

Senate Committee on Economic Development, Housing and General Affairs

Testimony from Natural Resources Board on Omnibus Housing Bill

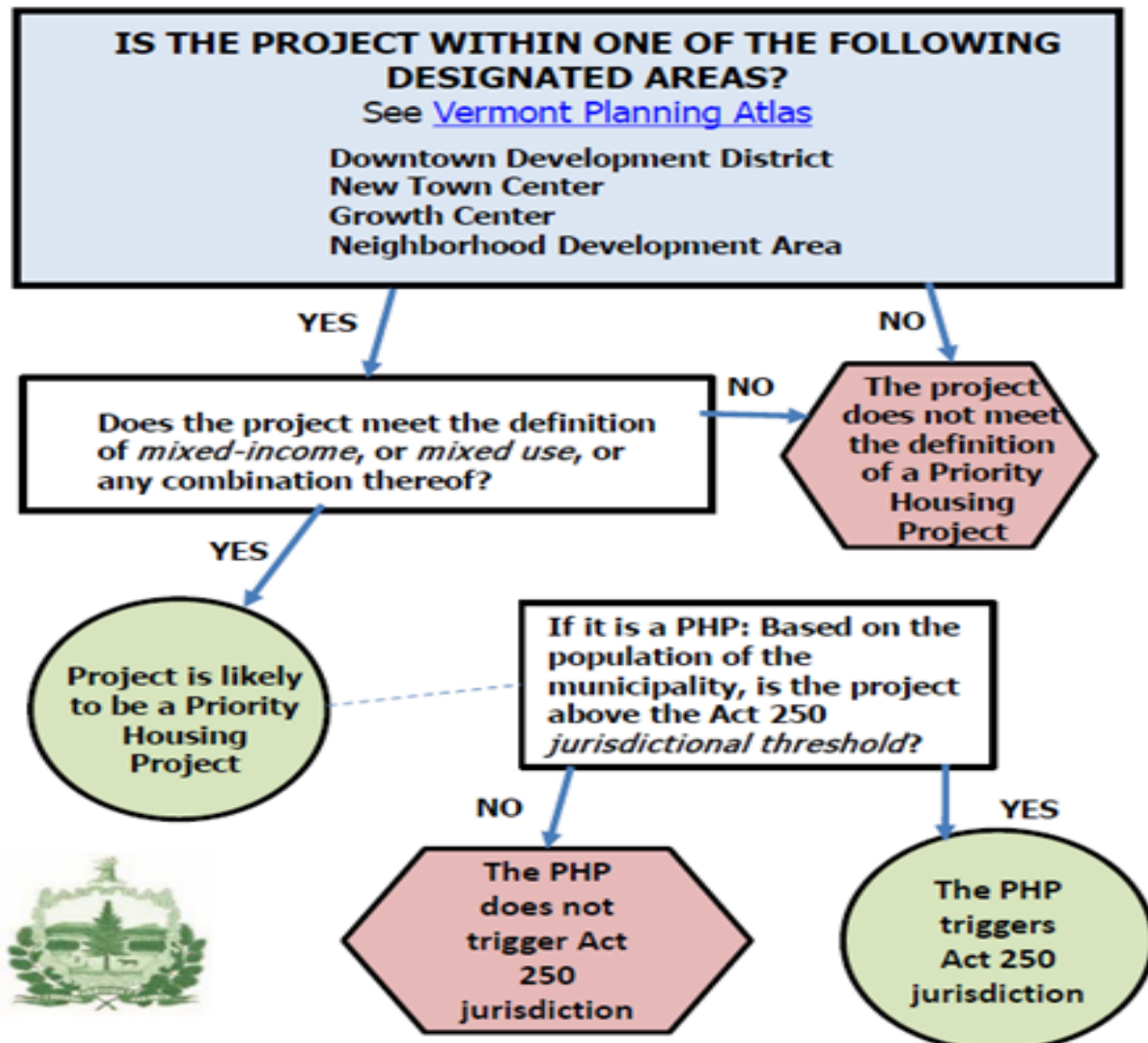


Friday, January 27, 2023

Housing and Act 250

- PHPs have been exempt from Act 250 since 2013
- Reduced permitting fees for housing in NDAs
- No fees for projects in downtown designated areas (“6086b process”)
- Upcoming legislative reports will inform future and needed regulatory changes:
 - Designated Area Report
 - Necessary Updates to the Act 250 Program

Priority Housing Project (PHP) Flowchart



Definition of Mixed Income Housing

Rental	Owner-Occupied
For at least 15 years after being placed into service, at least 20% of the units have total annual cost of renting (rent, utilities, and condominium association fees) that does not exceed 30% of the gross annual income of a household at 80% of affordable housing standard	At least 20% of housing units have annual ownership costs (principal, interest, taxes, insurance, and condominium association fees) that do not exceed 30% of the gross annual income of a household at 120% of affordable housing standard
The affordable housing standard is highest of the following income amounts, per HUD standards: (i) the county median income; (ii) the standard metropolitan statistical area median income or; (iii) the statewide median income adjusted for the number of bedrooms -- as established and published annually by VHFA.	

Definition of Mixed Use

Mixed use means construction of both <i>mixed income housing</i> and construction of space for any combination of retail, office, services, artisan and recreational and community facilities.	<i>Mixed use</i> does not include industrial use.
	At least 40% of the gross floor area must be housing that meets the definition of <i>mixed income housing</i>

Act 250 Jurisdictional Thresholds

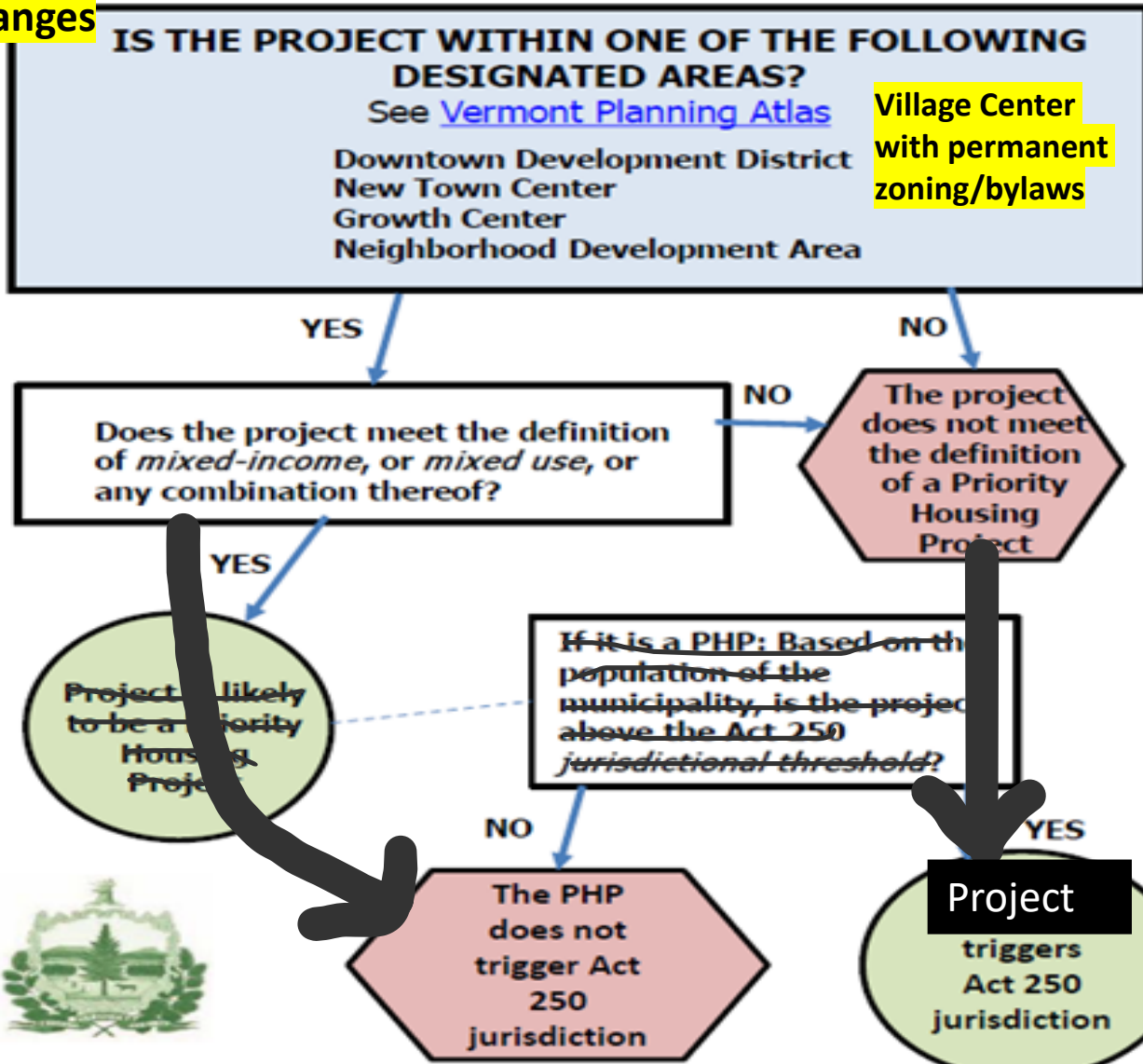
Priority Housing Projects only trigger Act 250 jurisdiction as "development" if they exceed the following number of units based on municipal population. See annual [population estimates](#).

- 10,000 or more – UNLIMITED NUMBER OF UNITS*
- 6,000 to 9,999 – 74 UNITS
- 5,999 or fewer – 49 UNITS

* Municipalities that qualify for no cap as of 2020 estimates: Burlington, Essex, South Burlington, Rutland City, Bennington, Brattleboro, Hartford, and Williston.

DR 23-0091
proposed
changes

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~~Act 250 Jurisdictional Thresholds~~

Priority Housing Projects only in Act 250 jurisdictional "development" areas based on municipal population and population estimates.	NUMBER OF UNITS*
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A look at the PHP tally ...

- From 2017-2022, over 2,700 PHP units were exempt from Act 250.
 - 20+ PHPs, 2491 units in District 4 (Chittenden County)
 - 3 PHPs, 74 units in District 3 (Windsor, Orange counties)
 - 1 PHP, 54 units in District 6 (Franklin County)
 - 2 PHPs, 65 units in District 7 (Caledonia, Essex, Orleans counties)
 - 2 PHPs, 75 units in District 8 (Bennington County)



Housing projects permitted by Act 250 (2017-2022)

- Permitted 70+ housing projects including approximately 3,000 total units.
- 89% projects processed as “minor,” without hearing
- 11% projects processed as “major”
- Of the approved projects, \$1.44 million in fees were assessed, or about \$480 per unit to cover direct/indirect cost of administering the program. This includes costs assessed on behalf of Agency of Natural Resources.
- Average time to process these housing project permits: 73 days from time application was deemed complete to issuance.
- No applications denied.