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April 8, 2025

Representative Marc Mihaly, Chair House Committee on General and Housing 115 State Street Montpelier, VT 05633

RE: S.127 Comments

Dear Chair Mihaly:

Thank you and your committee members for your collective hard work on H.479. We are providing the following comments to you regarding S.127 for consideration by your committee. We would be happy to come in and testify if that would be helpful.

- 1. Sec. 3 § 4686 Vermont Infrastructure Sustainability Fund
  - a. We respectfully request that an additional requirement be added to section (e) as follows. We believe this will help to avoid difficult situations and make sure that all three levels of government are moving together in the same direction.
    - (4) the applicable regional planning commission has provided a letter affirming the project's conformance with the regional plan.
  - b. Note that application criteria in (f) prioritizes expansions of existing systems in paragraph (2) but is silent on new systems. We suggest adding a criteria for new systems such as (3) whether the project is a new system and the proximity to a designated area.
  - c. Note that criterion (f)(4) is based upon the organizational capacity of the municipality. This is a criterion that would prioritize smaller towns over larger ones. However, perhaps the number of housing units served should also be a criterion so that the state makes the most cost-effective investments.
- 2. We recommend adding Sections 8, 9, and 10 from H.479 regarding appeals.
- 3. We recommend adding Section 11 from H.479 regarding bylaw amendments to implement state statute.
- 4. We recommend adding the underlined clarifying language in Sec. 13 of H.479 to Sec. 12 of S.127 (c) When conducting any review required by this subchapter, the Secretary shall prioritize the review of remediation at a site that contains housing or that is planned for

## the construction or rehabilitation of single-family or multi-family housing.

- 5. We support Sec. 16 Community and Housing Infrastructure Program. We have three suggestions to better integrate RPCs and RDCs into this program.
  - a. In § 1906 (13) "Related costs" ... Related costs may include direct municipal expenses such as departmental, or personnel, regional planning commission, or regional development corporation costs related to creating or administering the housing infrastructure project...
  - b. We respectfully request that an additional requirement be added to § 1910 (c) Process requirement.
    - (4) the applicable regional planning commission has provided a letter affirming the project's conformance with the regional plan.
  - c. We suggest a small edit below to eliminate some words that we think will cause confusion and instead rely on the language proposed above in (b):
    - (1) § 1910 (e)(2) an area designated Tier 2 pursuant to 10 V.S.A. chapter 151 (State land use and development plans) or an area in which the housing development site is compatible with regional and town land use plans as evidenced by a letter of support from the regional planning commission for the municipality.
- 6. We recommend adding the below proposed study language to the bill as water and wastewater planning, permitting, and construction issues will become more of an issue as we collectively work to increase housing production across the State. We worked with Rep. Olson to develop this language.
  - Sec. xx. Study of water supply and wastewater infrastructure reform to expand housing opportunities.
  - (a) The Secretary of Natural Resources and the Secretary of Commerce and Community Development shall convene the Commission to Expand Housing Opportunities through Water Supply and Wastewater Infrastructure Reform. The Commission shall study, make recommendations, and propose legislation relating to expanding housing opportunities in Vermont.
  - (b) The Commission shall review and make recommendations for water and wastewater infrastructure reform designed to expand housing opportunities in Vermont, including in rural and Tier 2 areas of the State. The Commission's review shall include:
  - (1) Vermont's community wastewater rules, and the infrastructure development process for community wastewater projects.
  - (2) Modernization of Vermont's individual wastewater rules, including the recognition of new technologies, and how such rules can support accessory dwelling units.
    - (3) Vermont's community and individual water supply rules.
    - (4) Water supply and wastewater infrastructure funding systems.
  - (5) Any other matter relating to housing infrastructure or regulation which could expand housing opportunities.

## (c) The Commission shall consist of:

(1) The Secretary of the Agency of Natural Resources or their designee, who shall convene the first meeting of the Commission, and provide administrative and technical support to the Commission.

(2) The Secretary of the Agency of Commerce and Community Development or their designee.

- (3) The Vermont Association of Planning and Development Agencies.
- (4) The Vermont League of Cities and Towns.
- (5) The State Treasurer, or their designee.
- (6) The following individuals appointed by the Secretaries:

(A) An engineer, or an association of engineers, with expertise in community and individual wastewater systems.

(B) An engineer, or an association of engineers, with expertise in community and individual water supply systems.

(C) A Vermont home builder with expertise in individual and multi-unit home construction, including home construction in rural areas.

(D) Any other entity or individual who may be able to assist the Commission in its work.

(d) On or before November 1, 2025, the Commission shall report to the General Assembly with its findings and recommendations, together with proposed legislation.

We are also providing companion comments to the Senate Committee on Economic Development, Housing and General Affairs.

Please feel free to reach out if you need any clarification on our requests or would like us to testify. Thank you for your consideration.

Best regards,

Charlie Baker

Chair, VAPDA Government Relations Committee

Cc: Devon Neary, VAPDA Chair

Charles I Balus

Rebecca Ramos, Necrason Group