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Existing Condition and Trajectory:

Smart growth is a development approach that results in vital, attractive city, town and village centers surrounded by working farms, forests and open space. This development pattern is more energy-efficient, environmentally sustainable, and economically responsible than the sprawling, auto-oriented patters. Smart growth provides a strong foundation to prepare and adapt Vermont's landscape for climate change.

<u>Energy Efficient.</u> Smart growth is energy efficient because it creates more housing choices close to jobs, stores, services and schools which encourages more walking and biking and makes public transit work better. Supporting this type of development means fewer vehicle miles traveled. That reduces greenhouse gas emissions, creates cleaner water and air, saves energy and money, and helps us meet the efficiency goals in the state's Comprehensive Energy Plan

<u>Environmentally Sustainable.</u> Focusing growth in city, town and village centers reduces development pressures to fragment scenic and working lands, which erodes their functions and productivity. Farms and forests provide Vermonters with enormous benefits and a range of economic and environmental services. Forest benefits include water supply and water quality protection, flood control and protection, wildlife habitat and biodiversity, clean air, carbon sequestration, outdoor recreation, and scenic beauty. Smart growth maintains large blocks of productive agricultural soils and connected forest lands to adapt to and mitigate climate change.

<u>Economically Responsible.</u> Not only does smart growth reduce our carbon footprint, it also saves taxpayers dollars by reducing long-term costs to provide and maintain public infrastructure and municipal services (i.e. water, wastewater treatment, public transportation, schools) through efficient economies of scale. In fact, development in compact centers generates more public wealth and costs less to service than the sprawl alternative on a per acre basis.² While "smart growth" may be a term new to many, it's a concept that has a long history in Vermont:

¹ Act 171 Draft Guidance. Agency of Natural Resources. 2017. http://anr.vermont.gov/Planning/Forest Blocks And Habitat Connectors

² Badger, Emily. The Simple Math That Can Save Cities From Bankruptcy. City Lab. March 30, 2012. https://www.citylab.com/life/2012/03/simple-math-can-save-cities-bankruptcy/1629/

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Away from settled areas, police and fire protection becomes more difficult. This problem is aggravated by increased costs for busing school children and for snow removal as secondary roads are settled. Often, inefficient utilization of land results from development strung along road networks. These are the problems of strip development. The magnitude of the problem is readily apparent from Land Use Maps.

Act 250 Vermont Interim Land Capability Plan, Adopted 1973

Demographic change, greenhouse gas emissions, severe weather, and financial challenges prompt a fresh look at smart growth strategies and land use governance as means to address climate change. Smart growth works when development goals, investments, and regulatory structures align to make Vermont's centers attractive places to live, work and play, while ensuring the viability of Vermont's farm and forest landscapes, and natural systems functions outside of centers.

Land use in Vermont is principally governed by <u>Title 24 Chapter 117</u> of Vermont Statutes Annotated. The Act establishes:

- Structures and processes for governance, comprehensive land use planning and administration of land use
- Fourteen (14) statewide planning and development goals (including specific smart growth goals)
- Eleven (11) required elements (and many sub-elements) for regional plans
- Twelve (12) required elements (and many sub-elements) for local plans
- A regional and local option for enhanced energy plan certification (to obtain deference for coordinated energy and land use planning before the Public Utilities Commission).
- Regulatory plan implementation tools (e.g. bylaws) and non-regulatory plan implementation tools (e.g. capital budget and program).

Local control, fragmented responsibility, and overlapping jurisdiction makes Vermont's land use a patchwork of subsidiarity historically resistant to statewide interests. Authority is substantially vested in municipal governing bodies (executive function), planning commissions (legislative function), and development review boards (quasi-judicial function) -- although the Act enables some variation. Vermont municipalities have the choice to plan. Communities that plan are enabled to implement the plan using regulations and other tools. In 2013, 78% of Vermont's municipalities had confirmed plans,

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and 53% had zoning or subdivision regulations. ³ Local plans can be confirmed by the regional planning commission for consistency with statewide goals, the regional plan, and the adjoining municipal plans. While certain larger scale development is subject to state and federal review (Act 250, NEPA), Vermont's land use regulation is significantly influenced by local zoning and subdivision bylaws and the capacity of local infrastructure like roads and sewers.

Volunteer and staff capacity varies widely among Vermont municipalities and moving from planning to implementation is difficult for many communities, especially when new legislative requirements divert focus away from implementation (local and regional planning requirements have <u>shifted or expanded</u> nine of the past ten years while municipal and regional planning resources have shrunk).

Statewide influence over land use principally comes through financial incentives like tax credits and grants that drive interest from municipalities and decision-makers. The state designations process established by 24 VSA 76A is a proven framework to coordinate inter-agency investments in ways that support smart growth outcomes at the local level. The Department of Housing and Community Development manages the state designation programs: Downtowns, <a href=Village Centers, New Town Centers, Growth Centers and Neighborhood Development Areas. These programs provide incentives, align state policies and funding, and give communities the technical assistance needed to overcome local obstacles for smart growth development in Vermont's compact, designated areas.

Outside centers, support for working farms, forest and open space come through efforts of state agencies, non-profits, and advocacy groups. A widely utilized program is the Agency of Agriculture's and the Department of Forest, Parks and Recreation's Vermont's current use value appraisal program which lowers property tax burdens for working lands. This program provides financial incentives to encourage land owners to keep land in farming or forestry. The Department of Forest, Parks and Recreation also provides land owner and technical assistance, conserves and manages forest land, and promotes forest economy enterprises all with the goal of enhancing and sustaining forest's benefits as mentioned above.

VHCB's farm and forest viability program also provides technical assistance, business planning, succession planning and implementation grants to farm and forestry enterprises across the state, enhancing the economic viability of businesses that are critical for maintaining an undeveloped, working rural landscape. Continued support for VHCB is another key strategy to affect land use in support of climate resilience.

From hazard mitigation and energy, to natural resource planning, Vermont's land use and development stakeholders are advancing climate change preparedness commensurate with the capacity available.

³ Act 59 Report to General Assembly. Dept. of Housing and Community Development. December 2013.

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While we focus considerable effort incorporating smart growth principles into our planning goals and requirements, we consistently underperform in the implementation of those practices and tracking our overall progress.

Municipalities grow weary from state mandates and the lack of resources that bring them to the table, and many Vermonters' value life on large rural lots, even if they don't farm or actively manage a forest. Compact planning and development can seem undesirable to the lived experience of some land-use decision makers – and threatening to those who plan to subdivide their land for economic reasons.

A concerning finding raised DHCD's in Act 59's report to the legislature is that developing in rural Vermont is faster, cheaper, and less constrained than developing in Vermont's compact centers due to: land costs, coordinating infrastructure and shared facilities (water/wastewater/stormwater), staging construction in tight locations, greater need for creative design solutions, and meeting the concerns of a larger number of neighboring landowners.⁴ An affirming trend found in the Act 171 Guidance is that Vermont is currently *losing* forest cover after a century of forest regeneration. While some of this loss comes from conversion of forests to agriculture and commercial uses, the main cause is scattered residential development.⁵ If Vermont's per capita vehicle mile traveled or single occupancy vehicle trips are any indicators, we're not headed in the right direction.⁶ Scattered research like this indicates that Vermont's decades-long focus on smart growth planning <u>inputs</u> is not leading statewide smart growth <u>outcomes</u>.

If we want active and vital community centers, we must take steps to overcome the barriers that discourage development in areas designated for growth. Increased investment in planning for smart growth implementation and infrastructure can achieve a host of state and local smart growth goals related to climate change, such as: increasing housing and employment in our downtowns and village centers, preparing for severe weather, managing storm water, promoting energy efficiency, maintaining natural systems and their services, and revitalizing local and working lands economies.

Goals:

A key challenge is balancing the long-term priority of preparing for climate change with competing short-term issues and resource constraints. The Climate Action Commission has the opportunity to lend

⁴ Act 59 Report to General Assembly. Dept. of Housing and Community Development. December 2013. P

⁵ Act 171 Draft Guidance. Agency of Natural Resources. 2017.

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its weight in support of **implementing and tracking** Vermont's smart growth policies and planning elements as a means to mitigate the effects of and adapt to a changing climate.

- Make existing settlements and centers the most attractive places to locate.
- Support and maintain farms, working forests, important natural resources, and a connected, resilient and functioning landscape

Other Entities Exploring Topic:

Many other entities play a role in promoting smart growth principles in Vermont, including state agencies, regional planning commissions, municipalities, the Natural Resources Board, district environmental commissions, the Vermont Natural Resources Council, the Council on Rural Development, the Vermont Housing and Conservation Board, Efficiency Vermont, the Preservation Trust of Vermont, the Vermont Land Trust, and many others.

One critical process underway currently is the Act 47 or "Act 250 at 50" Commission. The Act 47 Commission is charged with modernizing Vermont's primary land use law. Act 47 directs the Commission to investigate how Act 250 should address and consider a project's impact on climate change. Because that review is ongoing, the Smart Growth Working Group suggests the full Climate Action Commission provide support in terms of overarching principles rather than duplicating the efforts of the Act 47 Commission.

Proposed Commission Focus:

The Smart Growth Working Group proposes to focus on the barriers to and opportunities for expanding the implementation of smart growth principles around Vermont. While there are many ideas to improve the state's planning framework, the greatest opportunity lies in helping communities transition from planning to implementing their smart growth strategies, including evaluating the financial and human resource needs of communities and the tools they have at their disposal.

In addition to expanding the actual implementation of planned strategies, the working group proposes to focus on ways that Vermont can better track land use trends and our success in meeting smart growth goals. Currently, there is no ability to track in one central location the number of subdivisions and single-family home across the state. The Commission proposes to develop recommendations for tracking land use trends, both spatially and quantitatively, across the state.

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Metrics:

Supporting smart growth as part of a comprehensive climate change strategy will have significant benefits for meeting Vermont's climate goals both in terms of reducing our current emissions but also in avoiding the creation of structures and systems that lead to greenhouse gas emissions. However, some of the benefits are indirect, so we will consider if the following metrics help us better understand the state's progress:

- The number of vehicle miles travelled originating from or terminating in a designated center
- The number of rehabilitation and weatherization projects of downtown and village center buildings
- The number of rural towns that have implemented water and waste water solutions
- Implementation of statewide parcel data and creation of relevant GIS data layers to track land use trends over time, e.g. housing starts inside and outside state designated centers.
- The share of bicycle and pedestrian commute trips
- The public transit ridership rate
- The quantity and distribution of electric vehicle supply equipment installations in multi-modal designated centers
- The number of towns that have implemented town plan elements and local bylaws that address forest fragmentation and habitat connectivity, per Act 171.
- The rate forestland conversion and fragmentation
- The number of acres of highest priority forest block or connecting habitat, as defined in Vermont Conservation Design, conserved or otherwise protected from development.

Information Needs:

A focus group of experts including local and regional planners, developers, environmentalists, etc. could help the Commission identify the top barriers that can limit effective implementation of local smart growth strategies. Articulating the challenges would help the Commission identify possible solutions to overcome them.

Potential Expertise:

The Working Group proposes to engage a small focus group once it has developed a set of proposals. The focus group would "ground truth" the proposals and offer additional suggestions to improve them.

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Full Commission Discussion Items:

The Working Group recommends focusing on a few achievable changes or enhancements to the state's existing smart growth framework. The aim of these recommendations would be to strengthen the foundation for current emission reductions and avoid future emissions by promoting smart growth principles.

