

Housing Subcommittee Meeting Notes

November 30, 2020

6:00 – 7:30 pm (ZOOM)

Members/Public Present:

Pam Brangan, Chair

Casey McNeil

Alicia Simmons

Julie Gaboriault

Cara Thanassi

Dean Pierce, Director of Planning and Zoning, Town of Shelburne

Members not present:

Brandie Benoit

Lisa Boisvert Mackenzie

In lieu of our standard monthly meeting, subcommittee members attended the Convening of Housing Committee Members in Chittenden County. Our standard monthly meetings will resume next month.

The Convening of Housing Committee Members in Chittenden County:

Slide deck: https://www.vhfa.org/documents/vhfa_slides_for_chittenden_county_housing_meeting.pdf

- I. Welcome by Regina Mahoney
- II. VHFA Presentation
 - a. Housing Cost Study and Statewide Housing Needs Assessment – Key Takeaways
 - i. 37% spend more than 30% of income; 17% spend more than 50% of income on housing
 - ii. 22,000 homes have high risk of lead exposure (northwest counties)
 - iii. Affordable housing units cost \$320K in Vermont (higher than many other states)
 - iv. Possible solutions:
 1. Policy is more limiting than creating housing.
 2. Focus on reducing costs and adding financial resources for affordable housing at the local level, where possible
 3. Incremental market rate housing is very expensive.
 - b. Overview of VHFA's new creative financing on two housing developments
 - i. 9% tax credits and the state's private activity bond cap – 4% tax credits to help with up to 30% of development costs, revolving land funds
<https://www.housingdata.org/toolbox/steps-for-municipalities>

- c. Q&A – see several links posted below
- III. Legislation:
- a. **ADOPTED - S.237 Housing Bill** – overview of required zoning changes. **Act 179**
 ADU changed size unit can be, must allow at least 30% of SFH or 900 SF, whichever is greater; must use same review as SFH (if SFH are permitted use, cannot be conditional use); cannot prohibit development on small lots if served by water and sewer. For MFH (4+ units) cannot use character of area, to be reason for denial of MFH
 If zoning bylaws are not up to speed, need to reflect these changes.
 Allowed municipalities to set up ordinances/bylaws about short term rentals, which can limit low income housing. Invalidated deed restrictions and land use limitations against affordable housing projects.
 - b. **LIKELY to be re-introduced in next session – H. 739 Rental Registry** – See the attached summary from Sarah Carpenter, Chair of the Vermont Rental Housing Advisory Board. This bill would establish a statewide rental registry and move the authority for rental code inspection from municipal town health officers and the Dept. of Health to the state Dept. of Fire Safety. Towns with established code enforcement could retain that. Registry would include short term rentals.
Seeking explicit support from municipalities.
- IV. Municipal Round Table – latest things you are working on, issues/challenges/successes
- Burlington – ordinance work around STR, tenant protection programs
 - Essex – new housing commission and working to become versed in housing issues and understanding how other municipalities are addressing issues; just finished master plan and moving onto zoning.
 - Essex Jct – following Essex lead on housing commission; new applications for 4 new buildings.
 - Hinesburg – 2 large developments back on track, working with private developers looking for density bonuses and trying to incorporate affordable housing; struggling with making them affordable.
 - Jericho – new affordable housing commission; volunteers trying to learn about the field. Looking at inclusionary zoning and housing trust funds.
 - Milton – enabling multifamily development in the town core
 - Richmond – new housing committee, starting needs assessment; creating survey for employers in community with employees that do not live in Richmond.
 - Shelburne – subcommittee overview; compiled ADU information and streamlined permitting requirements. Currently working on prioritization of next efforts and drawing from town plan to help town meet town goals.
 - South Burlington – in 3rd year in interim zoning (most of S Burlington); Habitat Housing is building a 4-plex in South Burlington
 - Westford – focus of new housing in village center; recent zoning changes for density; form based code administered by zoning administrator. Challenge is infrastructure because septic must be handled on site, but municipality has set aside area for wastewater treatment but infrastructure is needed. By right, two family dwellings in town.

Winooski – concerned about evictions cliff and doing monitoring of housing stability indicators; have rental registry which has been useful in the pandemic to understand rent non-payment and evictions. Evictions cliff not anticipated.

V. Three Polls - Future Meeting Topics, Future Meeting Date and Rate this Convening

Links from meeting/discussion:

Vermont Housing Needs

Assessment: https://www.vhfa.org/documents/publications/vt_hna_2020_report.pdf

<https://www.housingdata.org/toolbox/steps-for-municipalities>

Act 179/S. 237 - <https://legislature.vermont.gov/bill/status/2020/S.237>

2020 legislative wrap-up from the VT Affordable Housing Coalition

(draft): <https://drive.google.com/file/d/10oCTegMmrBFzN95sqSHZpaVs8EXC5mh9/view?usp=sharing>

Vermont Affordable Housing Cost Study: https://www.vhfa.org/documents/publications/final_analysis-vt_affordable_rental_housing_dvt_cost_factors_-_01.15.2020.pdf

Land bank information is included on this page (albeit in the last row) in the Housing-Ready toolbox: <https://www.housingdata.org/toolbox/regulatory-tools>

Two announcements: 1) The Fair Housing Project of CVOEO has a new job opening for a statewide Community Organizer with a focus on Housing Committee support. The posting will be up later this week at www.cvoeo.org and feel free to contact me at jhyman@cvoeo.org with any questions, and 2) Please check out the Housing Committee section of the Housing Ready Toolbox at <https://www.housingdata.org/toolbox/steps-for-municipalities> (the broader toolbox and resources were developed by Leslie and Mia at VHFA, with collaboration from CVOEO and DHCD on the housing committee section).

https://www.vhfa.org/documents/publications/access_to_subsidized_housing_in_vermont_by_age_1.pdf

Per the agenda:

Rental Housing Health & Safety Bill (H.739)

For background, in 2018, after many years of concern about the State's system of rental housing code enforcement, the Legislature passed Act 188, a bill to improve rental housing safety. The bill created a study committee, the Rental Housing Advisory Board (RHAB), to review how the rental safety programs of municipalities carried out primarily by volunteer town health officers (THO) could be professionalized. The work of RHAB can be found on the ACCD website <https://accd.vermont.gov/housing/partners/Act188>.

In 2019 the legislature passed Act 48. In it were a number of provisions that assist in making the work of enforcing the Rental Housing Health Code (RHHC) somewhat easier for municipalities. But, the fundamental flaw in the system still remained. That is that most small towns and cities are ill equipped to enforce the State's Rental Housing Health Code (RHHC). One of the main requests of Act 48 was that the Department of Health (DOH) and the Department of Fire Safety (DFS) in collaboration with the RHAB, complete a needs assessment and develop recommendations for the design and implementation of a comprehensive system for the professional enforcement of State rental housing health and safety laws.

In reviewing these and many options it was very clear that it made the most sense for Dept. of Fire Safety (DFS) to take the lead in enforcing the RHHC rather than the Dept. of Health. DFS has the systems in place for residential inspections. However, for them to take on the RHHC they will need more inspectors and overhead support. Because Vermont has no county government, any sort of regional approach seemed unrealistic and would require setting up a new program redundant of DFS. Health Dept. inspectors focus on commercial enterprises and are not spread around geographically, and have little expertise in residential buildings.

The RHAB had broad input that the RHHC inspection and enforcement should be a state responsibility, not a municipal one; but it has been extremely difficult to get over the hurdle that this must be a service of government that is paid for in some fashion. Like what is being done now in many towns (and states), RHAB believes that this activity can be funded by charging a modest fee to property owners. Landlord representatives seem to understand the issue and are looking for consistent service and support, and also better tools to deal with tenants who violate the health codes. In towns where fees are already being charged, we have seen no real effect on the rental housing market.

At the beginning of the 2020 session H. 739 was introduced, bringing high hopes that this would be the year to pass a bill creating a statewide professional system for rental housing code enforcement to protect Vermont tenants and landlords through the Dept of Fire Safety. 2

Also proposed is the creation of a statewide registry of rental housing. In addition to funding an inspection program, there has long been a need to have information on the location and data of the state's rental housing all in one place. This was very clear in Tropical Storm Irene and would have served the state very well during this pandemic.

A strong recommendation from the Rental Housing Advisory Board and support from both the Vermont Landlord Association and Fire Safety all boded well for passage. When the pandemic hit, lawmakers set the bill aside to focus on their emergency response, but took it up again during the September special session. The House General Committee sought to attach the bill to S.237 but ran out of time and was unable to vote out even a reduced version. The House Appropriations Committee's budget allocated \$400,000 in CRF funding to stand up the registry but this was unfortunately removed through a floor amendment. It is planned that the bill will be brought back next year. The March 2020 draft contains the most complete version of what stakeholders agreed to; H.739: Draft 3.1, 3-12-2020_9-2-2020.

In legislation RHAB is recommending the following components:

Move the responsibility for the enforcement of the Rental Housing Health Code from municipalities to the Dept. of Fire Safety.

- DFS has identified the need for at least five new FTE's plus overhead support.
- THO's would remain in place to support DFS and carry out the other duties.
- Communities with programs already in place would retain that. This would only cover communities who do not have and do not want their own inspection program.
- There would need to be about \$570,000 bridge funding for the start up.

Establish a registry of long and short-term rental housing units.

- Ongoing funding for a complaint-driven inspection program could come through a per unit fee as is done now in a number of communities and for mobile home parks.
- The fee could also support increased education for landlords and tenants, and provide an interactive website to keep them up-to-date.
- The registry would be housed at the Dept of Housing and Community Development (DHCD) and start with existing public data from the Dept of Taxes, E911 and the Health Dept. lead Essential Maintenance Practices (EMP) registry for pre-1978 rental housing.
- About 20-25% of rental units are already covered in communities that have an active code enforcement program, some with their own registry. Owners would not be charged twice.

Vermont Housing Incentive Program

- In addition to the two above recommendations, RHAB supports a program for small grants to landlords. This would be a very cost-effective way to get more housing on line and "encourage" landlords to do repairs. This would be similar to what is proposed in H. 739. DHCD would take the lead.