

UNLOCKING HOUSING OPPORTUNITIES

Strategies for Increasing the Supply of Housing in Chittenden County

Chittenden County Housing Task Force
September 2002



Chittenden County Housing Task Force

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Mission

The Chittenden County Regional Planning Commission established the Housing Task Force in October 2001. The mission of the Task Force was to coordinate and develop the capacity of the County's public and private sector housing stakeholders to collectively

- ~~E~~Identify key housing issues,
- ~~R~~Recommend solutions to these issues,
- ~~E~~Educate the public on these matters, and
- ~~R~~Recommend implementation strategies.

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Executive Summary

Chittenden County is experiencing a housing crisis. This crisis results from the failure of the supply of housing to keep pace with demand, resulting in a current shortage of almost 2,000 units. The gap between the supply and demand for housing translates into rapidly increasing housing costs, which impose special hardships on the poor, people with disabilities, the elderly, and others.

This housing crisis jeopardizes our cherished quality-of-life. The quality of our environment is impaired when the shortage of housing near jobs forces housing to be built at more remote locations. Housing located outside water/sewer service areas jeopardizes water quality. Remote housing imposes longer commutes and increased congestion that degrade our air quality. Housing that does not take advantage of density allowances reduces open space. The longer workday resulting from extended commutes erodes our free time and family life. High housing costs reduce our ability to buy other goods and services. High housing costs and limited housing choices discourage employers from locating here, thereby reducing everyone's ability to prosper from the opportunities they would bring. High housing costs jeopardize our children's opportunities to live in Vermont and build their own families.

Several sets of factors are preventing us from building the housing we need:

- ✘ Local permit review processes often are time-consuming, uncertain, and costly. Residents who oppose proposed housing developments often appear to undervalue our collective need to build more housing or are unwilling to accept the impacts of new residents. All-too-often, the Act 250 review process hinders (rather than promotes) housing to be developed at appropriate locations.
- ✘ Regulations that overly limit the types of housing that may be built or overly restrict housing density greatly constrain our ability to meet our housing needs.
- ✘ Housing requires suitable infrastructure (e.g., roads / transit, sanitary sewers / septic systems, water supply systems / wells, storm water facilities, and utilities).

Chittenden County will continue to grow, presenting opportunities and challenges. If we continue to do nothing, things will become much worse. If the current trends continue, by 2010 the County's housing shortage is projected to increase to almost 5,000 units. Our task is to plan for growth so that it best preserves and utilizes Vermont's resources by encouraging it to occur in suitable locations. Attempting to stop growth will force growth into rural areas and eliminate choices for future generations.

Recognizing the need for action, the Chittenden County Regional Planning Commission invited housing experts and business and community leaders to form the Chittenden County Housing Task Force. The Task Force met monthly from October 2001 to August 2002 to explore the causes of the County's housing crisis and to identify and refine strategies to address these causes.

The Task Force recommends that

- ✘ The Chittenden County Regional Planning Commission should appoint a committee that includes municipal representatives to develop and administer a Regional Workforce Housing Allocation program (See pages 9-10 for details).
- ✘ The Chittenden County Regional Planning Commission should use its Act 250 party status to advocate on behalf of worthy proposed housing developments seeking Act 250 Permits (See page 10 for details).
- ✘ The County's private sector and public sector housing stakeholders should consider establishing a Workforce Housing Coalition (See page 11 for details).

- ~~1~~ Municipalities and the State of Vermont periodically should consider the need for regulatory reforms, particularly reforms involving review procedures, to reduce unnecessary requirements that are barriers to housing production (See page 11 for details).
- ~~2~~ The Legislature should implement the recommendations of the Chapter 117 Committee issued in January 2002 (See page 12 for details).
- ~~3~~ The criteria of 10 VSA 6086 used by the District Commissions and Environmental Board to determine whether an Act 250 permit is issued should be retained, but Act 250 reviews should give deference to the reviews performed as a part of other regulatory processes, particularly when they employ science-based, quantitative standards and Act 250 procedures should be significantly reformed, including the “fast-tracking” of proposed housing projects in areas designated by local and regional plans for growth (See page 12 for details).
- ~~4~~ Municipalities should review and revise community plans and regulations to permit residential development at increased densities in appropriate areas and then permit housing to be developed at the maximum densities allowed by plans and regulations (See pages 12-13 for details).
- ~~5~~ Municipalities should not resist new housing because of misconceptions regarding the fiscal impacts of residential development (See page 13 for details).

Problem Statement: Chittenden County's Housing Crisis

Housing matters. Decent and affordable housing is a significant contributor to the well-being of individuals and families and is a necessary feature of healthy and vibrant communities:

- ✘ Housing provides shelter for people and the personal property they value.
- ✘ Housing provides stability for families and defines their sense of community.
- ✘ Residential location determines access to a particular mix of employment, commercial, social, and other opportunities.
- ✘ Residency defines a household's eligibility for a particular set of local government services (especially education).
- ✘ Housing is the largest expense borne by most households and home ownership constitutes a large portion of most households' wealth.
- ✘ The homebuilding / remodeling industry is an important sector of our economy.

Chittenden County contains almost one-fourth of Vermont's population and its households (See Table 1). Many of Chittenden County's residents are elderly or people with special needs. Over 60 percent of Chittenden's households are family households and 26 percent are single-person households. These different types of people and households often demand housing with particular characteristics.

Table 1
YEAR 2000 POPULATION AND HOUSEHOLDS

	Chittenden County	Vermont	Chittenden County as a % of Vermont
Population	146,571	608,827	24.1%
Persons 65+ Years Old	13,780	77,510	17.8%
Noninstitutionalized Persons with a Disability	18,331	97,167	18.9%
Households	56,452	240,634	23.5%
Family Households	35,168	157,763	22.3%
Single-Person Households	14,732	63,112	23.3%

SOURCE: U.S. Census Bureau, Census 2000, Tables DP-1 & DP-2.

Chittenden County contains a major share of Vermont's housing supply. In 2000, over one-fifth of Vermont's year-round housing units and over one-fourth of Vermont's renter-occupied units were in Chittenden County (See Table 2). Although only 4.3 percent of Vermont's year-round housing units were vacant in 2000, Chittenden County's vacancy rate was even lower (less than two percent). Renter-occupied housing represents one-third of Chittenden County's occupied housing units.

Table 2
YEAR 2000 HOUSING SUPPLY

	Chittenden County	Vermont	Chittenden County as a % of Vermont
Year-Round Housing Units ^a	57,573	251,322	22.9 %
Occupied Units	56,452	240,634	23.5 %
Owner-Occupied Units	37,292	169,784	22.0 %
Renter-Occupied Units	19,160	70,850	27.0 %

^a Does not include seasonal, recreational or occasional use units (Chittenden County = 1,291; Vermont = 43,060).

SOURCE: U.S. Census Bureau, Census 2000, Table DP-1.

Chittenden County's share of the Vermont housing supply is increasing. From 1990 to 2000, Chittenden County increased its supply of total housing units at a higher rate than Vermont did (see Table 3). For both total housing units and occupied housing units, over one-fourth of Vermont's 1990-2000 growth was in Chittenden County.

Table 3
1990-2000 GROWTH IN HOUSING SUPPLY

	Chittenden County	Vermont
Total Housing Units		
Number	6,769	23,168
Percent	13.0	8.5
Occupied Housing Units		
Number	8,013	29,984
Percent	14.2	14.2

SOURCE: U.S. Census Bureau, Census 2000, Table DP-1; Census 1990, Report CH 1-47, Table 1.

Despite this impressive growth in housing supply, Chittenden County experienced even greater growth in recent years in the factors affecting the demand for housing (see Table 4). Almost one-third of Vermont's 1990-2000 population growth and over one-fourth of the State's growth in households were in Chittenden County. Employment growth in the County represented over 40 percent of the State's growth and the County's growth in per capita income was over one-fifth larger than the State's growth.

Chittenden County's function as an employment center especially affects the County's housing market. In 2000, the number of jobs in Chittenden County equaled about 85 percent of its population. This is extraordinarily high (in the U.S. in 1999 the number of jobs equaled only 41 percent of population). Because workers seek housing near their places of work, Chittenden County's housing shortage forces workers to seek housing in other counties, creating shortages and higher housing costs outside of Chittenden County and forcing growth into rural areas of the State.

Table 4
1990-2000 GROWTH IN FACTORS AFFECTING HOUSING DEMAND

	Chittenden County	Vermont
Population		
Number	14,810	46,069
Percent	11.2	8.2
Households		
Number	7,977	29,984
Percent	16.5	14.2
Employment ^a		
Number	10,295	23,812
Percent	14.8	11.1
Per Capita Income ^a		
Number	\$7,899	\$6,484
Percent	37.6	35.8

^a Employment growth and Per Capita Income growth is for 1990-1998.

SOURCE: U.S. Census Bureau, Census 2000, Table DP-1; Census 1990, Report CP 1-47, Table 1; *County and City Data Book: 2000*, Table B-8.

As the gap between the supply and demand for housing increases, so does housing cost. Owner-occupied housing costs are higher in Chittenden County than in Vermont as a whole (see Table 5). Rental housing costs are higher in Chittenden County than in nearby counties (see Table 6).

Table 5
1997-2001 MEDIAN HOME PRICES

Year	Chittenden County	Vermont	Chittenden County as a % of Vermont
2001	\$161,460	\$129,000	125.2 %
2000	\$145,000	\$117,000	123.9 %
1999	\$132,000	\$110,000	120.0 %
1998	\$129,000	\$109,900	117.4 %
1997	\$119,000	\$100,000	119.0 %

¹ Sales prices are based on VHFA analysis of 2001 Property Transfer Tax Data of primary residences including single-family homes, condominiums, and mobile homes with land. Transfers under \$10,000 were deleted based on a random sample of contacts with town clerks indicating that transfers were primarily not arm's length transactions. Transfers also were not included if the sale price was less than 60% of the list value, indicating that the transaction was not arm's length or that the property was in need of considerable rehabilitation.

SOURCE: VHFA: "Chittenden County Fact Sheet," May 2002.

Table 6
RENTAL HOUSING COSTS –
CHITTENDEN COUNTY & SELECTED NEIGHBORING COUNTIES

	Median Rental Housing Prices ¹							
	Chittenden		Addison		Franklin		Grand Isle	
	2001	2002	2001	2002	2001	2002	2001	2002
1 Bedroom	\$ 665	\$ 692	\$ 551	\$ 573	\$523	\$545	\$465	\$484
2 Bedroom	\$ 750	\$ 780	\$ 641	\$ 668	\$641	\$667	\$575	\$599
3 Bedroom	\$1,042	\$1,086	\$ 894	\$ 930	\$813	\$847	\$724	\$754
4 Bedroom	\$1,229	\$1,279	\$1,002	\$1,044	\$935	\$974	\$866	\$866

¹ Median Rental Housing Prices are based on HUD 2002 50th percentile rent estimates.

SOURCE: VHFA: "Chittenden County Fact Sheet," "Addison County Fact Sheet", "Franklin County Fact Sheet", "Grand Isle County Fact Sheet", May 2002.

The higher incomes of Chittenden County households do not fully offset these higher housing costs. Over one-fifth of the County's home-owning households and over two-fifths of the County's households who rent devote in excess of 30 percent of their household income to housing, a widely accepted standard for excessive burden (see Table 7). High housing costs are a special hardship on the poor, lower-wage workers, people with disabilities, the elderly, and others with special housing needs, limited incomes, or who are otherwise disadvantaged in the housing market.

If we continue to do nothing and recent trends continue, the housing crisis in Chittenden County in 2010 will be much worse:

Increased Demand: Over 11,000 more households than in 2000 will be demanding housing.

Lagging Supply: The projected housing shortage will be nearly 5,000 units.

Even Higher Cost: The median housing price will exceed \$325,000 and the median rent for a two-bedroom apartment will exceed \$1,050.

Table 7
1999 HOUSING COST BURDEN¹

	Households			
	Chittenden County		Vermont	
	Number	Percent	Number	Percent
Owners Who Pay				
30.0 to 34.9% of Income	2,011	7.50%	7,286	6.90%
35.0+% of Income	3,715	13.80%	17,207	16.20%
Renters Who Pay				
30.0 to 34.9% of Income	1,662	8.80%	5,400	8.00%
35.0+% of Income	6,250	33.10%	19,808	29.50%

¹Selected monthly housing ownership costs (or gross rent) as a percentage of household income.

SOURCE: U.S. Census Bureau, Census 2000 Table DP-4.

The housing crisis jeopardizes our cherished quality-of-life:

Impaired Environmental Quality: The shortage of housing near jobs forces more housing to be built in more rural locations that (1) often are outside water/sewer service areas (thereby jeopardizing water quality) and (2) impose longer commutes and increased congestion that degrade our air quality.

Threat to Prosperity: High housing costs discourage existing employers from expanding and new employers from locating here, reducing everyone's ability to prosper from the opportunities that would result.

Less Disposable Income: High housing costs reduce our ability to buy other necessary goods and services.

Reduced Time for Family & Friends: The longer workday resulting from extended commutes erodes our free time.

While there clearly are other important housing issues that should be addressed (such as promoting home ownership, ending homelessness, and ending housing discrimination), our fundamental need is to reduce the County's housing shortage by building more housing. Previous studies of housing in Chittenden County, Northwest Vermont, and Vermont (see Information Resources) have identified the following barriers to housing production:

Local and State permitting decisions need to be timely and fair.

Local reviews need to protect local concerns, but be more predictable.

Some communities rely only on review processes with uncertain outcomes to protect local concerns, rather than on clearly stated design and performance standards.

Local review processes and officials can be responsive to local issues, while they also protect against groundless objections based on "Not-In-My-Back-Yard" attitudes (NIMBYism).

Local communities can recognize that our housing crisis justifies special treatment of permit requests for housing developments.

Residents all-too-often undervalue our need to build more housing and are overly fearful of the impacts of new residents.

Act 250 should promote (not hinder) housing to be developed at appropriate locations.

The State can reform the process to address inefficiency and unfair outcomes.

Stakeholders in our housing crisis can participate in the Act 250 process to advocate on behalf of proposed housing developments.

- More housing can be built and built more affordably where a wide range of housing types are permitted and where increased housing densities are permitted.
- Housing needs suitable infrastructure (e.g., roads / transit, sanitary sewers / septic systems, water supply systems / wells, storm water facilities, and utilities).
 - More housing needs to be built where infrastructure already exists, through rehab, redevelopment, infill development, and new smart growth development.
 - Excessive infrastructure requirements and impact fees needlessly make housing more expensive.

Previous studies also have identified various initiatives for reducing these barriers to housing production (see Table 8).

**Table 8
INITIATIVES TO PROMOTE GREATER HOUSING PRODUCTION¹**

Issue Addressed	Initiatives Implemented Primarily	
	By Local / Regional Entities	By the State
Local Permit Process	Workforce Housing Coalition / Housing Endorsement Criteria Development Review Boards Fast-Track Review Fee Waivers	Unified Local/Regional/State Reviews Legislative Reform of Chapter 117
Local Zoning	Local Rezoning to Permit Affordable Housing Types, Increased Densities, & Compact Settlement Patterns Use Impact Fees Instead of Development Timing Regulations Stronger Regional Plan Policies	
Act 250 Process	Use Regional Planning Commission's Act 250 Party Status to Support Worthy Projects Workforce Housing Coalition / Housing Endorsement Criteria	Legislative Reform of Act 250
Housing Supply Distribution	Regional Workforce Housing Allocation Higher Ed Institutions Provide More On-Campus Housing for Students	Live-Near-Work Subsidies
Infrastructure Costs	Use Regional Planning Commission as an Info Clearinghouse on Alternative Septic Technologies Use Impact Fees Instead of Excessive Design Requirements	Legislative Reform to Provide for Minimum & Maximum Infrastructure Design Standards Downtown Program Reforms

¹ Most of these actions can be tailored to address these issues as they specifically relate to the provision of affordable housing to low- and moderate-income households, the disabled, the elderly, or other segments of the housing market.

The County's municipalities have different natural features, historical development patterns, infrastructure capacities, employment opportunities, and community attitudes regarding growth. As a consequence, each municipality has a different proportion and mix of the region's existing housing supply and encounters dissimilar market segments of the region's total housing demand. These

distinctions shape each community's special character. Residents in each community employ local planning policies and regulations to fashion these factors into a community identity.

No single municipality can or should bear the burdens of addressing the region's housing crisis. Rather, all of Chittenden County's communities will need to partner with each other, as well as with the State, the private sector, and housing organizations to coordinate and implement strategic actions to abate the region's housing crisis.

Recommendations

Regional Workforce Housing Allocation

The well-being of all of our communities is jeopardized by the County's housing crisis. The scale of this crisis makes it difficult, if not impossible, for any single municipality to address it successfully. However, we can be successful in abating this crisis if our communities can agree to forge a shared commitment to a set of common objectives and to individually undertake a locally defined agenda of measured actions in concert with one another.

A Regional Workforce Housing Allocation furthers such collaborative efforts by

- Using a uniform, principled basis developed in close consultation with the County's municipalities to apportion the County's housing needs among communities and
- Encouraging each municipality to take responsibility for undertaking local actions to ensure that its portion of the County's housing needs is developed.

Communities confront different barriers to housing production. This program allows each community to identify for itself which barriers pertain most to it. Additionally, the program maximizes local control by preserving each community's discretion in deciding which measures should be undertaken to reduce these barriers to housing production.

The Chittenden County Regional Planning Commission (CCRPC) should appoint a committee to develop a Regional Workforce Housing Allocation program for Chittenden County. The committee should include municipal representatives, because municipal endorsement is essential for the success of this initiative. This program should have the following features:

- The Program should develop five-year Workforce Housing Production Goals for individual municipalities.
- Each municipality's Workforce Housing Production Goals should have three parts:
 - Total housing;
 - Moderate Income Housing (units that can be afforded by households earning 80 percent to 120 percent of the County's median household income); and
 - Affordable Housing (units that can be afforded by households earning less than 80 percent of the County's median household income).
- Moderate Housing units and Affordable Housing units that receive significant public subsidies should be required to be "perpetually affordable" to the relevant income group in order to be counted as contributing to the relevant Workforce Housing Production Goal.
- Workforce Housing Production Goals should be realistic and be based on a formula that considers multiple factors, such as
 - Each municipality's share of different segments of the region's existing housing supply;
 - Each municipality's recent (i.e., since 1990) housing production (both new development and rehabilitation);
 - Each municipality's capacity to increase housing supply by developing new housing and by rehabilitating unoccupied housing (e.g., developable land / redevelopable properties and infrastructure capacity);
 - Each municipality's contribution to regional housing demand (e.g., forecasted household and employment growth); and
 - *Regional Plan* policies that promote smart growth and sustainable communities.
- The Workforce Housing Production Goals for each municipality should be greater than zero housing units, regardless of the results of the formula described above.

- Each municipality should identify and undertake actions to achieve Workforce Housing Production Goals within the municipality (i.e., housing units developed outside of the municipality should not be credited to that municipality's Goals).
- CCRPC should evaluate each municipality at least every two years from the adoption of the Workforce Housing Production Goals to determine if the municipality is making substantial progress in identifying and undertaking actions to achieve Workforce Housing Production Goals. The program should provide for municipal appeal of CCRPC's determination to the Commissioner of Vermont's Department of Housing and Community Affairs.
- CCRPC should update the Workforce Housing Production Goals and review the administration of the Regional Workforce Housing Allocation program at least every five years in close consultation with the County's municipalities.
- CCRPC should promote municipal participation in the Regional Workforce Housing Allocation program by
 - Informing municipalities about reasonable and practical actions that can be undertaken to overcome housing production barriers and to achieve Workforce Housing Production Goals;
 - Providing technical assistance to municipalities to assist them in realizing goals; and
 - Conditioning CCRPC approval of municipal plans in part on the municipality making substantial progress in identifying and undertaking actions to achieve Workforce Housing Production Goals.
- The State of Vermont should promote municipal participation in the Regional Workforce Housing Allocation program by
 - Amending a wide variety of State programs that provide subsidies or benefits to municipalities in order to give priority to those municipalities that (1) are located in counties that have developed a Regional Workforce Housing Allocation program and (2) have been certified by the Regional Planning Commission as making substantial progress in achieving Workforce Housing Production Goals;
 - Amending a wide variety of State programs that provide subsidies or benefits to proposed housing developments in order to give priority to those proposed developments that are located in municipalities that (1) are located in counties that have developed a Regional Workforce Housing Allocation program and (2) have been certified by the Regional Planning Commission as making substantial progress in achieving Workforce Housing Production Goals; and
 - Amending programs that provide for State approvals of permits required to undertake proposed housing developments in order to provide for expedited review of permit applications for those developments that are located in municipalities that (1) are located in counties that have developed a Regional Workforce Housing Allocation program and (2) have been certified by the Regional Planning Commission as making substantial progress in achieving Workforce Housing Production Goals.

Advocacy for Worthy Housing Projects

The Chittenden County Regional Planning Commission (CCRPC) should use its Act 250 party status to advocate on behalf of worthy proposals for residential development in the Act 250 development review process. CCRPC advocacy for a worthy project should include preparing a letter of support that can be included in the proposed development's Act 250 application and appearances in Act 250 hearings, when necessary.

Private sector and public sector housing stakeholders in the County should consider the establishment of a Workforce Housing Coalition. A Workforce Housing Coalition is an organization of private sector and public sector leaders who work together to advocate for responsible increases in the local production of housing. A coalition may choose to undertake many different types of activities, but the essence of a coalition's mission is to educate a variety of special audiences about the need for more workforce housing. The strength of a coalition is the stature and breadth of its stakeholder membership. Local business community participation is especially valuable.

The hallmark activity of a Workforce Housing Coalition is to advocate on behalf of certain housing development proposals that the Coalition has determined comply with its endorsement criteria. The criteria and endorsement are not intended to replace the official standards and review processes used by local governments to protect the public health, safety and welfare. Rather, the criteria and the endorsement are intended to send a signal to local decision makers that the region's housing stakeholders regard the proposal to be meritorious. Consequently, in light of the regional housing shortage, a denial of the proposal is justifiable only if there are especially egregious factors arguing against approval. In other states, coalition endorsement of specific projects has proven to be especially successful in reducing local permitting barriers.

Coalitions also undertake community education programs to build public awareness of housing issues and political support for the reduction of a wide variety of local barriers (such as by streamlining local permit processes, enhancing the provision of needed infrastructure, and expanding opportunities for housing types & densities that promote greater affordability). The Vermont Housing Awareness Campaign is an example of such a broad-based community education program.

Such a coalition in Chittenden County should

- ~~W~~ork to develop a broad base of participation from a wide variety of stakeholder groups. Several highly motivated leaders can encourage peers in their stakeholder groups to participate.
- ~~U~~ndertake a limited number of high-profile initiatives that are highly supported by the participants.
- ~~L~~earn from successful coalition / endorsement criteria programs in other parts of the country.
- ~~S~~trive to undertake both initiatives that aid specific cases (such as the administration of an Endorsement Program) and initiatives that address systemic causes of local housing shortages.

Regulatory Reform

Vermont state and local governments protect the public health, safety, and welfare by requiring proposed housing developments to submit applications for a variety of permits that are reviewed by elected and appointed officials to determine if certain standards and conditions are met. Although regulations promote many vitally important public purposes, they can be used to cause delay or to impose especially onerous burdens on permit applicants. In addition, needless regulatory duplication delays the production of housing and overly stringent regulatory standards increase housing costs without providing commensurate public benefits.

Consequently, public agencies entrusted with making responsible regulatory decisions should periodically consider the need for regulatory reforms, particularly reforms involving review procedures (e.g., streamlining procedures, minimizing duplicative reviews, and providing for parallel reviews with other permitting authorities). Public authorities should be restricted in their ability to impose multiple regulatory regimes that are intended to accomplish the same public purpose. For example, a community that is constrained by limited infrastructure capacity generally should not be authorized to (1) impose annual quotas on building permits and (2) levy impact fees to fund needed infrastructure improvements.

The Vermont Municipal and Regional Planning and Development Act (24 VSA 4301 *et seq.*) first became effective in 1968 and is popularly known as Chapter 117. Chapter 117 authorizes Vermont municipalities to regulate land use and development (including housing). Act 62 of the 2001 Legislature created the Municipal Planning Review Commission (also known as the Chapter 117 Committee) to review subchapters six through nine of the Act and to recommend changes that would promote the responsible development of affordable housing in Vermont.

The Chittenden County Housing Task Force has reviewed the detailed recommendations of the Chapter 117 Committee (issued in January 2002) and endorses them. In particular, the Task Force recommends that Chapter 117 reforms should focus on:

- Promoting cluster development;
- Providing for a variety of housing types;
- Promoting housing development in areas designated by plans for growth by
 - Permitting increased residential densities in these areas,
 - Creating a presumption of compliance for housing projects proposed in these areas, and
 - Streamlining the development review process (including fast-track procedures) for housing developments in these areas;
- Utilizing the State's Downtown Program to promote housing development; and
- Providing for opportunities to mitigate environmental impacts in order to permit development to proceed.

Act 250, first enacted in 1969, creates an Environmental Board and eight District Commissions to review applications for permits authorizing the development of certain subdivisions, land uses, and facilities. H.475 (effective July 1, 2001) implemented certain reforms of Act 250.

Act 250 provides critically important safeguards for the protection of Vermont's natural environment and the welfare of its residents and enterprises. The criteria of 10 VSA 6086 used by the District Commissions and Environmental Board to determine whether a permit should be issued are not impediments to housing production and should be retained.

However, Act 250 was created before the establishment of a wide range of other environmental and planning review processes (particularly those implemented by the Federal government to address specific types of development impacts). Consequently, Act 250 reviews should give deference to the reviews performed as a part of these other regulatory processes, particularly when they employ science-based, quantitative standards.

In addition, the time and cost of fulfilling Act 250 proceedings (especially appeals) are burdens to housing affordability and to increasing the supply of the County's housing stock to meet existing shortfalls, let alone anticipated future demand. The Act 250 process should be reformed to eliminate the duplication of permits, to streamline the application process for both time and ease, and to include the "fast-tracking" of proposed housing projects in areas designated by local and regional plans for growth.

Community Planning

One of the most direct strategies for improving housing affordability is to permit residential development at greater densities. In particular, increased residential densities provide for the more efficient use of costly community infrastructure systems. Greater densities can be achieved through means (such as clustering, conservation subdivision, and planned unit development) that preserve open space, protect sensitive natural resources, and achieve other important community objectives (such as smart growth, sustainable development, and transit oriented design). Consequently, municipalities should review and revise community plans and regulations to provide for residential development at

increased densities in appropriate areas. Municipalities should then permit housing to be developed at the maximum densities allowed by plans and regulations.

The Vermont League of Cities and Towns and the Vermont Natural Resources Council recently conducted a detailed study of the impacts of residential and nonresidential development on residential tax bills in Vermont (see Information Resources). Municipal officials should be made aware of that study's analysis detailing how Act 60 has made new housing developments revenue neutral for school funding and of the report's main conclusion that property taxes should not drive land use planning.

Information Resources

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- Vermont Association of Planning and Development Agencies, “Chittenden County” (pages 16-23 in *Regional Housing Summits – 2001*), November 2001.
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- Vermont Housing Council (Economic & Policy Resources, Inc. & Thomas E. Kavet Consulting), “Housing in Northwestern Vermont”, August 2000.
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