

Vermont Council on Housing and Homelessness
Housing Development Subcommittee Meeting
Meeting Notes: Friday, November 9, 2023

Discussion on Zoning & Regulatory Reform:

Place Based Exemptions for Act 250: A study on Act 250 and State Designation Programs will commence in 2024, with the goal of streamlining permitting for desired residential development.

Gus Seelig asked if **Act 47 fully addressed height restrictions** and if this should be revisited. (Vermont needs to grow up or sprawl out.) It was noted that it is hard to get communities to accept higher structures, which is resulting in fewer housing units per development. The group agreed that more discussion was needed to maximize unit development and still retain community “feel”.

Zak Hale noted that **communities were misinterpreting “By Right Provisions” in Act 47** and were not allowing 4-unit developments that should be approved. Further clarification is needed on water and sewer parameters, as well as overall guidance for municipalities on implementing the new law.

Catherine Dimitruk said that Vermont’s Regional Planning Commissions were completing a land use study in relation to Act 47.

Discussion on the Appeals & Public Comment Process (Act 250):

The process for completing **Corrective Action Plans** under Act 250 needs to be simplified. Zak Hale noted that it took a year to go from application to public comment under the current system. The group wants to explore where Corrective Action Plans are truly protecting the public versus just adding time and costs to projects.

For rural areas **water and well standards** need to be reexamined. They are probably too high and are creating a barrier for converting single family homes to two-family homes and/or developing Accessory Dwelling Units.

Bond Votes are getting voted down, which is impacting development projects.

The current **Appeals Process** is politically difficult to “reign in”. Gus Seelig suggested that the committee should talk to a representative from NH Housing Appeals Board; they were created in 2021 and are considered a best practice for balancing community and development needs. Gus offered to reach out to them and share information with Alex Farrell.

Discussion on Tax Policy:

Capital Gains taxes makes responsible “house flipping” more difficult, although it was acknowledged that reforming/changing capital gains taxes would likely be politically challenging.

The Downtown Tax Credit Cap program:

- Currently the annual cap on these tax credits is \$4 Million.
- The JFO released a report that found that the Downtown Tax Credits pay for themselves through increased revenue.
- The State should consider eliminating the overall annual cap to allow for more projects. However, the cap per project should remain intact.

The group agreed that there should be a broader discussion on best practices and pros/cons for **Vacant Property Taxes, 2nd Homeowner Taxes**, and creating a **“Foreclosed Property Registry”**. Zak Hale also suggested that they should consider a land value tax incentive.

Discussion on Existing Housing Development Programs:

- Where does the State’s investment get the “biggest bang for its buck”?
- Zak Hale suggested that VHIP was a “game changer” and should be expanded.