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Vermont Department of Housing and Community Development
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Via email: ann.kroll@vermont.gov

Dear Ms. Kroll,

We are Board members of Homes for Norwich, a nonprofit based in Norwich, VT that seeks to increase the affordability of housing in Norwich through education and advocacy. We congratulate you and the Department on your progress in preparing the state's Consolidated Plan for 2025-2029. The draft plan reflects an incredible amount of hard and good work to clarify the nature of Vermont's housing challenges and propose a strategic plan for addressing them.

As you know, the housing landscape has changed in important ways since the last Consolidated Plan was developed. Among other shifts, there have been huge increases in housing production costs, growing awareness of the challenges posed by the state's limited housing supply and a growing willingness of state policymakers to adopt new legislation to address barriers to new development. The growing severity of the problem and the open-mindedness of policymakers to new approaches suggest it's a good time to take a step back and determine whether changes to the state's historic policies for allocating funding under the Consolidated Plan are needed and appropriate.

Summary of Recommendations

In this comment letter, we offer four recommendations for strengthening the draft Consolidated Plan to more comprehensively and effectively address the state's housing challenges. Our comments are motivated by a desire to ensure the Consolidated Plan addresses the high housing costs in Norwich and the broader Upper Valley that are driven by a strong job market in Vermont and just over the border in Lebanon and Hanover, NH, and a strong demand for housing in high-performing school districts. While motivated initially by our region's experiences, we expect these recommendations, if adopted, will help expand the availability of affordable housing in key locations throughout the state, ensuring workers can find housing close to where they work and low- and moderate-income households can better access areas of opportunity.

In brief, we recommend that the draft Consolidated Plan be revised to:

1. **Add a 5th overall goal to “Reduce energy use associated with housing occupied by low- and moderate-income households” on page 85 and elsewhere in the Plan and underscore the importance of reducing “vehicle miles traveled” as a mechanism for achieving this goal.** This will help Vermont achieve its statutorily mandated goals for reductions in greenhouse gas emissions.
2. **Add “areas in close proximity to major job centers” to the list of areas where development is to be promoted on page 85 and elsewhere in the draft Plan.** This will level the playing field by ensuring that areas in close proximity to major job centers have equal priority for receiving CDBG and HOME funds as designated places located far from job opportunities.
3. **Add “opportunity-rich areas” to the list of areas where development is promoted on page 85 and elsewhere in the draft Plan.** This will help to affirmatively further fair housing by ensuring that at least some affordable housing is developed in areas with high-performing schools and low poverty rates.
4. **Add “Lack of public infrastructure” to the list of barriers to development on page 70 and elsewhere in the draft Plan.** This will help to clarify the need to address the state’s infrastructure deficits to facilitate an expansion in the supply of housing.

We explain our recommendations in more detail below.

Discussion

1. **Add a 5th overall goal to “Reduce energy use associated with housing occupied by low- and moderate-income households” on page 85 and elsewhere in the Plan and underscore the importance of reducing “vehicle miles traveled” as a mechanism for achieving this goal.**

Vermont’s Global Warming Solutions Act (Act 153) commits the State to reducing greenhouse gas emissions to 26% below 2005 levels by 2025, with further reductions required by 2030 (40% below 1990 levels) and 2050 (80% below 1990 levels). Achievement of these ambitious goals will require significant action by all sectors of Vermont society. Given the critical role that housing plays in greenhouse gas emissions, it is important for the housing sector to do its part.

There are two main ways to reduce the energy use and associated greenhouse gas emissions of housing. The first, which the draft Consolidated Plan already addresses, is to improve the energy-efficiency of housing. The second is to site housing closer to jobs, retail and other key services in order to reduce the number and length of necessary car trips. This second approach, sometimes identified by the phrase “reducing vehicle miles traveled,” is an explicit priority of the state’s [2021 Climate Action Plan](#).

While the draft Consolidated Plan affirms a commitment to smart growth principles, the places it proposes to prioritize for development are not necessarily located close to major job centers, and therefore not always the optimal locations for reducing vehicle miles traveled. To illustrate, siting housing in a designated village center 30 miles from the nearest job center will not necessarily reduce vehicle miles travelled if most residents need to drive long distances to get to work. Including an explicit focus in the Consolidated Plan on reducing vehicle miles traveled as a way to reduce the energy use and greenhouse gas emissions associated with housing will help to inform the state's determinations of which locations to prioritize for housing development.

2. Add “areas in close proximity to major job centers” to the list of areas where development is to be promoted on page 85 and elsewhere in the draft Plan.

While there is a housing crisis across Vermont, areas close to major job centers have been particularly hard hit, with workers seeking housing close to where they work driving housing costs up to unaffordable levels. Among other adverse effects, this forces many workers to move far from where they work, increasing vehicle miles traveled and associated energy use and greenhouse gas emissions. Those workers who do find housing near where they work often pay excessive shares of their income for housing, potentially contributing to food insecurity and other health issues. The lack of affordable housing options in job-rich areas also makes it hard for employers to find workers, inhibiting economic growth and opportunity, which the Consolidated Plan acknowledges as a key objective.

To address these problems, we recommend that the State add “areas in close proximity to major job centers” to the list of areas where development is to be promoted on page 85 and elsewhere in the draft Plan. Focusing development on the “State’s designated downtowns, village centers, neighborhood development areas and other areas that are consistent with the state’s historic settlement pattern” advances important economic development objectives,¹ but there is far too little land in these areas to meet the state’s needs for an expanded housing supply. Extending the preference to growth areas is helpful, but there is a limited number of such areas and they do not include all of the state’s main job centers. To help reduce vehicle miles traveled and associated energy use and greenhouse gas emissions and help support the state’s economic development by making it easier for employers to find workers, it is important to give equal priority in siting decisions to locations that are in close proximity to major job centers.

¹ We understand and appreciate that the state’s land use policies are in flux and that Act 181 provides an interim exemption under Act 250 for priority housing projects within half a mile around a designated downtown, neighborhood development area (NDA) or growth center. While this is modestly helpful in facilitating development outside the boundaries of designated places, it still leaves many areas within close proximity to jobs outside the scope of prioritized areas. We look forward to seeing the Future Land use maps that Regional Planning Commissions develop but worry that these maps similarly will not effectively enable and incentivize the development of affordable housing near jobs.

There are a number of different ways this concept can be operationalized. The state could choose to leave it undefined and require grantees to establish that they are close to major job centers, but this could be challenging to administer. Alternatively, and preferably, the state could define what it means by a major job center and specify that the preference applies to sites that are within a designated distance of these areas or a specific number of minutes by car representing a brief yet reasonable commuting distance.

One option would be to specify that proposed housing projects within the following areas are within close proximity of a major job center and thus receive an equal priority as applications from the designated places specified in the draft Plan:

- Within 6 miles of the centroid of a census tract that has 7,200 or more jobs
- Within 5 miles of the centroid of a census tract that has 5,000 to 7,199 jobs²

Since jobs located just over the border in a neighboring state drive up housing demand in Vermont just as jobs located in Vermont do, we recommend including job-rich census tracts in Vermont or in close commuting distance to Vermont as the basis for this preference. There are at least 12 census tracts within Vermont or within close commuting distance to Vermont that meet this definition, as shown in the Appendix.³ Three of these are in the Upper Valley, and six are in Chittenden County. Some or all of the six Chittenden County tracts are within Burlington and thus covered by a different Consolidated Plan; but there are nevertheless portions of the commuting shed surrounding these tracts that would be covered by the state's Consolidated Plan.

The reason for varying the size of the area by the number of jobs in a tract is that a larger geographical area is needed to accommodate the workers associated with a larger number of jobs. Rather than define the radius based on the widest possible area needed to accommodate the largest job centers, it makes sense to reduce the radius for smaller job centers, thereby helping to preserve open space. If desired, smaller zones (such as within 3 or 4 miles) could be established around the centroids of census tracts with a smaller number of jobs (such as 3,000 to 4,999).

In considering the appropriate size of these commuting sheds, please remember that it may be difficult to find vacant property on which to site affordable homes within to narrow a land area. It is important to have a large enough zone to allow communities and nonprofit developers to be opportunistic in identifying sites that are available and appropriate for development while still keeping the zone tight enough to preserve open space. Affordable housing developed within these zones will be within about a 10-minute commuting distance or less of major job centers, greatly shortening the commutes and related energy use and greenhouse gas emission of

² These thresholds were calculated based on a review of data for all jobs by census tract, U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (2020).

³ The smallest number of jobs in these tracts is 5,114; further research is needed to determine if there are any additional tracts in Vermont with 5,000 to 5,113 jobs.

working families.

3. Add “opportunity-rich areas” to the list of areas where development is promoted on page 85 and elsewhere in the draft Plan.

Raj Chetty and his collaborators at Opportunity Insights have conducted foundational resources underscoring the importance of the neighborhood conditions in which children grow up. As Chetty has [summarized](#): “[W]hat we’ve learned is where you grew up really matters for your chance of achieving the American dream . . . Where you lived from birth to, say, your early 20s seems to matter a great deal. . . Every extra year that you grew up in a better neighborhood, a neighborhood with better schools, with better access to opportunities, the better you end up doing in the long run.”⁴

To provide children with the best possible foundation for future academic and occupational success, we recommend that “opportunity-rich areas” be added to the list of areas where development is promoted on page 85 and elsewhere in the draft Plan. This can be operationalized in a number of different ways. One approach would be to define an opportunity-rich area as a municipality that is both (a) in the quartile of Vermont municipalities with the lowest child poverty rate and (b) in the quartile of municipalities with the highest elementary school test scores. Alternatively, you could use the [Child Opportunity Index](#) to identify the Vermont census tracts that are rated mostly highly on their index (either normed to the U.S. as a whole or normed to Vermont specifically).

4. Add “Lack of public infrastructure” to the list of barriers to development on page 70 and elsewhere in the draft Plan.

One of the most impactful barriers to the development of new housing in Vermont, affordable or otherwise, is the limited availability of water and wastewater infrastructure. An expansion of water and wastewater infrastructure is sorely needed to expand the overall housing supply. In particular, there is a need to ensure that areas in close proximity to major job centers have water and wastewater infrastructure so they can accommodate new development. While Vermont has taken some steps to make funding available for water and wastewater infrastructure, more funds are needed, and smaller municipalities will need help implementing the projects.

If the state really wants to expand the availability of housing near major job centers, it should identify the sites close to major job centers where infrastructure is needed, and install it, without requiring individual municipalities to apply for funding or execute the projects, which many do not have the capacity to do. The state could then charge user fees to cover a significant portion of the costs. The state’s costs would further be defrayed by increased tax revenue from new residents and from businesses that are able to expand as the construction of housing facilitates

⁴ For more information, see Chetty, R., Friedman, J., and Hendren, N., Jones, M., and Porter, S. 2020. [The Opportunity Atlas: Mapping the Childhood Roots of Social Mobility, Executive Summary](#). Cambridge, MA: Opportunity Insights and the US Census Bureau.

an increase in Vermont's population and the number of jobs that area businesses are able to offer.

We understand that the costs of supplying this new infrastructure far outweighs the funding available to the State through the CDBG program. However, by adding "Lack of public infrastructure" to the list of barriers to development on page 70 and elsewhere in the draft Plan, the State will outline for state policymakers an important need that needs to be filled through some other funding source.

Conclusion

We readily acknowledge that the first three recommendations will help to facilitate the development of affordable housing in Norwich, and the fourth could lay the groundwork for other policy initiatives that make water and wastewater infrastructure available in Norwich. But this is for good reason – Norwich is very close to three of the biggest job centers in or within easy commuting distance of Vermont and has high-performing schools and low poverty rates. The median home sales prices in Norwich in the past year was \$900,000 and there are very few affordable rental units. Norwich – and communities like Norwich in other parts of the state – are excellent locations for affordable and workforce housing. The benefits of siting affordable housing in Norwich do not stop at the boundaries of our very small designed village center or of the immediately adjacent areas. A wider conception of a desirable site location is needed to ensure that housing is well located near jobs and in opportunity-rich areas.

We also understand that the state's funds are limited and the addition of geographical priorities beyond the ones already included in the draft Consolidated Plan could increase the number of projects seeking funding and the need to winnow projects down further to the projects for which funding is available. However, we do not think that the limited availability of funding is a sound reason to elevate projects within designated places that are far from job centers over projects in close proximity to major job centers or in opportunity-rich areas. Certainly, the need for funding to support affordable and workforce housing in the state exceeds available resources. But that is a reason to supplement the federal government's resources with additional state resources, rather than artificially constraining the priority project list.

Thank you for considering our recommendations. If it would be helpful, we'd be pleased to discuss these ideas with you further. To discuss further, please contact Jeffrey Lubell at jefflubell@gmail.com or 857-259-2795.

Respectfully submitted,

Homes for Norwich

by Board members: Susan Barrett, Linda Gray, Brian Loeb, Jeffrey Lubell, and Marsha Price

Appendix

Census tracts with the most jobs in Vermont or close commuting distance to Vermont

Jobs	Tract	County	City/Town/Village
12,449	9617.01	Grafton	Lebanon, NH
11,216	31.01	Chittenden	Williston, VT
9,842	10	Chittenden	Burlington, VT
8,399	9656	Windsor	White River Junction, VT
7,595	39	Chittenden	Burlington, VT
6,849	40.02	Chittenden	South Burlington, VT
6,494	9633	Rutland	Rutland, VT
5,967	9616.04	Grafton	Hanover, NH
5,735	9608	Addison	Middlebury, VT
5,690	22.01	Chittenden	Winooski, VT
5,276	9545	Washington	West Berlin, VT
5,120	33.04	Chittenden	South Burlington, VT
5,114	9685	Windham	Brattleboro, VT

Source: Data for all jobs in Vermont and Grafton County, NH by census tract, U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (2020). This list consists of the top ten Vermont tracts, plus two tracks in Grafton County that fall within this same range, plus a tract manually added from Windham County because it is very similar to the 10th highest Vermont tract.