



DESIGNATION 2050

Overview of Legislative Report

Senate Committee on Economic Development,
Housing and General Affairs

January 19, 2024 | 9:30 AM

AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT

Department of Housing and Community Development

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Community Planning + Revitalization Division

The CP+R team uses a collaborative, **place-based approach** to land-use planning and community development that **empowers state and local leaders** to plan for and build vibrant, inclusive, and resilient downtowns, villages, and neighborhoods.

DESIGNATION 2050:

Evaluation and Reform Recommendations for Vermont's State Designation Programs

JANUARY 2024



Thank You

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FUNDING AND SUPPORT

Vermont General Assembly
Vermont Agency of Natural Resources
Vermont Agency of Transportation
Vermont Agency for Planning and
Development
Natural Resources Board

Report Content

Engagement & Evaluation

Recommendations

- **Designation Program Structure**
- **Administration & Governance**
- **Benefits & Support - Tax Credits, Better Places**

Vermont needs vibrant places.



Housing and affordability crisis.

Devastating floods and climate change.

Racial and economic injustice.

Aging infrastructure and historic buildings.

Workforce shortage.

Farm and forest loss.

Vermont's challenges aren't new or unique, but they are reaching new levels of urgency.

**The moment for solutions is now.
Vibrant, thriving communities can offer them.**

An aerial photograph of a town, likely in Vermont, showing a mix of residential and commercial buildings, a prominent white church with a steeple, and a winding road. The town is surrounded by trees and hills.

Vibrant places need action —and support.

Grants for flood resilience and public spaces.

Tax benefits to restore historic buildings.

Faster approval for downtown housing.

*Support to design safer streets and
sidewalks.*

Vermont communities have ambitious goals for creating healthy, livable, and thriving places.

For nearly 25 years, the Vermont State Designation Programs have helped make it happen.

Designation Programs can deliver. But they need reform.

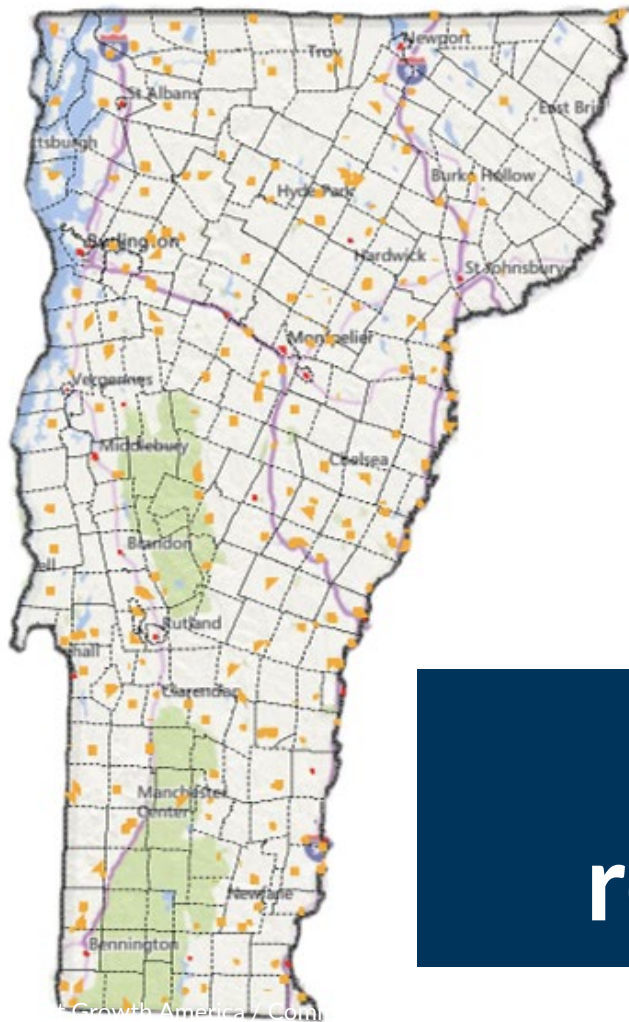


\$20.4M in tax credits and grants awarded to designated places from 2018-2022.

\$707.1M in other funds, leveraged through designation benefits.

The Vermont Designation Programs launched in 1999 and have a track record of success.

But far more work is needed, and in more places.



How it Started

The House Committee on Environment and Energy appropriated \$150,000 and directed DHCD to hire a consultant to independently evaluate and reform Vermont's State Designation Programs

The Process

Smart Growth America & Community Workshop led a 6-month, collaborative and robust process to evaluate how well the programs are working now, what impact they are having on Vermont communities, and how they might best evolve.

**Designation 2050 is a
roadmap to the future.**

About this Project



EVALUATION COMPONENTS & DATA SOURCES

25 YEARS OF DATA	6 CORE STAKEHOLDER GROUPS	5 CASE STUDIES	2 ALIGNED PROJECTS
on designation programs, state trends and more	offering input on program success and reforms	with inspiration and ideas from others states	Act 250 Reform and regional land use mapping

Designation Snapshot

24

**Designated
Downtowns**

Est. 1999



Revitalization for
medium and large-
sized centers

233

**Designated
Village Centers**

Est. 2002



Revitalization for
small, existing
centers

3

**New Town
Centers**

Est. 2002



New mixed-use
centers where none
existed

15

**Neighborhood
Development
Areas**

Est. 2013



Infill housing and
new residential
areas near centers

6

**Growth
Centers**

Est. 2006



Larger growth
areas within or
near centers

281

designations as of October
2023 (and climbing)

67%

of Vermont municipalities
have at least 1 designation

69%

of Vermonters live in a
census block group with a
designation—442,000 pop.

22,352

acres of designated land
(5.7% of VT's developed
land)



Engagement & Evaluation

Engagement at a Glance



We aimed to reach...

6
core stakeholder groups

local program users & leaders • program staff
state agencies & partners
legislators • planners & local gov • underrepresented Vermonters • leaders in business, climate health, and others sectors

We created and used...

1 website

~**350** grew a...
 person e-news list

planned and held...

1 statewide summit

5 virtual conversations

9 strategic focus groups

20+ chats & interviews

and gathered input from...

4 targeted surveys

plus special events, emails, and other sources

We asked...

What's working?
What's not?

Are these the right designations?

Do they achieve our goals?

Do they offer the right benefits?

Who's left out? Who faces barriers?

What's our new vision?

What should we change & improve?

Hundreds of Vermonters responded, connected, shared ideas and shaped plans. Engagement looked like...

500+
event registrations

[Sign Up!](#)

359
survey & poll responses

229
6-word visions

With participation from ...



and representation from organizations and interests like...

business • climate resilience • equity and social justice • regional planning • housing • economic development • education • research • historic preservation • zoning • consulting • rural development • media

Our Vision

From 230 visions to 1:
We combined hundreds of 6-word visions from Vermonters to create a new program vision

For Vermont
**Vibrant Places,
Thoughtful Growth,
Thriving Future**

For Designations
**Local Solutions,
Statewide Investment,
Real Impacts**

Beautiful, creative, multimodal, healthy, thriving communities

designations working together

Less Hassle.

abound

vibrant communities supported

Vermont strong for always

Designations become sexy, fun, well-known

public infrastructure investments in water and sewer

Invest in healthy watersheds. Save towns.

Creating & encouraging growth & economic vitality

Vibrant communities surrounded by healthy landscape

economic communities

Connect and livable Vermont communities thriving

Reimagined to include infill

Art and creativity infused in everything

Ecological limits will constrain your goals

Our Vision For Vermont

Vibrant Places, Thoughtful Growth, Thriving Future

We envision unique, vital, and resilient Vermont communities where everyone has the opportunity to thrive.



Vibrant & Inclusive Places

that welcome diverse people, build connection, and embrace local character and creativity



Thoughtful Growth

with increased housing options, climate resilience, strong infrastructure, and accessible amenities



Thriving, Resilient Centers & Rural Lands

that connect, enhance and rely on each other

connected
and unique
robust
downtowns
abound

Beautiful,
creative,
multimodal,
healthy,
thriving
communities

Vibrant
communities
surrounded
by healthy
landscape

6-word visions

Our Vision For Designations

Local Solutions, Statewide Investment, Real Impacts

We envision a bold Vermont designation program that empowers communities to create vibrant places.



Local & Accessible Solutions

with a streamlined designation program and easier processes & management



Statewide Investment & Elevation

to align resources and partners, capture impacts & solutions, grow participation & understanding



Real Resources, Support, & Impacts

through benefits that get results, from project funding to regulatory relief and 1-on-1 support

invest in vital,
well-planned
places

public
infrastructure
investments
in water and
sewer

vibrant
communities
supported
by easy
button

6-word visions

Local Priorities

Housing Growth & Access

- Housing supply growth within priority areas
- Accessible units, varied types, equitable access
- Safe and climate resilient buildings

Infrastructure

- Safe, multi-modal streets and transit
- Upgraded public water/sewer, broadband
- Resilient & energy-efficient power

Capacity & Equity

- Reduced admin burdens; better planning
- Increased funding, TA, training for local leaders
- Accessible and equitable access to resources, benefits, and program outcomes

Climate Resilience

- Climate-smart, resilient growth locations, buildings, infrastructure, revitalization, capacity building
- Proactive, equitable planning, adaptation, mitigation
- Multi-dimensional focus: healthy land and water, healthy people, clean energy, pollution reduction, safer growth

Livability & Amenities

- Walkable streets and transportation options
- Welcoming, affordable and inclusive places
- Quality services and amenities (recreation, health, social, cultural, education)

Community & Economic Vibrancy

- Revitalized historic buildings and centers
- Vibrant & accessible public spaces
- Unique & evolving local character
- Thriving economy & businesses

Program Evaluation Overview: Strengths

Community Revitalization

Statewide success stories of vibrant, growing places



- Many downtowns, villages strengthening **character, activity & sense of place**
- Growth in **housing, economic development, active transportation & historic preservation**

Statewide Participation

High % of municipalities participating in programs



- **Most Vermont villages enrolled** in Village Center program
- Strong **interest & growth** in designation programs with varied uptake across types

Valued Benefits

Appreciation for many benefits among users



- High marks for **tax credits, grant programs/priority & regulatory relief**
- Appreciation for **staff help and on-the-ground visits**

Program Evaluation Overview: Weaknesses

Complex Programs

Many programs, hard to navigate



- **Too many programs** to choose from & manage
- Types and layers of programs **hard to understand**

Admin Burdens

Burdensome to apply, run, and manage



- **Administration** overtaxing DHCD staff & limiting valuable work
- **Local management** hard for small & low capacity towns

Limited Awareness

Programs not widely known or understood



- **Little awareness** beyond direct users (like municipal staff)
- **Widespread confusion** about program benefits, requirements

Limited Impact

Not enough benefits to drive priority action



- **Limited focus** on current priorities (housing, climate, revitalization)
- **Too little funding and support** to get projects done

Program Evaluation Overview: Opportunities

Simpler Programs

Fewer programs,
less work

- Reduce program types, complexity for easier access
- Reduce admin work, increase DHCD & local capacity

Focused Priorities

Clear direction for
investments, action

- Focus on top state priorities: vibrant centers, housing, climate, equity
- More funding & support for top actions & places

Strong Coordination

Public/private
collaboration for impact

- Intentional coordination for better planning & faster action
- Expansion of funding & resource partners

Aligned Efforts

Proactive coordination
with related projects

- Act 250 Reform Study and regulatory relief
- Regional Land Use Mapping consistency statewide

Program Evaluation Overview: Challenges

Limited Time & Money

Current capacity insufficient to meet need & goals

- **Need for far more staff capacity everywhere** to get work done (DHCD, agency, local, RPC)
- **Need for more funding & support** to advance local planning and projects

Complex State Systems

Large landscape of programs, requirements, terminology

- **Many statewide plans, studies, goals** lacking clear alignment or connection
- **Agency & partner priorities, processes** hard to navigate; sometimes conflict

Diverse Needs

Unique places need flexible programs, benefits

- Different places need **different options, support, & benefit levels**
- **Equitable access requires flexible approaches** and more support for small places

Reform Priorities

Sustain Vermont's Historic Settlement Pattern

- Bolster historic cores through targeted support and investments
- Address and support housing supply and climate preparedness in those locations

Promote Vibrant Economic Activity and Livability

- Encourage vibrant, mixed-use development
- Foster livable communities with quality services, amenities, and inclusive spaces

Address State Strategic Priorities and needs in Housing, Equity, Climate Action & Infrastructure

- Prioritize accessible and equitable housing solutions to support a range of needs
- Implement climate-smart strategies and make infrastructure investments to increase resilience while delivering community benefits

Build Capacity & Increase Coordination

- Walkable streets and transportation options
- Welcoming, affordable and inclusive places
- Quality services and amenities (recreation, health, social, cultural, education)



Recommendations

Aligned Efforts

What's underway...

How it connects...

The recommendations relate closely to other studies and statewide plans. **They are referenced ahead.**

1

Act 250 Study & Reform Process

Exploring location-based jurisdiction.

> **Designation benefits will align with new policy.**

2

Regional Land Use Mapping

Regional mapping of future land use to increase consistency .

> **Designation boundaries will align with new maps.**

3

Other Plans & Programs

State climate, housing and other plans.

> **Designation program will increase coordination.**

Recommendations Overview

- 1** **Simpler Designations** → **Simpler program. Clear focus. Flexibility & more options.**
- 2** **Coordinated Admin & Gov** → **Less work. Local/regional planning. State leadership.**
- 3** **Better Benefits & Support** → **More funding. More assistance. More impact.**
- 4** **Accessible Info & Promotion** → **Engaging program. More outreach. Clear info.**
- 5** **Monitoring & Sharing** → **Strong metrics. Great stories.**

Framework for Reform

Simpler Designations

Maintain focus on community cores

Reduce the number of Designation Programs

Offer flexibility in core areas

Align areas with statewide land use initiatives

Coordinated Admin & Governance

Create a streamlined, transparent designation process

Integrate the designation process and local/regional planning

Reform the Downtown Development Board

Grow multi-agency investment and collaboration

Better Benefits & Support

Maintain and expand key benefits

Coordinate agency benefits and supports

Connect and expand statewide technical assistance

Scale up support for priority actions and projects

Accessible Info & Promotion

Establish a new brand identity and messaging

Adopt accessibility standards and practices

Develop clear, cohesive resources and information

Expand proactive communication and outreach

Robust Monitoring & Sharing

Develop an evaluation plan and process

Establish impact measures

Monitor program progress and effectiveness

Expand sharing, listening and reporting

1

Simpler Designations

Vermont
wants...

Fewer, simpler
designations

Flexibility for
different places

Clear purpose &
alignment

We
recommend...

1 Program

Core designation.

Neighborhood Area &
Development- Ready
Add-Ons.

Local Options

Flexible benefits to fit
local goals & capacity.

Local + RPC leadership
and aligned planning.

Focused Goals

Vibrant centers, housing,
climate, equity, livability.

Alignment with new
regional land uses, Act
250.

1

Simpler Designation Structure

5 Current Designations

Downtown

Village Center

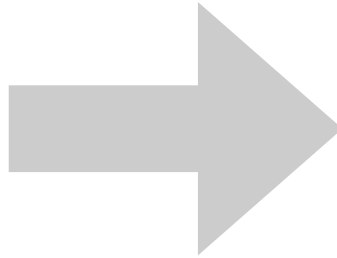
New Town Center

Growth Center

Neighborhood Development Area

Primary

Secondary



Recommendations

1

Program

Core + Two Add-Ons

Core Designation

Neighborhood

Development Ready

Add-Ons

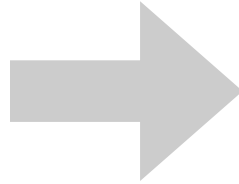
1 Simpler Designation **Categories**

Reformed
Designations

Core

Neighborhood Add-On

Development Ready Add On



Cores are vibrant, mixed-use centers, and community social & economic hubs.



from small
villages



to large towns
& cities

Recommendation

One
designation
for all sizes

Maintained
focus on
downtowns &
village cores

Boundaries
set & mapped
by community
& RPC

Flexible
benefits to fit
local needs,
conditions

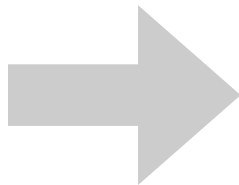
1 Simpler Designation Categories

Reformed Designations

Core

Neighborhood Add-On

Development Ready Add-On



Neighborhood Areas are **compact, walkable, residential areas** connected to cores.



from mostly residential



to evolving & mixed use

Recommendation

Add-on for interested Core Designations

Opportunity for more housing near core areas

No separate program to access more benefits

Aligns with new regional land use mapping

1 Simpler Designation Categories

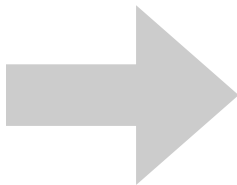
Benefits available for **development ready places** within Cores or Neighborhood Areas.

Reformed Designations

Core

Neighborhood Add-On

Development-Ready Add-On



From small infill sites



to evolving areas

Recommendation

Support for targeted growth & redevelopment

Benefits aligned with Act 250 relief

Approved by Natural Resources Board

No new mapping or designation required

1

Simpler Designation Process

5 Current Designations

Downtown

Village Center

New Town Center

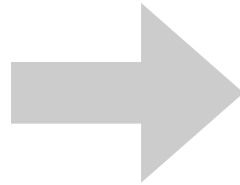
Growth Center

Neighborhood Development Area

5 Different application requirements

Renewal required

Tedious mapping & state approval required



One-time designation process

Application & renewal aligned with planning processes

Supported by RPC land uses & local planning

Recommendations

1 Designation

Core

Neighborhood Add-On

Development-Ready Add On

1

Simpler Designation **Sample Actions**

Program Design

Define pathways for smaller communities

Establish guidance on benefits, requirements

Confirm Core & Add-On processes

Coordinate with partners & funders

Align with RPC land uses & Act 250 reform

Transition Plan

Plan for new & existing designations

Create timeline and process for launching

Develop informational materials and resources

Train staff & partners on program, process

Implementation

Maintain & grow benefits for Cores

Communicate & promote to communities

Promote & streamline benefits access

Track progress, program growth after launch

Implement supporting recommendations

Recommendations

Next Steps

- Refine benefits and requirements
- Develop legislative proposal
- Track concurrent studies for consistency

Future Work

- Transition to new structure
- Grow funding and supports
- Track progress and adjust if needed

2

Coordinated Admin & Governance

Vermont
wants...

Less admin &
requirements



**Streamlined
Process**

No renewal process.
Designation based on
local/regional
planning.

We
recommend...

Equitable access
& lower barriers



**Flexible Entry
Points**

Levels and benefits for
all community types.
Easy process to adjust.

Statewide
coordination

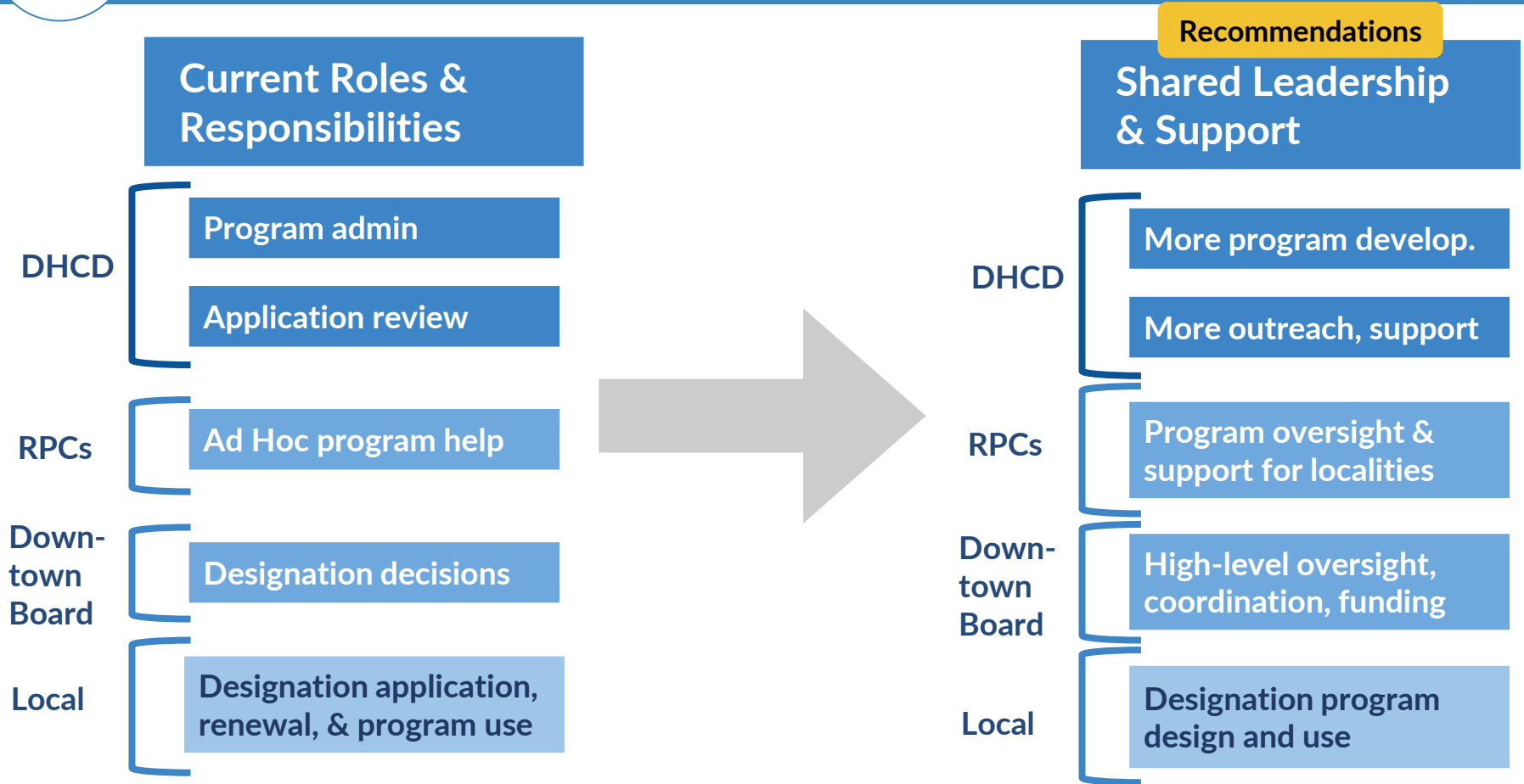


**Revised
Governance**

Evolved Downtown
Board focus, name &
members.
Deeper collaboration.

2

Admin & Governance **Shifting Roles**



3 Better Benefits & Support

Vermont
wants...

More dollars for
action



We
recommend...

**Bigger Budget &
Partnerships**

Increased state
program investments.

More benefits for
priority needs.

Direct program
assistance



**Expanded RPC &
DHCD Roles**

RPC-led planning and
program support.

DHCD staff outreach,
agency coordination.

Local capacity
solutions



**TA & Training
Resources**

Statewide technical
assistance network.

Training & support to
boost local capacity.

3

Better Benefits Offerings

Current Benefit & Incentive Overview

Tax Credits

State Grant Priority

Fee Waivers, etc.

Act 250 Relief

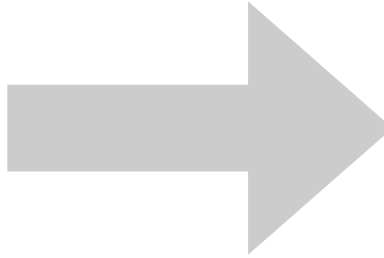
Other Permit & Process Waivers

20+ Assistance Options

Financial

Regulatory

Other



Recommendations

Clearer & Expanded Benefits

Retain, clarify, & improve current benefits / access

More Grant Money

More Tax Incentives

Private/NGO Options

Reformed Act 250 Alignment & Relief

Review & Improve

Financial

Regulatory

Other

3 Better Benefits Ideas for Scaling Impact

Housing Growth, Access & Equity

- Zoning best practices & support
- Equitable wealth-building programs
- Land bank program
- Redevelopment and infill inventories
- Small-scale development

Climate Action

- Tax credit and funding alignment to incentive climate resilience
- TA on flood resilience and “train the trainer” programs
- Agency and climate action planning partnerships
- Community Resilience Hubs
- “Double-duty” investments like the Clean Water Fund

Infrastructure Investment

- State grant/loan and project funds
- Expanded TOD & alternative transportation
- Creative funding and municipal revenue models
- Interagency “strike” teams to fast-track complex projects
- State coordination to access federal funds

3

Better Benefits & Support **Sample Approaches**

Funding & Action

Increase planning & implementation funding for priority action areas

Review & align funding rules, regulations

Expand tax credits,

State loan and grant funds; land bank

Funding or staff for local leadership groups

Other Benefits

Streamlined regulatory relief

Expanded agency/RPC/ staff project support

Community engagement services or tools

Streamlined agency review & coordination

Local planning and policy support on zoning, resilience, and more

Support & Access

Training on leadership, program use, actions

1-1 coaching or project navigation support

Portal & communications for easy access to statewide resources

Technical Assistance Network or design center

Grantwriting, reporting, and other assistance

Recommendations

Next Steps

- Inventory existing & needed benefits & support
- Explore TA network & partnerships

Future Work

- Expand & coordinate funding, rules, regs
- Communicate range of benefits, requirements
- Scope TA network & partnerships

Better Places

Better Places Impact by the Numbers

This is a snapshot of Better Places projects from February 1, 2022 – January 3, 2024.

Total Matched



\$850,100
LIFETIME

Total Crowdfunded



\$473,290
LIFETIME

Total Projects



38
LIFETIME

Total Patrons



3,207
LIFETIME

100% Success Rate

CROWDFUNDING CAMPAIGN SUCCESS

111% Funded

AVERAGE OF SUCCESSFUL CAMPAIGNS

\$5,506,943

LEVERAGED FUNDING

\$5,980,233

Total Private Investment

CROWDFUNDING AND LEVERAGED FUNDING

7.03:1 Total Private Investment Ratio

For every \$1 invested by Better Places, \$7.03 was invested privately.

\$22,371

AVERAGE PROJECT GOAL

\$12,455

AVERAGE RAISE

84

AVERAGE PATRONS

HIGHEST RAISE

The Hartford WW1 and WW2 Monument had the highest crowdfunding campaign raise of \$28,605.

SMALLEST CAMPAIGN GOAL

Poultney Downtown Mural Initiative had the smallest crowdfunding campaign goal of \$3,250.

LARGEST NUMBER OF PATRONS

Bring a Community Playground to Enosburgh had the largest number of patrons with 605 contributing to the campaign's success.

VOLUNTEERS ENGAGED

600+

SQUARE FEET OF PUBLIC SPACE CREATED OR REDEVELOPED

134,304

TEMPORARY JOBS CREATED

51

NUMBER OF PROJECTS BY NONPROFIT ORGANIZATIONS, MUNICIPALITIES, OR OTHER ENTITY TYPES

Community Groups: 5 (13%)
Nonprofits: 26 (68%) | Municipality: 7 (19%)

38 Projects in Thirteen Counties

FROM SMALL RURAL COMMUNITIES (VERSHIRE, ROXBURY, COVENTRY, AND NORTH HERO) TO LARGER COMMUNITIES (BARRE, BRATTLEBORO, BENNINGTON, RUTLAND, AND NEWPORT)

Over 180+ preflight consultations from communities across the state

Downtown and Village Tax Credits

Program Overview →

The state's historic tax credit program sparks revitalization by supporting building and code improvements, and is one of the primary benefits of downtown and village center designation. Annually, applicants in these communities submit well over 30 rehabilitation and renovation project applications to support total investments that exceed \$40 million.

In 2023, the downtown board allocated \$4.3 million in tax credits to support 54 projects in 39 Vermont communities. These awards will generate almost \$45 million in additional downtown and village center investment. Projects funded include new housing and flood recovery efforts on Langdon Street in Montpelier, rehabilitation of Stonecrop Ledge for new housing in Middlebury's Neighborhood Development Area, re-opening of the shuttered Tatstville Country Store in Woodstock, and two redevelopment projects in St. Johnsbury providing new housing and a downtown location for a local walk-in primary care clinic.

By the Numbers [2020-2024]

-  **175** projects awarded
-  **77** communities served
-  **\$14.75 m** awarded tax credits
-  **\$298 m** in private investment

Renaissance in Barre – Public Improvements Leverage Private Investment

Things continue to look up in the Granite City. After several years of economic decline which left the downtown with empty storefronts and reduced property values, recent public and private investments have returned it to a vibrant center for commerce. The renaissance includes major infrastructure and streetscape projects, construction of a new mixed-use office building, and rehabilitation of several prominent downtown blocks using federal and state tax credits. Since 2011, thirteen buildings in Barre have taken advantage of tax credits, leveraging over \$7 million in private investment.



Hancock General Store, Hancock Total Project Cost: \$145,000; Tax Credits Awarded: \$19,850



GRAND LIST BEFORE: \$107,700



GRAND LIST AFTER: \$132,700

Hancock's General Store operated for over 100 years before closing in 2013. A major community hub in this small village, the loss of this business was devastating to residents. That's when new owners, locals from Hancock, stepped in to buy the building and revive this important community resource. The project required major investments to upgrade the building to meet code requirements and also included façade improvements. The store re-opened in 2016.

Berkshire Bank Building, Manchester Total Project Cost: \$1,579,810; Tax Credits Awarded: \$112,500



GRAND LIST BEFORE: \$390,300



GRAND LIST AFTER: \$1,219,900

The Berkshire Bank building was constructed in 1896 and is a prominent historic anchor of Manchester's village center. The building was vacant for four years before its new owners decided to invest in improvements. Redevelopment of the building for mixed-use included major code upgrades and the installation of an elevator. The project created four housing units on the upper floors and added 3 commercial retail tenants on the ground floor.



Vermont Designation 2050

accd.vermont.gov/community-development/designation-programs

vtdesignation2050.org