

**25-P040 - Vermont Wetland Rules
Legislative Committee on Administrative Rules**

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The Vermont Chamber of Commerce submits these comments in strong support for the proposed amendments to the Vermont Wetland Rules (VWR) and the Vermont Significant Wetlands Inventory (VSWI). These changes reflect thoughtful modernization, reinforce environmental protection, and support Vermont's ability to build housing and foster vibrant, walkable communities in the exact locations where the State has already directed growth.

This alignment between environmental protection and compact growth is reinforced by multiple statewide plans that have been endorsed across Vermont. The Vermont Futures Project's Economic Action Plan, which shows that strategically guided housing expansion in existing job centers can expand Vermont's tax base while contributing to climate goals by lowering greenhouse gas emissions. Likewise, the Vermont Climate Council's Climate Action Plan recommends expanding infrastructure investment in designated areas and reducing regulatory barriers for "compact development in and around downtowns and village centers" as a means of alleviating pressure on open lands, forests, and flood-prone areas. These shared objectives underscore a critical point: well-targeted reforms to wetlands regulations can simultaneously advance environmental resilience, housing affordability, and economic sustainability.

Vermont's developing land use framework is built around a simple principle: incentivize development in both rural and urban areas into more compact, well-planned, infrastructure-served areas to protect natural resources, reduce sprawl, and support livable communities. Designated downtowns, village centers, neighborhood development areas, and growth centers represent only about 3% of Vermont's land area, yet they are the places where the State expects and encourages new housing and redevelopment.

Wetlands statewide account for an estimated 6% of Vermont's land base. Even under conservative estimates of overlap, the area affected by these proposed rule changes represents only approximately 0.2% of Vermont's total land area. This limited scope will still preserve extreme wetland rules in many areas of Vermont while offering substantial public benefits of enabling more predictable, compact, and affordable development in areas where housing development should be incentivized.

Housing affordability is directly influenced by development feasibility and achievable density. In housing, there are real economies of scale: the more units that can be built in an area, the lower the cost per unit. The current wetland regulatory framework has directly contributed to reduced density and increased costs in designated growth areas. These conditions have made housing development more difficult and, in some cases, encouraged growth outside planned areas.

The proposed amendments address these issues by providing targeted flexibility in designated growth areas, clarifying mapping, and streamlining regulatory processes. These changes improve predictability for applicants and communities while maintaining substantive wetland protections statewide.

How the Proposed Rule Supports Housing

The proposed rule provides specific improvements that will allow Vermont to better meet housing demand:

- **Allows housing as an approved use in select unmapped Class II wetlands within designated growth areas.** This reduces unnecessary barriers in areas where environmental review and infrastructure planning are already in place.
- **Provides flexibility within buffer zones where infrastructure exists.** Compact, infill development becomes feasible and more cost-effective, directly lowering per-unit housing costs.
- **Streamlines permitting timelines by removing the “reconsideration” step.** Reducing this procedural delay makes housing projects more predictable and efficient.
- **Clarifies mapping and regulatory processes.** Updated maps improve certainty for developers and communities alike, avoiding delays caused by seasonal field-delineation requirements.
- **Supports smart-growth planning and attainable housing.** These changes incentivize density where infrastructure exists, reducing sprawl, supporting walkable communities, and lowering environmental impacts.

What the Proposed Rule Does *Not* Do

- **Does not open all wetlands to development.** Flexibility applies only in limited, clearly defined designated growth areas.
- **Does not weaken environmental protections or standards.** All substantive protections, mitigation, and impact-prevention requirements remain intact.
- **Does not allow sprawl or unregulated development.** The rule focuses development where infrastructure already exists.
- **Does not compromise Vermont’s environmental quality.** Mapped and high-function wetlands remain fully protected.

Vermont faces significant housing challenges alongside ongoing climate and economic pressures. The proposed amendments to the Vermont Wetland Rules represent a targeted and timely update that improves regulatory clarity and efficiency while preserving environmental protections. These changes support compact and affordable housing development in appropriate locations and align wetlands regulation with Vermont’s environmental, economic, and community objectives.

For these reasons, the Vermont Chamber of Commerce respectfully urges the Legislative Committee on Administrative Rules to adopt the proposed amendments as drafted.