



Housing Reform Legislative Priorities

Webinar and Presentation
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Presentation Speakers

Department of Housing and Community Development

Commissioner Alex Farrell

Department for Children and Families

Commissioner Chris Winters

Tax Department

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Priority Areas of Reform



**ACT 250
Exemptions**

**Housing
Appeals**

Permitting

**ACT 47
Reform**

Tax Policy

Changes to Act 250 Jurisdiction & Triggers



- Full exemption for residential development in all State Designated Areas & Planning areas
 - Designated downtowns, Village Centers, Neighborhood Development Areas, Growth Centers, and New Town Center
- Change ACT 250 trigger in areas served by municipal water/wastewater:
 - **Current: 10 units x 5 miles x 5 years**
 - **Proposed: 30 units per project x 2 years (no mileage element)**
- All other areas:
 - **Current: 10 units x 5 miles x 5 years**
 - **Proposed: 10 units x 5 miles x 2 years**

De-duplication of Permitting



- Municipal Delegation
 - Municipalities with substantial bylaws, etc. can pursue an agreement with the Natural Resources Board (NRB) to delegate review of development to the municipality and exempting development within the municipality from Act 250 review.
 - NRB to develop guidelines in coordination with RPCs and ACCD.

Housing Appeals Reform



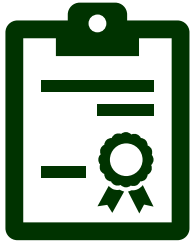
- No right to appeal housing development that is located **both** in areas zoned for residential development **and** within a state designated area.
- Reform the “10-person appeal”: appeals triggered by petition require support from 10% of municipality, not any 10 people.
- Financial liability for appealing party via an **Appeal Bond**.
- Judicial timelines: Appeal shall be heard within 60 days of filing. Decision provided 90 days from close of the hearing.

Municipal Permitting & Process Reform



- Development Review Boards or like entity shall issue a decision on the issuance of a housing permit within 60 days.
- Parking Requirements Reform
 - Allow tandem parking to count toward space requirement
 - Reduce parking space size minimums
 - Allow pre-existing non-conforming spaces to continue to be recognized

Act 47 Updates



- Clarify the 5-units per acre density standard, and strengthen it to enable quad-plex development.
- Clarify “Affordability Density Bonus” is meant to round up to the nearest whole unit.
- Allow secondary dwelling structures.
- Improve lot coverage requirements to allow for more density.

DCF Priorities



Permitting Changes for Hotel/Motel Conversions & for Development of Vital Facilities/Housing

- New limitations on municipal regulation of certain facilities with significant state investment and public interest
- New exemptions at state and local level to enable hotels/motels to be redeveloped into permanent housing

Tax Incentives to Increase Housing Stock



Tax Policy Changes

- **Property tax exemption:**
 - Freeze value of newly constructed or rehabilitated residential dwellings at their pre-improvement value for a 5-year period
- **Property transfer tax exemption:**
 - Exempt buyer from transfer tax when purchasing blighted property for rehabilitation within 3 years.

Tax Incentives: Value Freeze



Freeze the value on the Education Grand list for eligible new construction and rehabilitation

- Towns may opt in to enact a freeze on the Municipal Grand List (subject to local vote)

Targeted locations and types of properties:

- Designated downtowns, village centers, neighborhood development areas, and federal new market tax credit areas
- Owner-occupied or long-term rental residences only
- Requires mixed income / affordability for multifamily units
- Rehabilitation for blighted properties only
- Not allowed in TIF districts

Tax Incentives: Value Freeze



Property Value Freeze

- Time limited to a 5-year exemption period
- No new applications after 2027
- Jump starts grand list growth for the long-term
- Modeling on other programs available in at least 11 other states around the country

Tax Incentives: Property Transfer Tax



Property Transfer Tax Exemption

- Proposed property transfer tax incentive would exempt buyer from tax for the purchase of blighted property that buyer rehabilitates for primary residence within 3 years of purchase.
- Buyer must show that rehabilitation of property has been completed and property is occupied as a principal residence within 3 years of purchase, or else amount of taxes exempt will become due.
- Occupancy as a principal residence may be as a homestead (owner-occupied) or as a rental, but it cannot become a short-term rental.