



Chair Michael Sirotkin  
Senate Committee on Economic Development, Housing & General Affairs  
*Via email*

February 23, 2022

Chair Sirotkin and Members of the Senate Committee on Economic Development, Housing & General Affairs,

Thank you for the opportunity to comment on S. 226, *An act relating to expanding access to safe and affordable housing*. My name is Kati Gallagher, Sustainable Communities Program Director with the Vermont Natural Resources Council (VNRC). My work and experience centers around supporting Vermont's historic community centers by supporting 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 Committee's ongoing efforts to address Vermont's housing crisis, which we know is becoming increasingly challenging with Covid-19 and climate migration. Below, we have highlighted the key policies in S. 226 that we support, along with several recommendations to strengthen its impact.

VNRC worked with partners including the Department of Housing & Community Development and the Vermont Planners Association to help craft H. 511, *An act relating to promoting housing in Vermont's centers*, and support the inclusion of these housing and permit reform provisions. We support a temporary rise of the unit cap on Priority Housing Project exemptions, and recommend that the increase sunsets after ARPA funds are required to be expended (December 31, 2026) in order to evaluate impacts of the change. We also see an opportunity here to support planning for smart growth housing development and natural resource protection by determining where we want to target more systemic changes to our land use laws through:

- Exploring options to transition to location-based jurisdiction for Act 250 to encourage development in appropriate places;
- Determining how to use the Capability & Development Plan - intended as the primary policy guide for Act 250 - to meet statewide planning goals (both this and the recommendation above are currently included in H. 492, *An act relating to the structure of the Natural Resources Board*);

- Conducting a consultant-led study to assess the effectiveness of the State Designation Programs and provide recommendations for improvements; and,
- Addressing the protection of forests and working lands while facilitating housing in designated areas by strengthening how Act 250 addresses these resources through criteria and jurisdiction. We recommend that the Committee incorporate the forest/working lands provision related to Act 250 that the Senate Natural Resources and Energy Committee have in S.234, *An act relating to changes to Act 250*. 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.

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 recommend consideration of defining the use of the term “smart growth areas” used in Sec. 13a on lines 17 and 19 - for example, “...areas consistent with smart growth principles as defined in Section 2791 of this title...”

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 Neighborhood Development Areas (NDA) 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, so as to not dilute the existing funding pool. VNRC supports the creation of a NDA Tax Credit Pilot Program as proposed in Sec. 14f.

Section 16a of S. 226 retains “designated Vermont neighborhoods” in the definition of Priority Housing Projects; our understanding is that this term is no longer in use and as such had been struck from the definition in H. 511, so we would recommend examining whether it is needed to include.

Section 16c would allow projects in a “high demand county” to use an expedited Act 250 permit process, which could lead to abuse if not sufficiently targeted. VNRC believes that the recommendations focused on promoting smart growth housing being considered in the Senate Committee on Natural Resources (S. 234, *An act relating to changes to Act 250*) would be a better approach to fulfilling the goal of improving land use regulations. As noted above, we support a temporary increase of the population caps on Priority Housing Projects as a tool to efficiently use ARPA funds and address climate/Covid-19 migration in the short-term, while we

study ways to implement location-based jurisdiction and make more significant, data-driven changes to Act 250.

We do not support the changes to the Act 250 Appeals process as recommended in Section 18, which would essentially punish the Natural Resources Board (NRB) for the action/inaction of the Environmental Court - an entity that the NRB has no control over. Further, this could result in decreased funds for the program that is already starved for fees, at a time when we want it to run more effectively. A better approach would be for the Senate to take up H. 492, *An act relating to the structure of the Natural Resources Board*, should that be passed out of the House in the coming weeks.

We fully support Section 19, which provides greater resources for the Environmental Court.

We support Section 20, the provision of technical and financial support for homeowners to build ADUs. As I testified to this Committee earlier in the session, ADUs provide a relatively “quick” vehicle for adding units to existing housing stock, but the design and development process can still be a significant barrier for many homeowners. With this in mind, we would also suggest that the Committee prioritize lower- and middle-income homeowners for the ADU down payment grant program.

We know there are no silver bullets or easy answers to solving our housing crisis, and we again want to thank this committee for their commitment to exploring all of the tools at our disposal. Innovative programs, such as the land bank provision previously included in S. 226 that would promote redevelopment of blighted buildings and adaptive reuse, should be included in future policy discussions.

VNRC is pleased to support many of the housing provisions included in S. 226. We also want to share the [2021 Smart Growth Progress Report](#) recently co-released by VNRC and AARP-Vermont, which provides deeper insight into the land use implications of state spending. 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