



To: Chair Watson

From: Chad Simmons, Housing & Homelessness Alliance of Vermont &  
Liz Curry, CommonLand Solutions

Date: 3/24/2026

Re: Three-Acre Rule Impact Fees on MHCs. [H.632](#) & [H.757](#)

This memo addresses the need to mitigate the financial burden of 3-Acre Stormwater impact fees within low-income manufactured housing communities (mobile home parks), which are overwhelmingly occupied by very-low and low-income Vermonters. Roughly 30% of residents live only on social security income; some with veterans assistance. The other 60% work in seasonal jobs, jobs without benefits, two or more jobs, and lower-paying salaried administrative jobs that prevent them from affording the purchase of a single family home.

A cohort of technical assistance providers works with nonprofit and resident-owned parks to assist them with capital improvements. Most commonly, when nonprofits and residents purchase parks, there are urgent water and wastewater infrastructure redevelopment needs.

Most parks do not have access to municipal water and wastewater and nearly every park purchased by residents and nonprofits have water pipes and septic system components that have far exceeded their useful life and threaten residents' health and safety.

Technical assistance providers package grants and financing, and coordinate engineering, and construction management services to conduct existing conditions assessments, design and permit new infrastructure, and bring projects through construction.

Park purchase prices commonly range from \$2 million to \$4 million or more depending on the community and park size. Resident-owned parks use loans from community development lenders like the VT Community Loan Fund and Cooperative Fund of New England. Nonprofits cannot afford much, if any mortgage debt for their parks because lot rents are needed to cover their property management and administrative costs. In both cases, these parks cannot easily absorb more debt for infrastructure redevelopment without raising rents beyond amounts that are affordable for the majority of residents.



Therefore, when water and wastewater infrastructure construction is needed, technical assistance providers assist with restructuring the park's finances in order to absorb drinking water and wastewater State Revolving Fund loan debt from the Department of Environmental Conservation. To take on this new debt, primary mortgages need to be refinanced with lower cost debt such as the Treasurer's new Local Initiatives Advisory Committee program (LIAC) (AKA: 10% for Vermont) or fixed-rate, long-term loans or bonds from lenders like the VT Housing Finance Agency.

Once a lower-cost primary mortgage loan source is found, the park can afford the State Revolving Fund loans, but rent increases are still required to repay all debt sources.

The 3-Acre Stormwater rule came into effect when many parks were in the process of assembling water & wastewater infrastructure projects. While DEC made ARPA grants available for the stormwater infrastructure construction, the design process revealed that a number of parks could not manage all of the stormwater on-site and were required to pay impact fees. The ARPA grants are not high enough to include impact fees in the award amounts (additionally, there is a prohibition of use of ARPA grants for impact fees).

TA providers arranged meetings with DEC Deputy Commissioner Neil Kamman and his team during the 2025 legislative session to discuss the inability of these parks to borrow more debt to pay impact fees without more rent increases. *For the very-low income park residents, higher rents would literally consume as much as 80% of their incomes (e.g. \$400/month lot rents for people with approximately \$680/month incomes).*

Deputy Commissioner Kamman and Commissioner Sinsigalli supported the request to waive impact fees but only after finding a viable alternative in the form of offsets. An offset proposal was originally included in [H.632](#) and Deputy Commissioner Kamman and his team testified in House Environment about offsets as an alternative during the last week of January, 2026. While mobile home park TA providers are not well versed in offsets, it is our understanding that this approach meets the same high environmental standards set by the 3-Acre rule while allowing the Department to be responsive to the environmental justice law that applies to their programs.



Vermont's environmental justice law offers state agencies the framework to close disparities created by programs that apply the same rules to all stakeholders. The disparity created by the 3-Acre Stormwater impact fee requirement is that very-low income communities requiring stormwater infrastructure are unduly burdened by this cost without a source of revenue to pay for it, unless they destabilize park residents by raising their housing costs.

It is our understanding that both [H.632](#) as well as [H.757](#) could be legislative vehicles for this particular issue to be heard and addressed.

The TA providers would welcome an opportunity to discuss this request with your committee further. We would also encourage committees hear from Deputy Commissioner Kamman to further explain how offsets would mitigate the impact while achieving the same goals of impact fees.

On behalf of HHAV and the TA providers supporting these communities, we thank you.

Sincerely,

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