

Dear Chair Mihaly and Members of the House Committee on General and Housing,

I am writing on behalf of Campaign for Vermont Prosperity to respectfully urge this Committee to insist on the reinstatement of the Off-Site Construction Accelerator pilot program as the House considers the Senate's proposed amendments to H.775.

While the Senate's version retains several important provisions (including Special Assessment Bonds, VEDA financing expansion, municipal planning reforms, and the codification of VHFA's Rental Housing Revolving Loan Program) it eliminates the Off-Site Construction Accelerator, **one of the most forward-looking and practically impactful elements of the bill** as passed by the House.

Why the Off-Site Construction Accelerator Matters:

1. Vermont's Construction Labor Shortage Demands New Approaches

Vermont faces an acute and well-documented shortage of skilled construction labor. Our aging workforce, means that traditional site-built construction alone cannot produce housing at the pace and scale our communities require. The Off-Site Construction Accelerator directly addresses this bottleneck by shifting a significant portion of housing production to factory settings, where work can proceed year-round regardless of weather, with greater efficiency and fewer on-site labor demands.

2. Modular Construction Reduces Costs and Timelines

Research from McKinsey & Company indicates that modular construction can reduce project timelines by 20–50% and lower costs by up to 20%. For a state where building costs have been escalating at unsustainable rates, and thus pricing middle-class Vermonters out of homeownership, these savings are not marginal. They are transformative. The Accelerator's bulk-purchasing consortium model would amplify these savings further by aggregating demand and negotiating volume pricing, a mechanism already proven effective in other procurement contexts.

3. Owner-Occupied Housing Has Been Neglected for Two Decades

Vermont's housing policy over the past 20 years has focused predominantly on rental housing. While rental affordability remains important, the Off-Site Construction Accelerator represented a meaningful pivot toward owner-occupied housing production, helping working families build equity and long-term financial security. Removing this program perpetuates an imbalance that this bill was designed to correct.

4. Regulatory Reform Alone Is Insufficient

H.775 correctly recognizes that planning reforms and zoning changes, while necessary, are not sufficient to produce housing at scale. We also need to leverage public/private investments in housing to bring outside capital into the mix. The Off-Site Construction Accelerator pairs regulatory modernization (in Act 181/S.325) with direct financial intervention and supply-chain coordination. Stripping out this program leaves H.775 with important but incomplete tools.

What We Are Asking

We respectfully urge this Committee to:

1. **Reject the Senate's removal** of the Off-Site Construction Accelerator pilot program and related State Treasurer credit facility provisions for off-site modular construction financing.
2. **Insist on reinstatement** of the Accelerator in conference committee, including the bulk-purchasing consortium, State Treasurer financing authority for modular construction, and associated programmatic elements.
3. **Preserve the integrated approach** of the House-passed bill, which recognized that housing production requires coordinated action across financing, construction methodology, and planning.

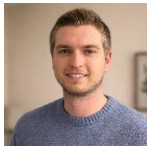
Conclusion

Vermont's housing crisis will not be solved by inaction or repeating the same things we have done for the last 40 years. The Off-Site Construction Accelerator represents exactly the kind of innovative, data-driven, and practical policy that this moment requires. It leveraged public resources to unlock private investment, addressed structural barriers in both the labor market and offered a pathway to housing production that is faster, more affordable, and more sustainable than the status quo.

Every legislative session that passes without standing up new tools for housing production is a session in which more Vermont families are priced out of their communities. We urge this Committee to ensure that H.775 (or S.328) includes the full suite of tools the House originally envisioned.

Thank you for your continued commitment to housing policy that serves all Vermonters.

Respectfully,



Ben Kinsley
Executive Director
Campaign for Vermont

CFV is a nonprofit, nonpartisan advocacy organization comprised of over 20,000 Vermonters and dedicated to the vision of a more prosperous Vermont and growing middle class. We seek to accomplish these goals by reconnecting Vermonters to their government and advocating for more transparent and accountable policymaking.