



Chair Amy Sheldon
House Committee on Natural Resources, Fish, and Wildlife
Via email

April 15, 2021

Chair Sheldon and Members of the House Committee on Natural Resources, Fish, and Wildlife,

Thank you for the opportunity to comment on S.101, *An act relating to housing choice and opportunity in smart growth areas*. Though the Vermont Natural Resources Council is a statewide environmental organization, since the start we have also promoted livable communities that provide housing, transportation, and job choices, and reduce the environmental impacts of development. We believe that a strong economy and environment can go hand in hand, and that being intentional about where to locate development is part of what makes this possible. As the Committee considers the bill, VNRC would like to provide context on housing issues facing the state, and background on smart growth.

Vermont has a great need for housing, and people seek smart growth options.

At the most fundamental level, safe, stable, affordable housing is essential for people to thrive. Unfortunately, the supply and affordability of housing are inadequate. Currently, 27% of homeowners with mortgages, and 48% of renters, are “cost burdened” - meaning they pay more than 30% of their incomes on housing.¹ Household sizes are getting smaller, and Vermonters are aging, which means smaller homes are needed.² In addition, employers frequently list housing as among the greatest needs for attracting employees. And according to the Vermonter Poll, a statistically-significant poll conducted by the University of Vermont Center for Rural Studies, smart growth housing is in demand: 37% of those who responded said that given the choice, they would prefer a home in a compact area with transportation choices and amenities, over a home in an outlying area with more space but longer commute times.

¹ Vermont Affordable Housing Coalition. <http://www.vtaffordablehousing.org/resources/housing-need/>

² Vermont Agency of Commerce and Community Development presentation, https://accd.vermont.gov/sites/accdnew/files/documents/CD/CPR/OpeningWorkshopWeek_191104.pdf

Housing in smart growth locations - compact centers with housing, jobs, services and schools in close proximity - provides multiple benefits that support Vermonters' quality of life and environment.

When we build in our more compact downtowns and villages, we can provide a range of housing types - from single family homes to townhomes, condos, and apartments - that accommodate Vermonters at different stages of their lives. This is particularly important as our population ages, and people seek to downsize.

Being in a compact area also means having more transportation choices, like walking, biking or taking transit - something we urgently need since almost 50% of Vermont's greenhouse gas emissions come from transportation (the majority from personal vehicle use). What's more, Vermonters spend on average about 25% of their income on transportation (over 15% is considered unaffordable).³

Focusing housing in compact areas - like our downtowns as well as villages of all sizes - also has natural resource benefits, because it takes pressure off of our farm and forest lands, leaving those areas to provide the food, fuel, and resilience benefits we need as the climate changes. In addition to avoiding greenfield development, smart growth can have additional environmental benefits since redevelopment often results in net stormwater benefits in already developed areas.

Zoning needs to be updated to make smart growth housing possible.

Many Vermont communities lack the regulations needed to enable infill (allowing development on underutilized lots) and/or redevelopment (like using the upper stories of a vacant building). Sometimes, a village's existing zoning actually makes rebuilding the current pattern of buildings illegal - for example, a recent assessment of the zoning in one Vermont community revealed that, within the neighborhood adjacent to the compact downtown, the zoning did not allow multifamily housing - even though many homes were already older, multi-family units. Zoning modernization - which can be as simple as reducing parking requirements, or changing how close a building can be to the edge of a lot - will help address this.

With this context in mind, VNRC provides the following comments on the bill:

³ Source: Center for Neighborhood Technology. [Vermont Fact Sheet](#). Modeled based on average household size of 2.39, with 1.16 commuters per household; with household income of \$50,939.

To ensure that the goals of this focused grant program are met, we request that the committee retain the requirements, in sections 2e and f, for what the updated bylaws will include.

If these are changed from “shalls” to “mays,” it will not adequately incentivize the goals the bill is designed to address, and meaningful bylaw modernization would not be achieved. If this change was made, VNRC would no longer support the bill.

We hope the House will make three changes to the bill to ensure its successful implementation:

- 1) *Fund the zoning bylaw updates* - S.101 as passed the Senate does not include the supplemental Municipal Planning Grant funding envisioned for the zoning bylaw updates. As a result, this worthy effort would dip into the already-limited and oversubscribed Municipal Planning Grant funds. If we truly want to invest in smart growth zoning, special funding is needed for this focused effort.
- 2) *Increase the cap on tax credits* - This is another program with high demand today. If the tax credits are expanded to more areas (the Neighborhood Development Areas) the funding should also be expanded, so as not to dilute the existing pool.
- 3) *Include language to assure housing affordability* - As we promote more smart growth housing, we want to ensure housing in these areas remains affordable and accessible to all. To communicate this important value, we support referencing “affordability” in appropriate locations throughout the bill, as well as requiring that municipalities undertaking these zoning updates demonstrate how their bylaws support implementation of the municipal plan’s housing element.

Thank you for your consideration.

Sincerely,



Kate McCarthy, AICP

Sustainable Communities Program Director