

**Senate Economic Development, Housing and General Affairs
Municipal Planning and Zoning Recommendations to Assist With Housing
Development In Vermont
Testimony, January 26, 2022**

Thank you for the opportunity to offer some suggestions to ease the permitting process as it relates to housing development in Vermont.

We hear many stories of people who are considering new jobs in municipal government in Vermont and are unable to take them because there is no housing available. Most recently we have heard this does not mean no housing in a price range manageable with an agreed-to pay rate, or housing that is a serious fixer-upper, or an affordable rental or even within wide commuting distances. This means NO housing options. As you are hearing from housing experts across the state, the housing situation is dire.

While you have heard that permitting is not the entire problem, it is certainly a significant part of the problem. This morning we testified in Senate Natural Resources and Energy that untying this Gordian knot, which has taken decades to create, is an enormous and multi-faceted challenge. We should make every effort to not exacerbate the problem.

Local governments are working to update and implement plans, bylaws and regulations that facilitate the development of housing and grow local economies. They are taking advantage of the Municipal Planning Grants focus for growing “great neighborhoods”. They are working with non-profit and for profit developers as well as individual home owners to take advantage of both existing* and proposed funding (\$70 million) to build housing, including \$5 million in grants to municipalities to support development of affordable mixed-income rental housing. They are working with the Agency of Natural Resources to utilize the Governor’s proposal for \$15 million in ARPA funds to design and construct community scale wastewater and water supplies that will enable the addition of new housing units in underserved designated areas. They support your work on S. 210 to move rental housing inspections from the local health officer to the Department of Public Safety. Many of these programs are due to this committee’s initiatives.

We offer the suggestions below for statutory changes that would relieve permitting difficulties for those who seek to develop housing.

We urge you to:

- ◆ Eliminate Act 250 jurisdiction in designated downtowns, new town centers, neighborhood development areas, growth centers, and in municipalities with robust zoning and development capacity.
- ◆ Reduce Act 250 jurisdiction over priority housing projects as is proposed in H. 511.

- ◆ Eliminate the language in Act 250 that establishes jurisdiction based on “construction of housing projects...”constructed or maintained on a tract or tracts of land, owned or controlled by a person, *within a radius of five miles of any point on any involved land and within any continuous period of five years*”.(10 VSA 6 001 (3)(A)(iv)). Likewise, amend section (19)(A)(i) for purposes of housing, to remove the language regarding “*within a radius of five miles of any point on any lot, or within the jurisdictional area of the same District Commission within any continuous period of five years*”.
- ◆ Require Act 250 and state permitting programs to render a permitting decision within a certain number of days or they are deemed issued as is the case with local zoning permits: 24 V.S.A. §4448(d) “*if the administrative officer fails to act with regard to a complete application for a permit within 30 days, whether by issuing a decision or by making a referral to the appropriate municipal panel, a permit shall be deemed issued on the 31st day.*”
- ◆ Acknowledge that not all needed housing will be accommodated in designated centers and that housing development outside of those areas is often cheaper to construct. Facilitate housing development outside of the six growth centers, nine neighborhood development areas, two designated town centers or 23 designated downtowns where municipal bylaws provide for clustered multi-unit housing development (conservation subdivision) in residentially zoned areas outside of designated areas.
- ◆ Support the independent evaluation of the state designation programs that is proposed in H. 511.
- ◆ Authorize municipalities to establish vacancy taxes for residential properties in town centers that have been unoccupied for an extended period of time and allowed to fall into disrepair, so those residential units are taxed at a higher rate than the rate charged to occupied residential buildings (effectively the converse of tax stabilization agreements).
- ◆ Revisit 24 VSA 4465 (b)(4), so that the threshold to establish eligibility to appeal a municipal permit is narrower than current language, which has been used on many occasions to appeal permits and stall projects, particularly for multi-unit housing projects. Disallow appeals that seek to reduce the number of units below the number allowed in the local zoning ordinance or bylaw:

24 V.S.A. §4465(b)(4) “Any ten persons who may be any combination of voters or real property owners within a municipality listed in subdivision (2) of this subsection who, by signed petition to the appropriate municipal panel of a municipality, the plan or a bylaw of which is at issue in any appeal brought under this title, allege that any relief requested by a person under this title, if granted, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality. This petition to the appropriate municipal panel must designate one person to serve as the representative of the petitioners regarding all matters related to the appeal.”

- ◆ Direct review of on-site sewage, wastewater, wetlands and stormwater regulations to assure they both meet essential environmental standards for facilities, affordability and also allow for development of housing. Require Agency of Natural Resources programs to be internally compatible, and to eliminate conflicting permit requirements *at the agency level within a specified time period before them being issued to the applicant.*
- ◆ Eliminate Agency of Natural Resources permits for connections to municipal water and wastewater facilities.

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Department of Housing and Community Development 2021 Vermont Housing Budget and Investment Report

<https://accd.vermont.gov/sites/accdnew/files/documents/Housing/2021-Housing-Budget-Investment-Report.pdf>