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

IS THE PROJECT WITHIN ONE OF THE FOLLOWING DESIGNATED AREAS? See Vermont Planning Atlas Downtown Development District **New Town Center Growth Center** Neighborhood Development Area NO YES The project does not meet Does the project meet the definition the definition of mixed-income, or mixed use, or of a Priority any combination thereof? Housing Project YES If it is a PHP: Based on the population of the Project is likely municipality, is the project to be a Priority above the Act 250 Housing jurisdictional threshold? **Project** NO YES The PHP The PHP does not triggers trigger Act Act 250 250 jurisdiction jurisdiction Last updated August 2022

(per Act 182)

This flowchart is intended for informational purposes only and

does not constitute a jurisdictional opinion from a district coordinator or supersede existing law and regulations. Definition of Mixed Income Housing

Rental

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

Owner-Occupied

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 mixed income housing and construction of space for any combination of retail, office, services, artisan and recreational and community facilities.

Mixed use does not include industrial use.

At least 40% of the gross floor area must be housing that meets the definition of mixed income housing

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

Priority Housing Project (PHP) Flowchart

proposed

changes IS THE PROJECT WITHIN ONE OF THE FOLLOWING DESIGNATED AREAS? Village Center See Vermont Planning Atlas with permanent **Downtown Development District** zoning/bylaws New Town Center **Growth Center** Neighborhood Development Area NO YES The project does not meet Does the project meet the definition the definition of mixed-income, or mixed use, or of a Priority any combination thereof? Housing Project YES If it is a PHP: Based on th pepulation of the likely Project municipality is the project iority above the Act 250 NO YES The PHP Project does not triggers trigger Act Act 250 250 jurisdiction

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* 250 Jurisdictional Three ...

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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.