

Draft Housing Bill Testimony, 2.14.17, 11:00 AM – Follow Up

Katie Buckley, Commissioner, Department of Housing and Community Development

- 1. Draft language for inclusion in the Housing Bill** – There are four priorities in our Plan to Strengthen the Economy and Make Vermont More Affordable. They are: support the housing bond, increase the number of TIF districts by lifting the cap, add \$200,000 to the tax credit program and expand the priority housing project (PHP) exemption from Act 250. David Hall has already added language to the draft regarding the bond (furnished by VHCB) and PHP's (taken from H. 194, the Baser/Deen bill). I have sent along language directly to David for TIF and tax credits.
- 2. Excess Demand Chart for Downtown and Village Center Tax Credits** – I have asked my staff to compile this information for the Committee. As soon as it is complete I will forward it along.
- 3. Selection Criteria and Scoring for Tax Credit Applications** – Applications are awarded annually in July. I have asked my staff person who administers the Tax Credit Program for an application template from last year's round for your reference. I will forward it along as soon as I have it.
- 4. The Downtown and Village Center Tax Credit Program is overseen by the Downtown Board:**
The Vermont Downtown Development Board is chartered by 24 V.S.A. § 2792 and it administers the Downtown Development Act. The Board supports the preservation and enhancement of Vermont's distinctive landscape of compact centers surrounded by rural land with policies and programs including the state designation programs, rehabilitation tax credits and grants. The members of the Downtown Board represent a variety of state agencies, organizations and communities.

Board Members

- Katie Buckley (chair), designated by the Secretary of Commerce and Community Development
- Michele Boomhower (vice-chair), designated by the Secretary of Transportation
- Jen Mojo, designated by the Secretary of Natural Resources
- Michael Desrochers, designated by the Commissioner of Public Safety
- Laura Trieschmann, State Historic Preservation Officer
- Vacant, appointed by the Governor, submitted by the Vermont Natural Resources Council and the Preservation Trust of Vermont
- Thomas Torti, appointed by the Governor, submitted by the VT Association of Chamber Executives
- Scott Murphy, designated by the Vermont League of Cities and Towns
- Michael McDonough, appointed by the Governor
- Liz Gamache, appointed by the Governor
- Chip Sawyer, designated by the Vermont Planners Association
- Diane Snelling, Chair of the Natural Resources Board
- Tasha Wallis, designated by the Vermont Association of Planning and Development Agencies

5. Land Use and Development Provisions from ACCD Housing Report:

- Remove the caps on the number of housing units in a priority housing project – Agree. Caps on the number of allowed units are not working as envisioned, are arbitrary, do not consider the size of parcels and are decreasing density in some cases. Deferring to the number of units allowed under local regulations would help develop more housing in locations supported by the community
- Modify the compliance requirements related to “affordable housing” and “mixed income housing” to boost use of the incentive – Agree. To qualify as a Priority Housing Project, at least 20% of rental units must be affordable for households earning less than 80% of county median income and the affordability must be in place for at least 20 years. While developers and builders support the mixed income goals, they have concerns over the compliance cost and risk of documenting affordability over 20 years, especially on projects that do not have state or federal subsidies.
- Exempt priority housing projects from having to obtain an Act 250 permit amendment for properties that have existing Act 250 permits. – Agree. Once an Act 250 permit is issued on a tract of land, current law requires that the owner seek a permit amendment for any future changes, even if the change is to develop a Priority Housing Project (except in state-designated downtowns). Several projects that meet the state’s affordable housing goals did not qualify as Priority Housing Projects solely because they were located on land with an existing Act 250 permit. After obtaining the necessary designation and proposing a Priority Housing Project it is discouraging for developers to be faced with this limitation, especially given the state’s need for new housing.
- Link new housing incentives to updates in local regulations [???] Agree. Outdated public works standards, subdivision regulations, and zoning bylaws are often overly complicated and restrictive. Currently three of the existing state designation programs (neighborhood development areas, new town centers, and growth centers) require communities to modernize their zoning regulations to qualify for state benefits. Linking any new housing incentives to required local regulatory tune-ups can improve local permitting that results in more housing. Model regulations suitable for Vermont, would help municipalities with limited resources modernize their development review process more easily.
- Consider increasing the income level used to calculate the maximum price of owner-occupied homes considered “affordable” for purposes of 24 V.S.A. chapter 117 from 80% of median income to up to 120% Agree. While an 80% of median income limit is appropriate for affordable rental properties, allowing up to 120% of median income for homeownership developments would increase the viability of developing new homes using the incentives municipalities offer to affordable housing developments.