Omnibus Housing S.226 – Vermont Planners Association Testimony House Committee on Natural Resources, Fish, and Wildlife March 31, 2022 Regina Mahony, Legislative Committee Chairperson



Intro:

Vermont Planners Association (VPA) is a non-profit advocacy and educational organization with nearly 200 planners and related professionals, including municipal and regional planners, state agency staff, and private land use consultants. Dedicated to the advancement of community planning in Vermont at the local, regional, and state levels.

The following recommendations are organized under four housing recommendations as established in VPA's *Addressing the Housing Crisis* position paper (dated 1/14/2022). The full position paper can be found <u>here</u>.

Recommendations

- 1. Fund/implement water and sewer infrastructure in existing settlements and residential neighborhoods surrounding those settlements. Without this infrastructure, compact settlements, higher-density neighborhoods, and affordable homes are not possible. **Specifically, VPA supports the following S.226 provisions**:
 - a. Removing the duplicative state water/wastewater permit where a municipality issues a connection permit to their municipal water and wastewater treatment system
- 2. Make the Neighborhood Development Area (NDA) and other state designation programs more effective tools for incentivizing housing and supporting our state goal of compact settlements:
 - a. Make the program more accessible to rural communities as a catalyst for new home construction. While zoning should be in place before designation, water and sewer infrastructure might not be. Allow the designation first to incentivize housing developers to come to the table, and then water and sewer can be worked out collectively. **Specifically, VPA supports the following S.226 provisions**:
 - i. Removing the water and wastewater prerequisite to allow villages with community wastewater, or decentralized wastewater systems, to be eligible for the neighborhood development area designation
 - ii. Removing the duplicative state water/wastewater permit where a municipality issues a connection permit to their municipal water and wastewater treatment system
 - b. Align state policies and programs to remove barriers to development within the state designations (for reference this is only 0.3% of the state's land area). Eliminating redundant development review, and the application and mitigation fees associated with those reviews, will lower the cost of housing development in areas that have been planned for, and recognized as, suitable locations for growth. **Specifically, VPA supports the following S.226 provisions:**
 - i. Evaluation of all the state designation programs (in a previous version of S.226)
 - ii. Extending Downtown and Village Center Tax Credit Program to NDAs along with an increase in the tax credit cap, without a sunset provision
 - iii. Joint application by more than one municipality
 - iv. Inclusion of flood hazard and fluvial erosion areas in the NDA if preexisting development is there and the municipality has adopted flood hazard and river corridor regulations consistent with ANR rule both in the area and municipality wide
 - v. Minimum residential densities of greater than or equal to 4 dwelling units per acre for proposed NDAs

- vi. Removal of priority housing project caps for Act 250 exemption in designated downtowns, new town centers, and NDAs
- 3. Support municipalities in reforming development regulations to promote fair housing, create more diverse housing types and opportunities (dwelling unit size, single vs. multi-unit homes, rental and owner-occupied housing), and increase the supply of housing. Establish a study committee, comprised of planners, housing developers, housing providers, equity professionals, and other key stakeholders to analyze and recommend changes to Chapter 117. Specifically, VPA supports the following S.226 provisions:
 - a. Regarding appropriations, VPA supports increased investment for the Bylaw Modernization Grant program, but not at the expense of other Municipal and Regional Planning Fund programs. VPA appreciates the increases in appropriations to the Regional Planning Commissions and the Municipal Planning Grants in the House passed budget bill. We recommend that any appropriations to the municipal planning fund above FY22 levels (approximately \$420,000) be used for the Bylaw Modernization Grant program. If you were to retain the recommendation of the House of \$870,000 for MPGs this would provide about \$450,000 for Bylaw Modernization. Ideally you would add another \$200,000 to the appropriation to reach \$650,000.
 - b. Site Plan and Conditional Uses shall not be considered abandoned or expired unless more than two years has passed since the permit was issued.
- 4. Continue to fund housing for those experiencing homelessness. Continue to fund supportive housing programs, including first time buyer education and support for historically disadvantaged groups. Specifically, VPA supports the new housing programs and funding within S.226 (i.e. mobile homes, large employer based housing, missing middle with homebuyer subsidies, and accessory dwelling units).

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VPA is a non-profit advocacy and educational organization of nearly 200 planners and related professionals. We are dedicated to the advancement of community planning in Vermont at the local, regional, and state levels, to foster vibrant communities and a healthy environment.

Our membership is diverse, including municipal planners, regional planning commission staff, private planning consultants, state planning professionals, etc. We also work to coordinate VPA's advocacy and education with other groups involved in planning policy such as VAPDA (VT Association of Planning & Development Agencies), VLCT, and the Agency of Commerce and Community Development.





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