



Chair Amy Sheldon

House Committee on Natural Resources

March 30, 2022

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

Thank you for the opportunity to comment on S. 226, *An act relating to expanding access to safe and affordable housing*. As the Sustainable Communities Program Director with the Vermont Natural Resources Council (VNRC), my work and experience is focused around supporting Vermont's historic community centers by advocating for land use policy and development patterns that create compact, walkable, transit-accessible towns with a range of housing choices.

Though VNRC is an environmental organization, a key part of our mission is to reduce the environmental impacts of development by promoting livable community centers that provide accessible and affordable housing options. We appreciate the ongoing efforts to address Vermont's housing crisis, which we know is becoming increasingly challenging with Covid-19 and climate migration. At the same time, it is critical that these actions are paired with protecting our intact forests and working lands.

While we largely support S. 226, in order to achieve a balanced, smart growth approach to development we suggest moving the Act 250-related provisions within S. 226 into S. 234, *An act relating to changes to Act 250*, which recently passed the Senate with much of the same language.

This past fall, VNRC worked with partners including the Department of Housing & Community Development, the Vermont Planners Association, the Regional Planning Commissions and others to discuss and refine H. 511, *An act relating to promoting housing in Vermont's centers*, sponsored by Reps. Bongartz and James. We sincerely appreciate the inclusive process led by Rep. Bongartz, which resulted in a thoughtful smart growth bill. While we do not see Act 250 as the cause of the housing crisis, we recognize that this process can be duplicative in areas with sophisticated planning and zoning (which is the case in municipalities that have received a Neighborhood Development Area designation).

**Section 2(c)(5):** We support allowing Neighborhood Development Areas (NDA) to include flood hazard and fluvial erosion areas that contain pre-existing development and are suitable for infill development. This section acknowledges that most of our historic centers were built along rivers, which has resulted in posing an obstacle to municipalities seeking to achieve an NDA. The provision brings the NDA program in-line with the Agency of Natural Resources' guidance that infill development can be environmentally sensitive if done properly. We feel this is a reasonable approach that has the additional benefit of requiring local bylaws to protect river corridors outside of the NDA, resulting in up and down stream protections.

**Section 2(c)(6):** This provision allows municipalities to apply for an NDA prior to completion of municipal sewer or alternative wastewater systems, which supports the ability of municipalities to move forward with community or decentralized wastewater, or priority housing projects that have ample on-site septic capacity. Ultimately, development projects would still require a state water/wastewater permit. We do not oppose this provision.

**Section 5:** We support the proposed increase of the unit cap on Priority Housing Project exemptions from Act 250 to allow smaller towns to build affordable housing with greater density. However, VNRC recommends that the increase sunsets after ARPA funds are required to be expended (December 31, 2026) in order to collect data and evaluate impacts of the change. This evaluation could be part of the consultant-led assessment of the State Designation Programs that is being considered this session.

**Section 12:** The Municipal Bylaw Modernization Grants are an important incentive-based mechanism to support municipalities' efforts to ensure that their bylaws support housing density and accessibility. We support an appropriation of \$650,000 that is in addition to the funding for the Municipal and Regional Planning Fund.

**Section 14:** The Downtown & Village Center Tax Credit Program remains a critical, high-demand source of financial support for the creation of housing units and adaptive reuse in our historic centers. Expanding eligibility to include NDAs would provide greater access to these opportunities, while continuing to prioritize smart growth areas. Funding for the program should be increased along with any eligibility expansion to not dilute the existing funding pool, so we are pleased to see the Senate's support for a \$2 million increase in funding.

VNRC is pleased to support many of the housing provisions included in S. 226, but want to reiterate that it is key that any bill that encourages housing also includes provisions that protect forests and working lands. We must address the need for affordable housing *and* the pressure that will be put on our forests/working lands through the Covid-19 and climate migration we are seeing now through the increase in real estate transactions, which will only intensify.

We would be happy to provide further testimony on any of these topics from an environmental and land use perspective, as helpful. Thank you for your consideration.

Sincerely,

Kati Gallagher

Sustainable Communities Program Director