

Testimony to House Natural Resources and Energy Committee on H 197

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Madam Chair, Members of the Committee, thank you for the opportunity to comment on the changes you are considering to Act 250.

I support the goals of this bill to create a coordinated and predictable review process that will encourage development in areas appropriate for growth to facilitate the development of housing and economic development where there is good access to transportation, services, and needed infrastructure. I do not support the elimination of incentives to include affordable homes in housing developments. As I understand it, the incentives in the priority housing provisions of current law would be lost if all development in areas with enhanced designations are exempted from review. Before I address these points I'd like to take a minute of two to give you a brief thumbnail of Champlain Housing Trust and our current affordable housing activity as well as our approach to development overall as it pertains to this committee's priorities.

We serve the three northwest counties of Vermont with nearly 3,000 affordable homes and related programs that serve people from homelessness to homeownership. Over 6,000 Vermonters go to sleep every night in a CHT home and over a thousand more use our financial education programs annually. Most of our homes are affordable apartments that serve the workforce. We also have properties set-aside to house people with special needs and these have services attached provided by community partners. Over 600 homes are in our shared equity homeownership program and these have served 1,100 families to date. We also help people to buy homes in the market; we provide affordable rehab funds and services to lower income homeowners and operate a statewide mobile home purchase program. Buyers are referred to us from non-profits in other regions. All of our homes, be they rental or homeownership homes are permanently affordable to the people of our region, and support the community and economic development goals of area towns, villages and cities by assuring that the housing income mix that they plan for and work to implement is there to serve the community for the long-term.

Sixteen percent of our rentals are occupied by people who were homeless and last year 88 of our 313 vacancies were leased up to people making that step. As part of this - a core CHT strategic plan priority -we also deliver an array of services and programs to help people stay housed- from budget and financial counselling, to loans and rent forbearance, to deep social work and case management in partnership with other agencies.

Our development policy is a policy of smart growth- opportunities that do not meet this threshold criteria are not even considered. We build more densely and we build smaller homes than are typical in Vermont and this meets both our affordability and smart growth priorities. All of our homes also meet very high energy conservation standards, so much so that we include heat and hot water in our rents. We use solar for hot water extensively and have solar arrays on many of our flat-roof buildings that provide power to the grid. We have also prioritized redevelopment in our town, village and city centers adapting old building to current uses reducing waste going into landfills, and preserving historic properties as well as Vermont's traditional settlement patterns. Finally, where appropriate we also conserve open space as part of our developments including public parks, and other uses like bike paths, trails, fishing and waterfront access.

Our current development activities are a case in point: we have 60 apartments under construction in South Burlington's new City Center, another 76 in a new very dense and green Burlington redevelopment of a former college site which will build out to over 700 homes eventually. We are developing housing in St. Albans downtown in a mixed income mixed use project. We have also purchased a rental complex of 105 apartments in South Burlington that were unsubsidized but affordable to people at and below 80% median income to prevent a market sale and conversion to higher rents that would have displaced many families.

We are in a high demand, high cost region where our work is badly needed. For every apartment we lease up there are 7 fully eligible and approved households that go on waiting lists. But affordable housing is needed statewide. A VPR poll in the fall identified high housing costs as the number one cause of stress and anxiety among Vermont families- by far. And no wonder: the housing wage gap is high for Vermont's workers even in semi-skilled and starting professional jobs. The average renter in Vermont earns \$12.85 an hour which is a far cry from the \$22.40 needed to be able to afford the average 2 bedroom apartment.

That is why any planning incentives or regulatory relief offered for housing development needs to require affordability as one of the qualifying criteria. We know that land costs in developable areas of the state are high, as are new-construction costs overall. If we do not require an income mix that includes affordability, these new neighborhoods with better access to services, transportation, jobs and other amenities will exclude a large plurality of the workforce due to cost. New standards of construction to address energy use and resiliency to weather events will only add to the cost of building- and this better housing stock needs to be available to Vermonters of all incomes. The state has funding sources, a network of affordable housing developers, both for-and non-profit and other resources to support mixed-income development.

Given Vermont's well document need need for more affordable housing it is imperative that we preserve the affordability targets that currently give housing developments with a mix of incomes priority under Act 250. Neither H 197 nor the committee's draft bill includes any

housing affordability targets among the new criteria qualifying for permit relief. The amendments in this Bill affirm or enhance design criteria, protection of wildlife and natural habitat, including waterways, historic preservation and the preservation of views – all important things, but leaves out the most important consideration of residential development- equitable access to Vermont’s most precious resource: our people, people of all walks of life, age, ability and income.

I have just two other more general suggestions about the proposed reform that echo recommendations made by the Chittenden County Regional Planning Commission. The first is that before creating a sixth designation, consideration could be given to reviewing all the multiple designations to see if any can be merged or folded in. All of the designations have the purpose of facilitating development in built-up areas. A related point is that some of these designations, especially the Downtown Districts and Growth Centers have been very narrowly drawn and could be expanded.

In closing I would encourage you to assure that all future measures that are taken to protect Vermont’s natural resources, preserve our traditional settlement patterns and reduce our carbon footprint are undertaken with a commitment to social equity and equality of access- which means that we have to consider the costs of these solutions, who pays for them and who benefits from them. Lower income Vermonters in mobile homes bore the brunt of loss from Tropical Storm Irene, and had the hardest time accessing equally affordable replacement housing. We now know that without intentional planning for affordability those with fewer resources- who, as a group have the lowest carbon footprints- will be priced out and thus left out of our more sustainable and resilient communities and homes.

Please include affordable housing in all planning designations, consider affordability in any new construction and weatherization standards and please count on Champlain Housing Trust and Vermont’s network of affordable housing producers to assist you in developing socially and economically equitable solutions to climate change, and to assisting communities and developers who seek to include housing affordability in Vermont’s new neighborhoods.