



TOWN OF MIDDLEBURY
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September 1, 2020

Honorable Tom Stevens, Chair
House General, Housing and Military Affairs Committee
tstevens@leg.state.vt.us

RE: Town of Middlebury Comments on S.237

Dear Representative Stevens and Committee:

We are writing to express opposition to the State mandates on minimum lot sizes and the density of multifamily uses proposed in Sec 2 of S.237.

(A) No bylaw shall have the effect of prohibiting the creation of residential lots of at least: (i) 10,890 square feet or **one-quarter acre** within any regulatory district allowing residential uses served by and able to connect to a water system operated by a municipality; or (ii) 5,400 square feet or **one-eighth acre** within any regulatory district allowing residential uses served by and able to connect to a water and sewer system operated by a municipality.

The proposed mandates on minimum lot size will compromise our ability to manage growth on the local level and create negative consequences for communities like Middlebury, whose water and sewer lines extend into the rural landscape well beyond our growth centers (see Figure 1).

The 0.25-acre lot size mandate could affect roughly 9,000+ acres of land in Middlebury currently zoned Agricultural Rural (AG) and Forest/Conservation (FOR). Under the proposed bill, approximately 36% of the total land area in Middlebury will become rural lands *outside of areas planned for growth* that are eligible for subdivision into lot sizes of 0.25 ac or less.

Middlebury's AG rural district zoning allows residential lots as small as 1 acre but limits the maximum number of lots that can be created per parent parcel, reinforcing a healthy development pattern of rural vs. village. Because water service is available widely throughout our AG rural district this bill will send density to our rural districts in the form of 0.25-acre lots, likely as small-lot subdivisions, undermining years of effort to protect open space, scenic views, working lands, forests, wildlife corridors, wetlands and other wildlife habitat.

The sprawling pattern of growth created by this bill would also take a toll on Middlebury's existing infrastructure. When water and sewer line extensions were made in the past, they were often sized for the number of users being served at the time. If small lot subdivisions begin to occur in our rural zoning districts, this will create a burden on remote parts of the system. Additional funds

will be needed for maintenance and upgrades to the water system and sewer system/pump stations. Most likely this would result in the need to raise taxes or charge significantly higher impact fees for new hookups, neither of which will encourage affordable housing.

The reasons for slow progress in new construction of affordable and market-rate housing vary by region. Middlebury's principal barrier to creating more affordable housing is not a shortage of affordable building lots served by sewer and water- it is attracting builders and developers to our region. Density bonuses are one tool for attracting development to Addison County, where the cost of construction is comparable to Chittenden County but the land values (e.g. rent and resale value) are comparatively lower. Given the fact that there is a finite quantity of housing developers in Vermont, mandating smaller lot sizes Statewide will only create more project opportunities in the greater Burlington area where developers can expect a greater return on their investment. This will likely slow development in Middlebury while simultaneously harming us by allowing unplanned growth to occur sporadically throughout our rural districts.

Notably, just because smaller lots would be created under the proposed legislation does not mean the housing constructed will be affordable or sustainable. We have seen luxury condo development in Middlebury at well above market rates. Additionally, given the low cost of purchasing a 0.25acre rural lot, we would expect to see much more low-quality construction occurring along rural roads in Middlebury in response to this mandate, rather than the well-planned, energy-efficient small lot development we desire close to downtown and other population centers. It would be better to allow municipalities to retain the authority to use density as a tool for achieving specific goals, such as granting density bonuses in exchange for affordable units and energy efficient construction.

(D) Bylaws shall designate appropriate districts and reasonable regulations for multiunit or multifamily dwellings. No bylaw shall have the effect of excluding these multiunit or multifamily dwellings from the municipality. Within any regulatory district that allows multiunit residential dwellings, no bylaw shall have the effect of prohibiting multiunit residential dwellings of **four or fewer units** as an allowed, permitted use, or of conditioning approval based on the character of the area.

The ability to regulate the number of units allowed in a multifamily use is another land use tool that needs to be determined at the local level, on a neighborhood-by-neighborhood basis.

In Middlebury, the demand for affordable single-family housing is just as urgent as the demand for apartments. The presence of Middlebury College creates additional demand on an already tight housing market with real estate investors, college parents and alumni willing to pay asking price or above for investment properties.

The impact of single-family home conversions on neighborhood vitality is well documented in places like Burlington and Montpelier. If too many single-family homes are converted into apartments, which may or may not be offered below market rate, established neighborhoods lose the critical mass of long-term residents/homeowners needed to maintain neighborhood health and vitality.

Middlebury has several historic single-family neighborhoods walking distance to the Middlebury College campus, which provide valuable housing stock for professionals looking to relocate to Middlebury. By limiting the number of dwelling units that can be created from converting a single-family use to a multifamily use on small residential lots in certain neighborhoods, we are able to save some of our most valuable and vulnerable housing stock from being chopped up into rental units. That said, there are several other neighborhoods in the Downtown area where conversions to multifamily use are allowed with no limit on the number of units created. Aware of the need to maintain a diversity of housing types in Middlebury, we have completed master planning and are working on zoning changes intended to enable new construction of a range of affordable housing types on available land throughout our Downtown neighborhoods. We are simultaneously looking for ways to engage the college and hospital as development partners in addressing the demand for new workforce housing. We are also creating incentives for adding accessory units wherever possible within existing neighborhoods, e.g. conversion of barns and carriage houses and new construction of small detached structures on owner-occupied lots.

The restrictions on local regulation of multifamily uses in Sec 2 of proposed bill S.237 would inhibit the ability of communities like Middlebury from making thoughtful specific improvements to our zoning to encourage a balance of housing types that meet the full spectrum of housing needs in our community.

If the Senate Committee would like local municipalities to do more within their local bylaws to address the statewide shortage of affordable housing, we *do not* recommend State-level restrictions limiting local authority to regulate minimum lot size and the allowed density of multifamily uses. Instead, we recommend strengthening the avenues for technical assistance to local communities through agencies like ACCD and the regional planning commissions. Local governments share your desire to increase the availability of affordable and workforce housing in our communities. Please allow us to retain local authority over these land use tools, so that together we can design context-sensitive solutions for the housing crisis that respect and support the unique qualities of our Vermont towns.

Thank you,

Jennifer Murray, AICP
Middlebury Director of Planning & Zoning

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Figure 1: Map of existing water service areas and water mains in Middlebury

