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HOUSING AND MILITARY AFFAIRS

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MEMORANDUM

To: Rep. Bill Botzow, Chair, Committee on Commerce and Economic Development

From: Rep. Helen Head, Chair, Committee on General, Housing and Military Affairs

Date: April 19, 2017

Subject: Review of S.135

On behalf of the House Committee on General, Housing and Military Affairs, thank you for the opportunity to review and provide recommendations on S.135, An act relating to promoting economic development.

The Committee took testimony and considered those provisions of the bill that fall under its jurisdiction, specifically, Sec. F.1 and the "H" sections relating to housing. The Committee respectfully reports that it supports the bill, subject to the following:

1. **Sec. F.1:** The Committee finds that Sec. F.1, regarding a legislative study on the Vermont minimum wage, is unnecessary and recommends that it be struck from the bill.

As you are aware, the General Assembly anticipates a report from Tom Kavet this month concerning the minimum wage that will address many of the issues raised by Sec. F.1. Furthermore, the House has received extensive testimony on this issue and has built a substantial record to serve as the foundation for future action. With this record, the anticipated Kavet report, and with additional work through the legislative committee process next session, we believe the General Assembly will have the information necessary to make decisions concerning the minimum wage and related issues. Therefore, the Committee concludes that the additional time and expense of the study required in Sec. F.1 is duplicative and unnecessary.

2. **Secs. H.1–H.10:** The Committee supports the “H” sections of the bill relating to housing with two caveats:

(A) The Committee supports the clarifying amendments in Secs. H.3 and H.5, as proposed by the House Committee on Natural Resources, Fish and Wildlife

(B) The Committee does not take a position on Sec. H.6, requiring priority housing projects to meet or exceed the stretch codes established by the Department of Public Service.

While the Committee recognizes the long-term economic and environmental benefits that the stretch codes produce, and is cognizant of the State’s long-term energy goals, the purpose of the housing sections of S.135—and in particular the regulatory changes concerning priority housing projects—is to promote the development of housing in areas designated for smart growth. Among other benefits, housing developed in these areas should result in lower transportation-related energy costs and environmental impacts, while significantly contributing to the amount of affordable housing available to Vermonters.

On balance, the Committee’s concern is that applying the stretch codes to priority housing projects could diminish or deter the amount and type of smart growth and affordable housing development that the “H” sections are designed to promote. Therefore, the Committee requires additional information concerning the consequences of applying the stretch codes to priority housing projects and does not take a position on Sec. H.6 at this time.