Balancing Agricultural Land Conservation & Affordable Housing Development

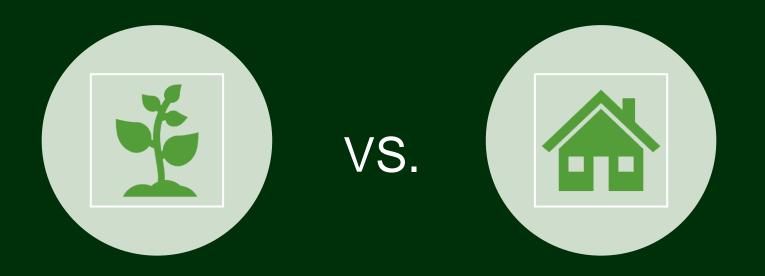
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Overview

- 1. Framing
- 2. Vermont Context
- 3. Maine Case Study
- 4. New York Case Study
- 5. Closing Discussion



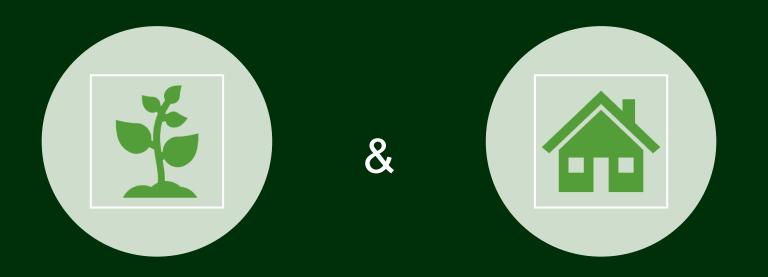
Framing



AFFORDABLE HOUSING DEVELOPMENT

AGRICULTURAL LAND CONSERVATION

Framing



AFFORDABLE HOUSING DEVELOPMENT

AGRICULTURAL LAND CONSERVATION

Vermont Context: Affordable Housing Crisis & Farmland Loss

- From 2021-23, share of renters with income for a median-priced VT home dropped from 32% to 6%.¹
- VT Dept of Housing and Community Development: Targets of 41,000 new residences by 2030 and 172,000 by 2050.²
- 62% of VT farmland lost (1969-2017).³



Image Courtesy of Vermont Youth Conservation Corps

Vermont Agricultural Land Conservation



Act 250:

State-level environmental review of proposed development.⁴



Current Use Program:

Tax incentives for keeping land in agriculture and forest, and a Land Use Change Tax.⁵

Vermont Affordable Housing & Addressing Issues in Tandem

- HOME Act Housing targets and Act 250 exemptions for affordable housing.⁶
- Act 181 Future land use mapping process, towns may apply for Act 250 exemptions.⁷
- Vermont Housing & Conservation Board grants and loans for affordable housing, and conservation easement funding.⁸
- Champlain Housing Trust farmworker housing loan program.⁹



Second Homes

- 17% of Vermont's housing is seasonal second homes.¹⁰
- In 2/3 towns, second homes and commercial land are taxed at higher rates than primary residences.¹¹
- Second home buyers in VT pay a higher property transfer tax.¹²



Proposed Changes & Program Interactions

- H134: Affordable housing exemption for the Current Use Program Land Use Change Tax in planned development areas.¹³
- H273: Lowers the Land Use Change Tax from 10% to 6%, while loosening the requirements for agricultural land to enter the Current Use program.¹⁴





Maine

Agricultural Land Conservation: Maine

- Current Use Program: At least 5 contiguous acres of farmland and \$2,000 annual agriculture sales. Penalty if land is developed.¹
- Voluntary Municipal Farm Support Program Enables municipalities to decrease property taxes (lower rates than current use) for farmland through temporary easements that can be up to 20 years.²





Affordable Housing: Maine

Rural Affordable Housing Rental Program

Incentivizes developers by offering tax credits to projects constructing 5-18 affordable housing units in rural areas.³



Second Homes: Maine

Bill H.P. 988⁴

- Proposed supporting affordable housing through impact fee on vacant, secondary residences.
- Proposed fee distribution to the Housing Opportunities for Maine Fund for affordable housing initiatives.
- Did not pass vote in 2022.⁵
- Maine resident owned vacation properties impact and violations to private property rights were cited as issues.⁵

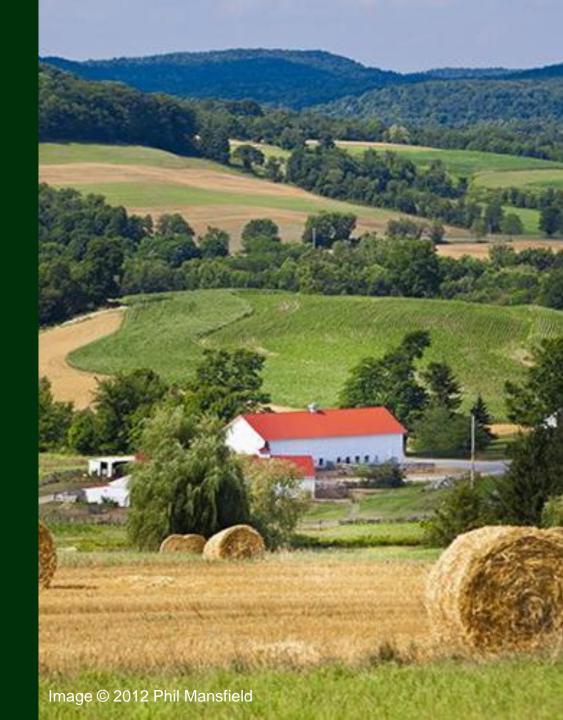
New York



Agricultural Land Conservation: New York

Agricultural Assessment Program²⁰

- Agricultural assessment based on soil types.
- \$10,000 annual gross agricultural revenue
- Must remain in agricultural production for 5 years
- Penalty for non-agricultural land conversion



Agricultural Land Conservation: New York cont.



Agricultural Districts:

Grouping of tax parcels in which agriculture is primary land use.²¹



Farmland Protection Program: Financial support for farmland protection planning and agricultural easements.²²

Affordable Housing: New York

New York Housing Compact

 Prioritizes infill development through rezoning and tax exemptions.²³

Farmworker Housing Program

 \$200,000 loans to purchase, improve, or construct affordable farmworker housing.²⁴





Second Homes: New York

Assembly Bill A1044

 Proposed progressive tax of 0.5-4% on second homes and 10-13.5% on condominiums.²⁵

Preceding versions of this bill have been rejected citing real estate impacts

NY Capitol Building Image courtesy of iloveny.com

Conclusion

- All three states are addressing the interplay of farmland conservation and affordable housing.
- Current Use Programs are different state to state, NY has a separate program for agriculture.
- ME and NY have unique programs engaging municipalities in conservation.
- All three states address affordable housing using different financial mechanisms.
- ME and NY bills disincentivizing second home ownership have failed.

Questions & Discussion

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