Balancing Agricultural Land Conservation & Affordable Housing Development

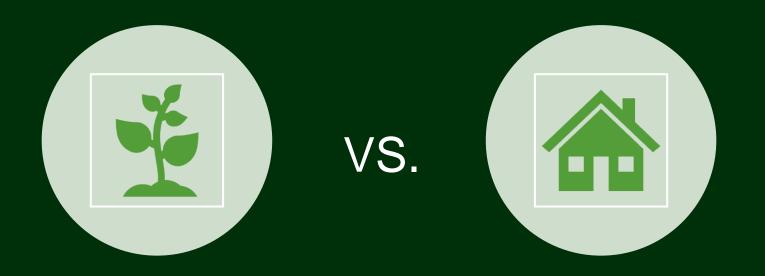
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### Overview

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



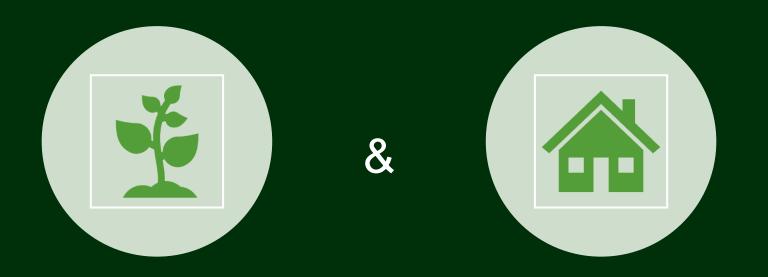
### Framing



#### 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%.<sup>1</sup>
- VT Dept of Housing and Community Development: Targets of 41,000 new residences by 2030 and 172,000 by 2050.<sup>2</sup>
- 62% of VT farmland lost (1969-2017).<sup>3</sup>



Image Courtesy of Vermont Youth Conservation Corps

### Vermont Agricultural Land Conservation



Act 250:

State-level environmental review of proposed development.<sup>4</sup>



Current Use Program:

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

# Vermont Affordable Housing & Addressing Issues in Tandem

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



### Second Homes

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



### **Proposed Changes & Program Interactions**

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





## 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.<sup>1</sup>
- 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.<sup>2</sup>





### 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.<sup>3</sup>



### Second Homes: Maine

#### Bill H.P. 988<sup>4</sup>

- 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.<sup>5</sup>
- Maine resident owned vacation properties impact and violations to private property rights were cited as issues.<sup>5</sup>

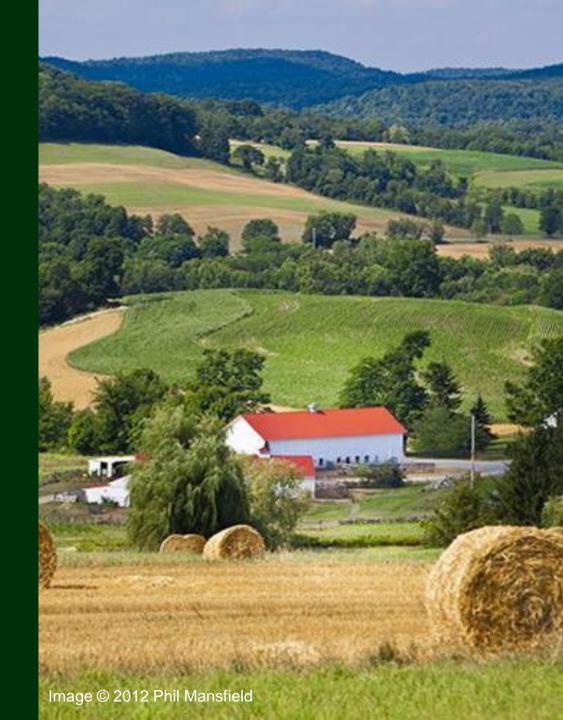
### New York



### Agricultural Land Conservation: New York

### Agricultural Assessment Program<sup>20</sup>

- 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.<sup>21</sup>



Farmland Protection Program: Financial support for farmland protection planning and agricultural easements.<sup>22</sup>

### Affordable Housing: New York

#### New York Housing Compact

 Prioritizes infill development through rezoning and tax exemptions.<sup>23</sup>

### Farmworker Housing Program

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





### Second Homes: New York

#### Assembly Bill A1044

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

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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