infrastructure to support housing and economic development, but cost to build or improve infrastructure is difficult to privately finance, adds to construction costs and increases the price of housing built.

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Steering Committee Recommendations

Regulatory Reforms:

Modify the Priority Housing Project Act 250 exemption to benefit more housing projects.

Create a single point of contact to coordinate and accelerate state permitting for housing projects.

Encourage greater municipal control of water and wastewater permitting.
Offer municipalities financial incentives to make housing development happen.

Link new housing incentives to updates in local regulations.

Consider increasing the income level used to calculate the maximum price of owner-occupied homes considered “affordable” for purposes of the Vermont Planning and Development Act (Chapter 117) from 80% of median income to up to 120%.

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Steering Committee Recommendations

Infrastructure Financing:

Increase or Eliminate Statutory Cap on TIF Districts.

Dedicate Revenues for Housing Infrastructure.

Expand Downtown Transportation Fund.

Create a Revolving Loan Fund for Housing Infrastructure Development.

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Steering Committee Recommendations

Tax-based incentives and reforms:

Update the tax code to encourage housing investment that provides a high return on public investment in existing infrastructure.

Support the investment and rehabilitation of distressed homes with changes to the treatment of real-estate gains.

Eliminate the land gains tax to support new housing construction.

Expand the existing use tax (sales tax) exemption available to contractors completing a qualified priority housing project.

Increase funding for the Downtown and Village Center Tax Credit program and explore ways that these credits could be used to better support housing needs.

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Steering Committee Recommendations

Housing Financing:

Funding and other recommendations:

Provide capital incentives (low interest loans and grants) to improve existing housing stock.

Maximize the use of existing housing stock by providing education, support and services to ensure a successful rental housing market

S. 100 Housing for All

A Plan to Strengthen the Economy

S. 100

Support the \$35 Million Housing Bond

- Creates more housing in areas designated for growth and reinvestment.
- Encourages more mixed-income housing projects.
- Provides housing for the most vulnerable.

S. 99

Increase the Number of Tax Increment Financing (TIF) Districts

- Brings this important infrastructure investment tool to other communities across the state.
- Enables new infrastructure investment to support new housing opportunities, grow jobs and strengthen communities.

S. 100

Add \$200,000 to the Downtown and Village Center Tax Credit program

- Stimulates investment in older and historic buildings.
- Brings buildings up to code with fire sprinklers, elevators, accessibility and technology improvements.
- Targets co-working spaces that attract new entrepreneurs and business to Vermont's 24 designated downtowns and 124 village centers.

S. 100

Expand the 'Priority Housing Project' (PHP) Exemption from Act 250

- Removes the cap on the number of housing units in a Priority Housing Project for communities with populations over 10,000.
- Adjusts the "affordable" rental compliance requirements to build more housing for all.
- Allows permitting benefits for new housing projects that have existing Act 250 permits.

Priority Housing Project

Burlington – Bright Street Cooperative



Project Details

- 42 Units (1BR to 4BR)
- Rents: \$650-\$1425 (Includes heat)
- Mixed Income
- 1.35 Acres (58% lot coverage)

Project Savings

Act 250 Savings \$51,000

+3 months time
+ risk of appeal

Wastewater Fee savings - \$2,950

Prime Ag Mitigation - None



DT



NTC



NDA

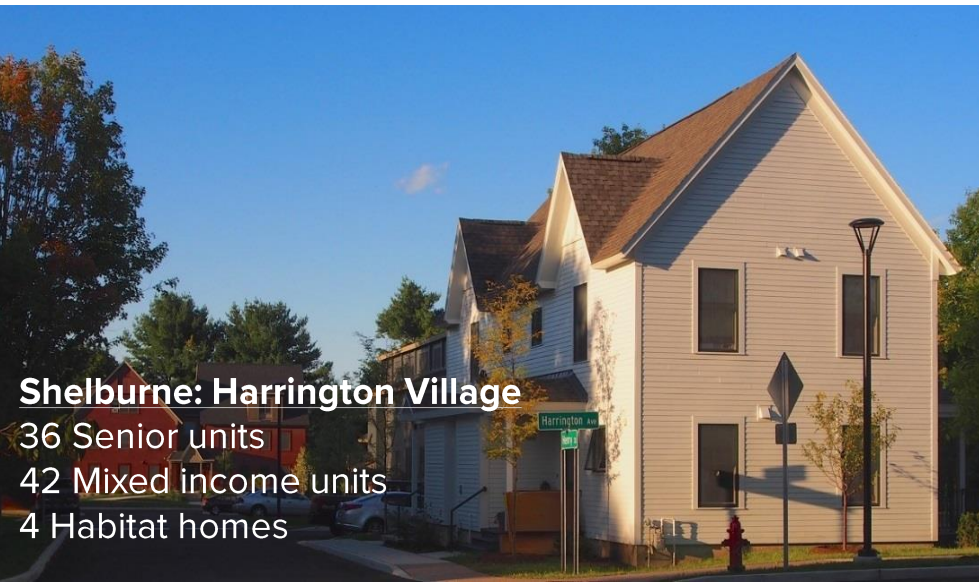


GC

Act 157

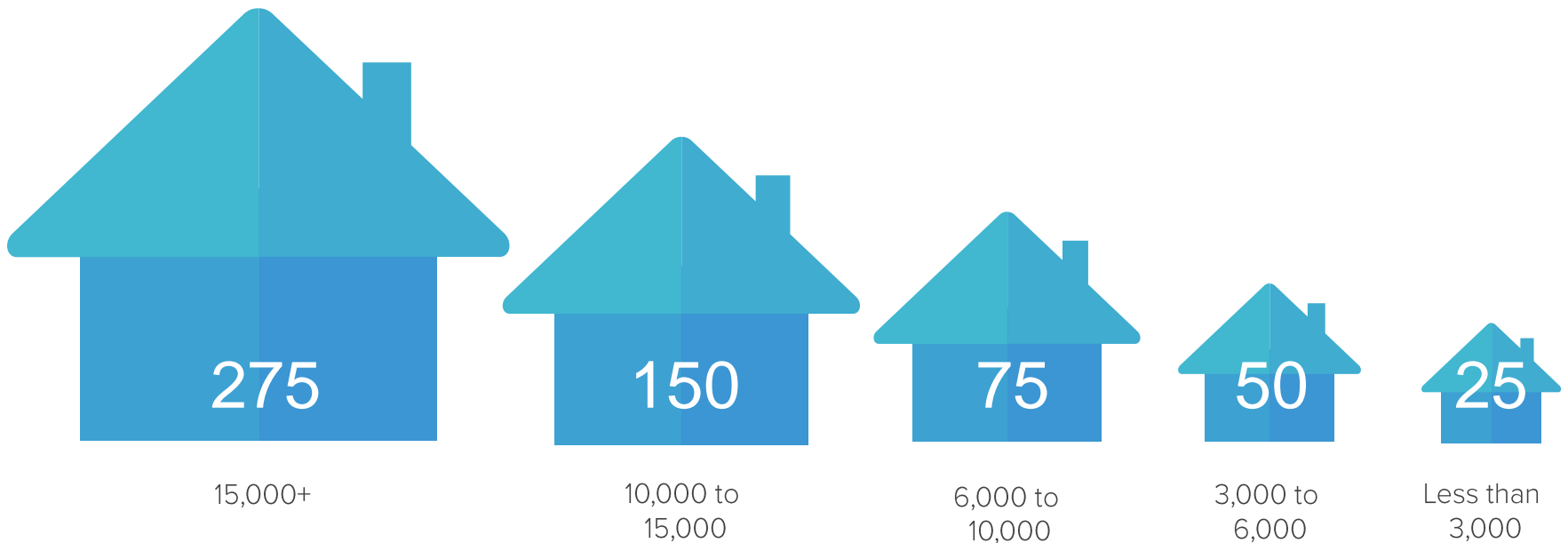
PHP findings

- Supported the development of more than 200 housing units
- Saved more than \$250,000 in permit fees
- Reduced permit timelines by 6 months



Priority Housing Projects

Act 250 Threshold increase from 10 units to:



Population of Municipality



DT



NDA



NTC



GC

S . 100 - Priority Housing Projects

Act 250 Threshold increase from 10 units to:

PERMIT NOTICE

Address: _____
Applicant: _____
Project Description: _____

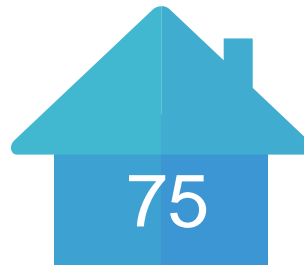
Permit / Approval
Type: _____
Date Issued: _____
Appeal by: _____

Public Hearing
Date / Time: _____
Place: _____
Purpose: _____

For more information contact: _____

Applicant: This notice shall be displayed on the subject premises and be clearly visible from the public way. Notice shall be displayed at the time of application and shall not be removed until after the appeals expiration date.

VERMONT STATE OFFICE OF EDUCATION & TRAINING COLLABORATIVE



6,000 to
10,000



3,000 to
6,000



Less than
3,000

S. 100 - 10,000 and above

Population of Municipality



DT



NTC



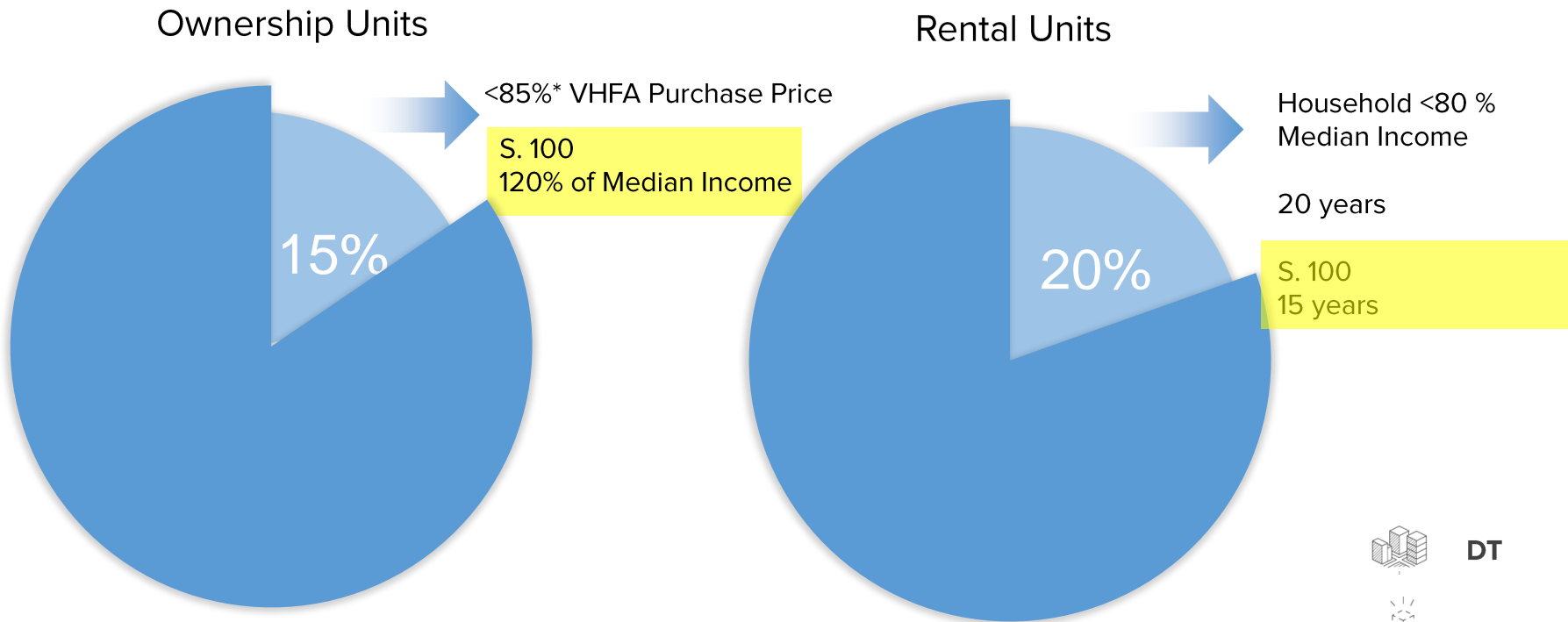
NDA







GC

S. 100 - Priority Housing Projects

Act 250 “Mixed Income Housing Jurisdictional Threshold”



*or 20% of units at <90%

-  DT
-  NTC
-  NDA
-  GC

S. 100 - Priority Housing Projects

Act 250 Permit Jurisdiction



DT

No permit or amendment needed



NTC

Permit or amendment required



NDA

S. 100– no amendment needed if existing conditions are respected



GC



Burlington: BHA Community Home
Group home with caretaker apartment