

H.549 Bill Introduction

Everyone knows that Vermont is suffering from a housing crisis that has been years in the making, and we have an unprecedented amount of funding available to do our best to alleviate the crisis. Priority Housing Projects are a proven program that has seen success in the creation of affordable housing. In the current situation where more housing is needed, and we are receiving funding to build it, it makes sense to build on what we know works and streamline the process. This bill incentivizes the construction of Priority Housing Projects in designated centers by exempting a project that meets criteria outlined in a certification process from sales and use taxes for building materials. A similar bill will be introduced in the Senate, and it is the hope that developers can take advantage of an incentive like this to jump into creating more affordable housing in areas that already allow for such growth without a lengthy wait for permits. The proposed tax incentive may bring more interested parties into the bidding process and help keep the cost of the final project more reasonable for developers. Language in the bill simplifies the exemption for PHP's and allows developments under a certain threshold size to proceed under existing statutes, including mixed-use as well as residential-only projects. It brings rental housing in line with owner-occupied housing income metrics when calculating for affordable housing. These projects can be built within those designated centers, which are defined in Act 250 and include "designated village center", "designated downtown development district", "neighborhood development area", "designated Vermont neighborhood", "designated growth center", and "designated new town center". The tax incentive is set to repeal at the same time as the deadline for using ARPA funds. When I had the bill drafted, I requested that date for the repeal because I felt confident that ARPA-funded housing projects would be well underway by then and any incentives would already be utilized.

Thank you for your consideration of this bill.