

Vermont Climate Action Commission

Smart Growth Working Group

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INTRODUCTION

To advance the Commission's adopted smart growth work plan, staff and public members met on April 4, April 18, and May 1 to develop recommendations for the Commission. This document integrates topic background provided in the earlier work plan and lists specific recommendations for the Commission's consideration. Each recommendation has been circulated by an agency lead for broader outreach to topic specialists not represented in the working group.

BACKGROUND

Smart growth is a development approach that results in vital and compact 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 patterns. Smart growth provides a strong foundation to prepare and adapt Vermont's landscape for climate change.

Energy Efficient. 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

Environmentally Sustainable. Focusing growth in city, town, and village centers reduces development pressures to fragment scenic and working lands, which can erode their critical environmental functions and their economic viability. Protecting large forest blocks cleans and protects the water supply, minimizes erosion, stores flood waters, provides wildlife habitat, cleans the air, captures carbon, provides outdoor recreation, and maintains Vermont's landscape.¹ Farms and forests provide food and cover for wildlife, help control flooding, and protect wetlands. Protecting large blocks of productive agricultural soils and connected forest lands is critical to help Vermonters and wildlife adapt to climate change.

Economically Responsible. 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 with a long history in Vermont's Planning and Development Act.

[To add: information on the economic advantage of compact development]

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. 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.

Demographic change, greenhouse gas emissions, severe weather, and financial challenges prompt a fresh look at Vermont's 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 farm and forest landscapes, and natural systems functions outside of centers.

[To add: information on difficulty to measure causal impacts of smart growth principles]

The smart growth and land use initiatives included below represent an important, foundational set of strategies to adapt to climate change and start reducing Greenhouse

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/>

Gas Emissions. Since changing land use patterns is a long-term undertaking, taking and investing in these basic steps now is essential.

However, this package of actions is only the foundation, and the Commission recognizes that additional work by state agencies will be needed to develop further innovations in this area and measure and communicate the long-term GHG reduction benefits of smart growth investments.

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 support the 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 flood resilient areas within and around centers the most attractive places to locate.
- Support and maintain farms, working forests, important natural resources, and a connected, resilient, and functioning landscape.

DRAFT RECOMMENDATIONS

Measuring Development and Impact

- **Statewide Development Measurement and Reporting:** Vermont does not systematically compile statewide development activity. Developing and maintaining digital parcel data and development indicators would allow the state to understand where, how much, and what kind of development is happening (e.g. subdivision, new buildings, number of units, etc.). This will help decision-makers measure the extent to which the state is meeting its smart growth goals and how to target additional efforts in the future.
- **Effective Metrics for Smart Growth Impacts:** The application of conventional smart growth principles has proven positive economic and greenhouse gas emission reductions³ but Vermont's form of compact development often does not reach the scale of conventional smart growth. Therefore, developing a set of indicators for Vermonters to use to evaluate the impacts of development will be critical to measuring and defining success in this arena.

Inter-Governmental Collaboration and Support for Municipalities

- **Inter-Agency Smart Growth Collaboration:** Continue and codify inter-agency team collaboration to develop integrated policies and programs that

³ <https://www.epa.gov/smartgrowth/smart-growth-and-climate-change>

promote and incentivize compact development (e.g. Better Connections Grants, Rural Wastewater Initiative, Electric Vehicle Supply Equipment Grants).

- **Targeted Municipal Capacity Development:** To build collaboration, capacity, and support local implementation, create a process to target state benefits and governmental and non-governmental resources to one or two communities for an “all-in” approach that will transform a community and demonstrate success. The current model spreads siloed investments thinly across the state for reasons of equity but may be too diluted to create critical tipping points in local economies. Once the model is proven, increase funding so that program can be replicated in a variety of communities throughout the state.
- **Focus on Wastewater Capacity:** In many small communities, a primary barrier to compact village revitalization and development is the lack wastewater capacity. Small town volunteers struggle to begin or go beyond the study phase, because they lack the population to support typical centralized treatment systems or the staff to coordinate the complexities of decentralized solutions. In addition, the up-front costs of these systems are a major barrier. Expanding staff capacity, inter-agency cooperation, and funding to implement rural wastewater solutions would increase the economic viability of rural centers.
- **Develop Strategy for Stormwater Management Challenges:** As Vermont takes steps to achieve our clean water goals, effectively managing stormwater in compact settlements will become a challenge and a constraining factor for our downtowns and village centers. Vermont should work to develop community solutions that enable clean water and promote compact centers.
- **Smart Growth Outreach and Cost/Benefit Technical Assistance:** The long-term and cross-sector benefits of compact development are often not communicated through the lens of municipal interests. Helping local land use decision-makers understand the economic and social benefits of compact design could result in more cost-effective decisions by planning boards facing choices between compact development and more costly alternatives. Fund, research, and develop technical assistance toolkits that empower municipal decision-makers to understand how development policies can support Vermont’s traditional development pattern, grow the economy, and save taxpayers more money than auto-oriented development.
- **Smart Growth Audits:** Smart growth audits identify how policies, funding strategies, and other decisions conflict with smart growth principles and reveal ways they can be improved to better support smart growth. The State should partner with non-governmental organizations to offer such services to regions and municipalities.
- **Municipal Deferral to Regional Planning Commissions:** Many local planners may not be aware that they can adopt all or part of their Regional Plan. Encouraging local adoption of certain regional planning elements is allowed by statute and can save time, ease redundancy, and free local capacity to focus on planning and implementing what matters most locally.

Aligned Funding and Financing Incentives with Smart Growth Principles

- **Create/Reprioritize Economic Development Incentives:** Whenever possible, existing economic development incentives should be directed in and around centers. The economic multiplier of dense economic activity generates further economic opportunities.
- **Tax Increment Financing:** Smart growth economic development is attracted to development-ready places in municipalities willing to make capital investments. Tax Increment Finance (TIF) Districts are an effective way for the state and municipalities to temporarily delay new earnings (grand list growth) to pay back loans for investments that make development possible. Many development projects critical to smart growth community revitalization either don't pencil out or would not gain voter bond approval without TIF. Much like student loans can propel a low-wage earner into a higher wage, well-run TIFs are a great investment.
- **Expanded Eligibility for Building Rehabilitation Tax Credits:** Restoring older buildings is often more expensive than building new. The downtown and village center rehabilitation incentives help close the gap and allow commercial revitalization projects to compete with land consumptive alternatives. Expanding the tax credit eligibility to include homeowners in and around centers would remove the financial barrier to neighborhood reinvestment and create more opportunities for safe and energy efficient housing within and close to town centers. Eligibility could also be expanded to support flood-proofing existing buildings in flood hazard areas. If the range of eligible project types is expanded, funding should be increased as well so as not to undermine the success of existing investments being made with these tax credits.
- **Municipal Planning and Implementation Grants:** Municipal planning grants (MPG) assist municipalities to plan and implement in accordance with [statewide land use goals](#), but remain highly competitive. From updating town plans and bylaws, protecting floodplain from development, managing stormwater, identifying large forests blocks, to scoping locations for business incubator space, the MPG program provides the early funding needed to help cities and towns identify solutions to local challenges. Additional funding is needed to expand local capacity to plan, adapt, and mitigate the effects of climate change.

Leverage Non-Traditional Funding and Financing Sources

- **Leveraged Health Care Funding:** Behavioral patterns, social circumstances, and environmental exposure account for 60% of health outcomes, with genetic predisposition accounting for 30%. Healthcare is only 10%.⁴ Smart growth is a good investment because it increases opportunities for physical activity, reduces incidence of injury, increases access to healthy food, and provides equitable access to education, employment, and vital services. Recognizing this, the public

⁴ <https://www.nejm.org/doi/full/10.1056/NEJMsa073350#t=article>

health sector has stepped up its efforts to promote healthy, active communities, much of which also supports smart growth. One example is the [RiseVT initiative](#), or more broadly, the ongoing work of the [Healthy Communities](#) program at the Health Department. As the health care system slowly shifts to a more prevention-focused approach, hospitals and other health care providers should be key partners and funders of smart growth strategies that promote better health.

Align Policies for an Evolving Transportation System

- **Multi-Modal Planning:** Continue to focus on integrated multi-modal planning. Expand VTrans investments in implementing complete streets and infrastructure and amenities that encourage walking and biking.
- **Electric Vehicles and Bicycles:** Transportation investments significantly guide land use and development. Align investments in ways that reduce highway maintenance costs and support smart growth locations that expands transportation choice. Provide technical assistance that helps consumers and developers build this infrastructure.
- **Autonomous Vehicles (AV):** While the trajectory of autonomous vehicles is uncertain, this technology has the potential to reduce public and private transportation spending and grow walkable smart growth places. It also has the potential to increase vehicle miles traveled and scattered development. Vermont can prepare for this technology by= removing statutory barriers to deployment in ways that favor public transit, transit-oriented development, shared use of AVs, and other approaches that reduce overall vehicle miles traveled.

Climate Resilient Resource Protection and Beneficial Use (ANR)

- **Targeted Land Conservation for Climate Adaption:** Expand efforts to target conservation efforts for important climate adaptation goals such as flood resilience and regional habitat connectivity. For example, continue the work to conserve important flood storage areas, particularly in areas upstream and upslope of historic settlements. Create a strategy to focus regulatory and non-regulatory investments in areas that will provide the most functional flood resilience value by looking at local regulations, land conditions, conservation easements, etc. Identify ways to capture and factor in the future costs that are avoided when flooding, property damage, and infrastructure damage are reduced as a result of these investments.
- **Expand Land Conservation Investments:** Vermont utilizes many existing programs (VHCB, LWCF, etc.) to invest in conserving key parcels that help Vermont be more resilient in the face of a changing climate. Investments in such parcels such as such as active river corridors, key habitat connectors, or areas necessary to maintain important forest blocks will dissuade development in sensitive areas and can support the working landscape and recreational opportunities.

- **Forest Landowner Succession Planning:** Implement the recommendation of the Act 171 intergenerational transfer report and provide resources/technical assistance to forestland owners preparing to divest of their holdings. As outlined in that report, Vermont is at a critical demographic juncture where the majority of forested land is owned privately by people 65 and older. That land is at its greatest risk of subdivision and fragmentation when it changes hands, so outreach to current owners interested in keeping land intact is critical and can be relatively cost effective.
- **Statewide Green Infrastructure Planning:** Green infrastructure is a strategic planning approach that develops a network of natural and semi-natural areas with other environmental features designed and managed to deliver a wide range of ecosystem services such as water purification, air quality, space for recreation and climate mitigation and adaptation. Structuring state and regional initiatives to plan for green infrastructure as a statewide resource would build a common platform that integrates complimentary planning undertaken independently, such as: forest integrity, biodiversity and habitat connectivity, hazard mitigation, river corridor protection, food system and agriculture planning, basin planning, water source protection, energy planning, public lands management, active & recreational transportation, and more. Integrating constituents and topic-based plans into a common green infrastructure strategy is a tested tool to balance environmental, economic, and social benefits and build cross-sector support for natural solutions.⁵
- **Enhanced Natural Resource Planning:** Support local and regional planning related to forest blocks and habitat connectors, per Act 171 (ANR, ACCD and VRNC have already developed model bylaws, written guidance and a webinar on this topic), and River Corridors (authorized by 24 V.S.A. § 4424). Support could take the form of simply distributing existing guidance materials and promoting trainings, though investing in increased staffing capacity at DFW or within RPC's to apply the best available science to assist with this work would be the preferred way to sustain these long-term efforts.

Regulation Aligned with Location-based Impacts (ACCD)

- The economic challenges of compact development are often exacerbated by the regulatory structure. The Commission supports the evaluation of challenges associated with redeveloping downtowns as well protecting important natural resources that are critical to adapting to a changing climate with the goal of achieving comparable protections in a manner that flips the current paradigm where greenfield development is easier and cheaper. The Commission recommends supporting the Act 47 Commission (Act 250 at 50) in exploring changes needed to support development in compact centers and jurisdictional questions that address farm and forest integrity in the rural countryside.

⁵ http://ec.europa.eu/environment/nature/ecosystems/index_en.htm