

# Executive Summary

## **Making Smart Growth Smarter: How to Make Dense Development Work in Vermont**

Act 200, enacted in 1989, directed Vermont planners and policy makers to “plan development so as to maintain the historic settlement pattern of compact village and urban centers separated by rural countryside.” The statewide growth center legislation (Act 183), enacted in 2006, provided welcome new tools to help communities achieve this pattern. In addition, both public acceptance and personal housing choices support compact development patterns to a greater degree than in past years. Nevertheless, there remain challenges that inhibit communities, landowners and developers from supporting high density development in areas designated for community growth.

On November 17, 2006, The Vermont Planners Association convened a meeting, moderated by Brian Shupe, Program Director for the Vermont Forum on Sprawl, to address obstacles to Smart Growth, and to identify strategies for overcoming those obstacles. The meeting began with presentations from a panel of experts and was followed by a roundtable discussion. A summary of the major obstacles and solutions is as follows:

### **State Policy**

Building in town centers is more expensive than greenfield development. Smart Growth developers must have a return on investment. Stronger financial incentives and regulatory relief are needed. Transportation policy, funding and standards are an obstacle to dense development. TDM and use of transit are difficult in a rural state where the population is dispersed.

- Regulatory review for Smart Growth projects should be expedited (a “Rocket Docket”);
- An Office of Smart Growth or Office of Growth Management should be established to advocate at the local level and monitor state investment;
- VTrans standards should be analyzed and modified to respond to dense town center planning and the need for grid streets rather than linear corridor development;
- To help with the TDR concept, the VHCB could be the “bank” for density by buying it with rural conservation and investing in growth centers;
- Use examples from other states: such as Minnesota’s system of evaluating funding priorities and Massachusetts’ policy of funding based on how a town scores itself on smart growth.

### **Infrastructure**

There is insufficient infrastructure in many town centers to support Smart Growth. State and local governments need to fund improvements to sewer and water systems, sidewalks, roads, etc., but money is scarce. Sewage treatment in our villages is a critical obstacle to infill development. State funding is weighted toward existing problems and centralized sewage treatment plants.

- Towns without centralized treatment plants are at a big disadvantage, some funding should go toward on-site systems;
- More demonstration projects such as the Warren sewer system should be developed;
- Feasibility studies and needs assessments are needed to achieve better solutions;
- Towns should retain functioning on-site systems when extending public sewer systems;

## **Education / Outreach / Marketing**

Smart Growth continues to face cultural and public perception problems. People like open space and don't like losing the empty lot next to them. There is a reaction against new projects in town centers causing more traffic, yet people are unwilling to change their transportation mode choices. There is a disconnect between goals and what the reality looks like, as in the example of wind turbines. People in rural areas don't want to pay for infrastructure improvements in town centers because they don't see the benefit to themselves.

- An education campaign is needed to convey the real costs of scattered development. Unless this issue is made as concrete as property taxes, it will not become a priority. The other side of this coin is emphasizing the economic advantages of compact development.
- We need to address NIMBYism in town centers by de-mystifying density, providing better models and examples of Smart Growth in Vermont, and working on excellent design.

## **Local Planning and Regulation**

Local planning and regulation often work against achieving higher densities and Smart Growth. There is often no connection between the Town Plan and zoning regulations. Regulations lack a broader community perspective and work primarily for protecting adjacent property owners. Poor communication between Selectboards and Planning Commissions is often a detriment. Lack of training, resources and capacity result in poor planning on the local level.

- A downloadable suite of Smart Growth model ordinances should be developed;
- Citizen and professional planners need training in communication skills and in understanding the impacts of zoning and subdivision regulations;
- Traffic Demand Management (TDM) principles need to be incorporated into local regulations;
- From the vision to the plan to the zoning ordinance – we need to get everything in the same direction – as well as policies, funding and maintenance. Boulder, CO is a good example of all these factors working together. We need to keep the vision and all the “levers” pointing in the right direction.

## **Integrated Systems Approach**

Poor land use policy can be a result of a “silo mentality”. We need to think regionally and integrate systems planning at all levels. Partnerships are key. Development is incremental which works against land planning as a system.

- Integrated solutions to accomplish multiple goals must be found; regional thinking is important;
- Transportation, energy and land use all need to be tied together by policy makers;

## **NEXT STEPS**

- VPA needs to address these issues organizationally with the aim of getting these concepts integrated into local planning work programs;
- Work with the RPCs to develop the conversation at the local and regional level;
- Convene a task force to turn ideas into action

# **Making Smart Growth Smarter**

## **How to Make Dense Development Work in Vermont**

**2006 VPA Annual Meeting – Friday November 17, 2006**  
**Williston Town Hall, Williston VT**

The Vermont Planners Association held a roundtable discussion on Smart Growth in conjunction with the annual meeting. The roundtable discussion took place in Williston, VT, on the afternoon before a Williston and Essex planning workshop with Ed McMahon. Brian Shupe moderated the discussion, which began with presentations from an esteemed panel of smart growth experts. Individuals on the panel spoke from their various fields of expertise on the barriers that they see to smart growth development in Vermont. The panel presentation was followed by additional observations from the audience, most of whom were VPA members and planners from around the state. Panelists included Mary Clark, the group leader of water resources and water resource management at Stone Environmental; Donna Smallwood of the URS Corporation in Boston, whose focus is Transportation Demand Management (TDM); Andrea Morgante, a member of the Hinesburg Selectboard since 1993, former member of the Planning Commission, and a board member of the Hinesburg Land Trust; Scott Johnstone, Executive Director of Chittenden Metropolitan Planning Organization and former Secretary of the Agency of Natural Resources; and Brenda Torpe, Executive Director of Lake Champlain Trust.

Although the barriers and proposed solutions to smart growth are broken down into five issue areas in this synopsis, the subject of the need for an integrated system approach to tackling boundaries to Smart Growth came up throughout the discussion. Solutions need to happen at several levels at once. The five issue areas that summarize the bulk of the smart growth discussion are: State Policy, Infrastructure, Education/Outreach and Marketing, Local Planning, and an Integrated Systems Approach. A synopsis of the barriers and proposed solutions is broken down under these five issue areas.

### **State Policy**

Several barriers to smart growth came under the heading of state policy, and within state policy the subheadings of economics, leadership, funding, and legislation.

The economics of smart growth are difficult to market. It costs more to build housing in town centers, where the cost of land and services are more expensive. Yet the true costs of development choices are not reflected in the decisions that towns and individuals make – externalities such as the impact on the environment are not included in the cost of development.

The relative low price of gas and the lack of transportation choices does not help the smart growth dilemma.

### **Infrastructure**

Many rural towns do not have public water and sewer, and there is little or no funding available to assist these towns with building expensive wastewater systems.

## Summary of issue areas

- **State Policy** - funding, leadership, legislation, economics
- **Infrastructure** – limitations, technical, funding
- **Education/outreach/marketing**
- **Local planning and regulation** – visioning, regulation, permitting, data
- **Integrated systems approach** – design, construction, O&M

## State Policy Obstacles

### Economic Obstacles

- Funding – wastewater
- Travel decisions based on cost/efficiency
- Infrastructure decisions support, rather than change, this behavior
- Housing capital costs more in dense areas – higher costs for land, services
- Funding structure encourages sprawl along a corridor rather than creation of grid streets
- Who pays for smart growth at the local level—lack of financial planning? Now we're getting backlash for why I should be paying for sidewalks, or sewer upgrades. It is not helping them or those in the village. Those individuals that can't see beyond the community good.
- Costs are not correct (water, wastewater, etc. costs are not built in). Inexpensive stuff—don't include the total costs—externalize the costs and internalize the benefits. Identify external costs to reflect the total costs.
- Smart growth costs more on the front end. Need to build capacity on true costs. Bring in environmental costs for true cost choices. The development model is trying to minimize their initial costs, we're not fully loading the true costs on a life-cycle costing basis.
- Cost/benefit analysis—still economical to build in existing centers, however, initial costs are high, easier
- Barriers to TDM—Wide dispersion, inexpensive gas

### Policy Obstacles

- Transportation policy—air quality, asthma, congestion all related to federal, state and regional transportation policy
- Treat everyone equally – but not all land is equal
- Standards – need to respond to more dense village-like setting
- Lack of systems planning
- Lack of county government – makes regional planning hard
- Lack of listening
- Need the right incentives
- Conflicts in assumptions when doing systems planning – i.e. with TDM
- Policy encouraging inexpensive goods and energy that don't reflect the total costs (eg environmental costs) of the goods and fuel
- Setting goals in isolation rather than from an integrated quality of life perspective – silo mentality
- Disconnect between goals and what the reality looks like – i.e. wind turbines

## State Policy Solutions

- Partnering – we need to make our voice bigger. This ties into a lot of other issues – tap into a bigger pool of funds that you wouldn't normally tap into.
- Disincentives – build on the success of growth centers – how do you get funding in there. Raise funds through a less complex impact fee structure – impact fee associated with development that happens outside growth centers, this goes into an infrastructure fund. 3% tax to raise funds for smart growth – don't need to treat it as an impact fee – people can feel good about contributing to a fund.
- Mandate for developing affordable housing – a statewide inclusionary zoning requirement, and use it in the incentive system (e.g. Massachusetts). Community is prioritized for state resources if it meets affordable housing goals
- Affordable won't be addressed in Vermont unless there's a mandate – 5% or 10% of town's housing stock must be affordable.
- The inclusionary zoning approach (i.e. mandatory % of affordable housing for each development of a certain size) – works well in Burlington
- TDRs – There needs to be a larger bank for TDRs. Revamp VHCB to act as a bank – you can buy density points to develop inside a growth center. Make development rights a commodity conservation.
- Graduated approach to earn more money to achieve land use goals – housing and conservation funds
- Depending on what you're going to do with the money, you'll get better legs, i.e. “This money is going to go toward pollution control and water filtration systems so that communities can do smart growth”

## Office of Smart Growth

- Planning Clearing House (state planning office) – we need to work with limited resources
- Advocate for smart projects at the local level
- State planning office concept should be the Office of Smart Growth, Office of growth management (e.g. Maryland) – funding, how the state spends money and how that affects development patterns
- State planning clearinghouse – low budget
- State planning office – higher budget – advocated by Vermont by Design recommendations and Vermont Law School

## Permitting

- Combine the review processes that are separate and combine for growth centers
- Why is Act 250 required within a growth center? Should we move in that direction?
- We need to recognize that Act 250 was developed with a set of goals that are not the same as growth center or local goals.
- It's difficult to look at a local level at impacts on a transportation system that is regional.
- Master plan process should streamline what happens in a growth center

- Most permits go through quickly, but where there's a controversy or neighbors dispute, that's where the process gets weighed down. There's a mediation program now designed to identify controversial projects up front and resolve through mediation.
- The permit process is not necessarily that bad –
- Affordable housing projects are stopped in the permitting process all the time – neighbors can stop the process and make it start over.
- Convene a task force to look at this issue – make recommendations to DEC, etc.
- Need a study on regulatory barriers to smart growth in Vermont.
- Combine review processes already occurring rather than creating something new
- Smart Growth projects should still go through regulatory review, but should go to the front of the line
- Work into a legislative platform
- What are other organizations' legislative priorities? How can we partner to make our voice bigger?

### Funding

- Shift property transfer taxes, not necessarily increase them
- Capture more value from our land – graduated taxes, prioritized funding
- Be concrete about how money is used – for pollution control, water quality, etc., instead of “smart growth”
- What has a possibility of affecting change? Priorities for spending
- Smart Growth Rocket Docket – Incentive to go to the front of the line for permitting – wastewater, transportation, other infrastructure funding. Rocket Docket idea has a lot of traction with the legislature – they're not going to be able to lower property taxes, but they could make growth easier in growth centers.
- How funding infrastructure is prioritized – use more balanced approach
- Alternative funding mechanisms – i.e. need to fund alternative de-centralized systems and demonstration projects
- Tax vehicles coming into and traveling around cities – British model
- Higher priority for funding that accomplishes multiple goals
- Use of tax credits to promote rehabbing of existing buildings
- Use of state pension of funds to invest in projects
- Smart growth has to have return on investment
- Encourage historic tax credits – rehabilitation
- Incentives/disincentives
- Taxes are dues – we pay for the privilege of living here
- Raise funds through an impact fee structure outside of growth centers – put a cost on building in rural areas
- Access to state government is good in VT
- Success breeds success – build on success of growth centers legislation- use disincentives for development outside of growth centers – a type of impact fees

- Transfer of development rights – VHCB could be the “bank” for density by buying it with rural conservation then put it in a growth center

### **Education/Marketing Obstacles**

- Perception of who leads in our small towns. Unclear on whose job it is in a town. Select Board, or the Planner. Or is it the private landowner or developer to get a higher value for the land. Select Board is mostly crisis management, and to develop and pass a budget.
- Smart growth is not seen as a select board role. As a community, our job is to protect and ensure the public good.
- Public Perception – people like open space, lower buildings, don’t like losing the empty lot next to them
- Zoning regulations are written to protect the adjoining landowner. Public good on a global basis is not cutting it. Not all land is equal. We equate our rights with the piece of land that we own.
- Change our culture—disconnect between what we need and what we get. The culture is we don’t want affordable housing in our village because it will reduce our property values.
- Lack of regional thinking—public transportation, regionalization of other services including public safety, roads, etc. Relying on property tax. Emphasis is town level, not regional level—smaller bodies have their own agendas. Some kind of union on how to move forward.
- Very important that we plan looking forward. Most planning looks backwards, how things looked, preservation. With climate change and the challenges ahead we plan ahead.
- Lack of acceptance of affordable housing as smart growth
- Individualism vs. community
- Competing needs—make this issue as concrete as property taxes
- Need to educate folks that change is coming
- Most planning is based on how things are done today – looking backward instead of forward
- NIMBYism – concern about property values and loss of open space
- People are afraid of density – they think it will be ugly – need help visualizing – feel threatened
- Need to change culture – disconnect between what we need and what we think we want
- Need for communication/education
- Issues emerging—need to build an education campaign to inform people true costs. Educate people about what is coming.
- There is a disconnect and power and control between SB and PC/ZB—leadership and what folks want.
- Need to be able to listen as to what people are telling us.
- Important to remember that we are importing most of our energy, closer to home, from renewable sources. What if utilities were to focus on efficiency and renewables. Will it be better in the overall costs.
- Not walking to school
- Attitudes to affordable housing, concerns.

- Uncertainty of what density might look like. Open planning process—socio-political attitudes. Work on better ways to help people visualize what denser development can look like. We have more work to get people to not feel threatened about density.

### **Education/Marketing Solutions**

- Need to bring in experts to communities
- Demonstration projects, Warren sewer system
- Stone Soup – recognize the sum is greater than the parts
- Change culture so people can trust each other
- Reach out to people – social/cultural solutions
- Recognize that the population is aging (Baby Boomers are more likely to stay where they are)
- Use the older folks to help with ideas – same goals and interests as smart growth (i.e. need for walkable communities, etc.)
- Look to RPCs and the local level – Bring these ideas to them and start the discussion with them to build a level of support and understanding and to bring recommendations to the legislature
- Look at the benefits of smart growth broadly – look at the return on investment
- We have to take a town by town approach or work at the state level. We still need to do outreach and marketing to get the message across. There's still a lot of access in Vermont and it's possible to talk to people. Move a couple of things that could have a major impact.
- Use kids to market ideas
- Listen
- Get people to understand impacts outside the silo
- Market TDM
- Emphasize economic advantages of smart growth
- Health and wellness promotion – breaking down barriers to healthy lifestyles

### **Infrastructure Obstacles**

#### **Physical Obstacles**

- Natural systems—how do we plan for this, lack of global ecological planning within the village. Physical constraints in the village, need to develop the floodplain. Not a good idea, but these are places where there is pressure.
- Soil capacity is maxed out in village centers
- Wide dispersion – transit is difficult in a rural state
- Need jobs in our community centers
- Need food production locally
- Cars—Need for transportation alternatives. We're driving alone
- Scattered settlement patterns, means wasteful forms of transportation

#### **Technical Obstacles**

- Limited knowledge – lack of systems thinking
- Lack of understanding in terms of managing systems—wastewater systems



- Sewer capacity
- Barriers to Transportation Demand Management (TDM)
- No mechanism for tradeoffs
- Professional development opportunities—run up against technical expertise. Limiting with some of the specifics including use of new technologies. Dealing with complexities while maintaining the connections.
- Lack of vehicle choice— types of engines and vehicles needed
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### Funding Obstacles

- Think carefully about incentives – individuals, communities
- We can't even accommodate basic services from traffic to waste water.
- Infrastructure is not in place to make our growth centers work.
- Big infrastructure costs.
- Undergrounding utilities—smarter on distributed energy.
- Still giving incentives for sprawl—fast and quality communications across the state.
- Biggest pool of funds for wastewater. Seen more discussion on towns using existing funding to provide incentives for communities.
- Funding of transportation—the funding model has the potential to foster sprawl.
- Transit, we're pretty rural state. Obstacle is how to pay for it.
- Sewer capacity is lacking in core centers. Big cost to communities.
- Someone needs to figure out how to pay for the infrastructure needed to support smart growth

### Infrastructure Solutions

#### Engineering/technical solutions

- Wastewater
- Water
- Stormwater
- Feasibility studies and needs assessment to achieve better solutions
- Retain on-site systems when extending public sewer systems
- Groundwater mapping and manage publically
- Transportation design standards for growth centers
- Use of GIS – develop the date needed to find solutions

### Local Planning and Regulation Obstacles

- Planning and zoning laws not supportive
- Selectboard's job to protect "the public good"
- Goal is to move goods and people around, need to have a way to get around in the village. Slow, more village in nature. The standards are in the way.
- Need more TDM principles in zoning and subdivision standards
  - Maximum parking ordinance

- Planning and zoning laws lack the global vision, but more protecting neighbors. What happens is potentially stopped because of laws, loosing density. The process legally and structurally doesn't allow us to get to high densities.
- Haven't done a good enough job at density, inefficient use of land 1 un/10 acres.
- Lack of communication between selectboard and planning commission
- Lack of planning capacity – don't have the knowledge or resources needed – issues are very complex
- Whose job is it to promote good decisions – who leads the process and provides vision
- Making decisions at the local level has a direct effect on your neighbors
- Who pays for smart growth at the local level – lack of financial planning
- Lack of thinking in a regional way at the local level - limitations of property taxes
- Lack of incentives for municipalities to create and accomplish smart growth – i.e need for wastewater funds for growth centers – need to target funding
- Lack of mechanisms to make tradeoffs
- Lack of good listening skills when planning our communities
- Need for local energy generation with renewable sources close to home and less long distance transmission of energy
- Need for jobs in growth centers
- Local food production needed
- Need more reasonable rules
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#### **Local Planning Solutions**

- Improve local planning understanding impacts of their plans/ regulations and decisions
- From the vision to the plan to the zoning ordinance – we need to get everything in the same direction – as well as policies, funding and maintenance. Boulder, CO is a good example of all these factors working together
- Keep the vision and all the “levers” pointing in that direction
- Need better government leadership – look at the whole above the individual
- Create a downloadable suite of model ordinances
- Create a new flexible and transportable design standards
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#### **Integrated Systems Approach - Obstacles**

- Stove-piping
- Development is incremental – works against working with the land as a system
- Silo mentality—can't keep thinking about transportation, energy, land use is the goal.
- No systems planning—creating ways for consistent growth
- Setting goals in isolation rather than from quality of life is the goal. Connectedness is the goal.

#### **Systems Approach Solutions**

- Break down the silos
- Have discussions when individual projects are proposed
- Integrated solutions to accomplish multiple goals
- Find solutions at a regional level out of necessity when a crisis arises

- Integrate smart growth into other areas of discussion – i.e. transportation policy

#### Next Steps

- VPA is doing what it needs to do
- As an organization, we need to see what we can do – but also get these concepts into local work programs –
- Priorities in spending vs priorities in funding. Language is important
- Draw some boundaries and get some clarity about what we want at each level
- Convene a task force to turn ideas into action