DESIGNATION 2050

Vermont State Designation Program Evaluation and Reform

DECEMBER 2023

Smart Growth America
Improving lives by improving communities

COMMUNITY WORKSHOP

Acknowledgments

LAND ACKNOWLEDGMENT

Vermont is N'dakinna.

Vermont is the traditional, unceded homeland of the Abenaki people, who call this land N'dakinna. We acknowledge their history, their people, and their ancestors. We acknowledge that they have cared for this land for centuries—and still do.

HISTORY AND EQUITY ACKNOWLEDGMENT
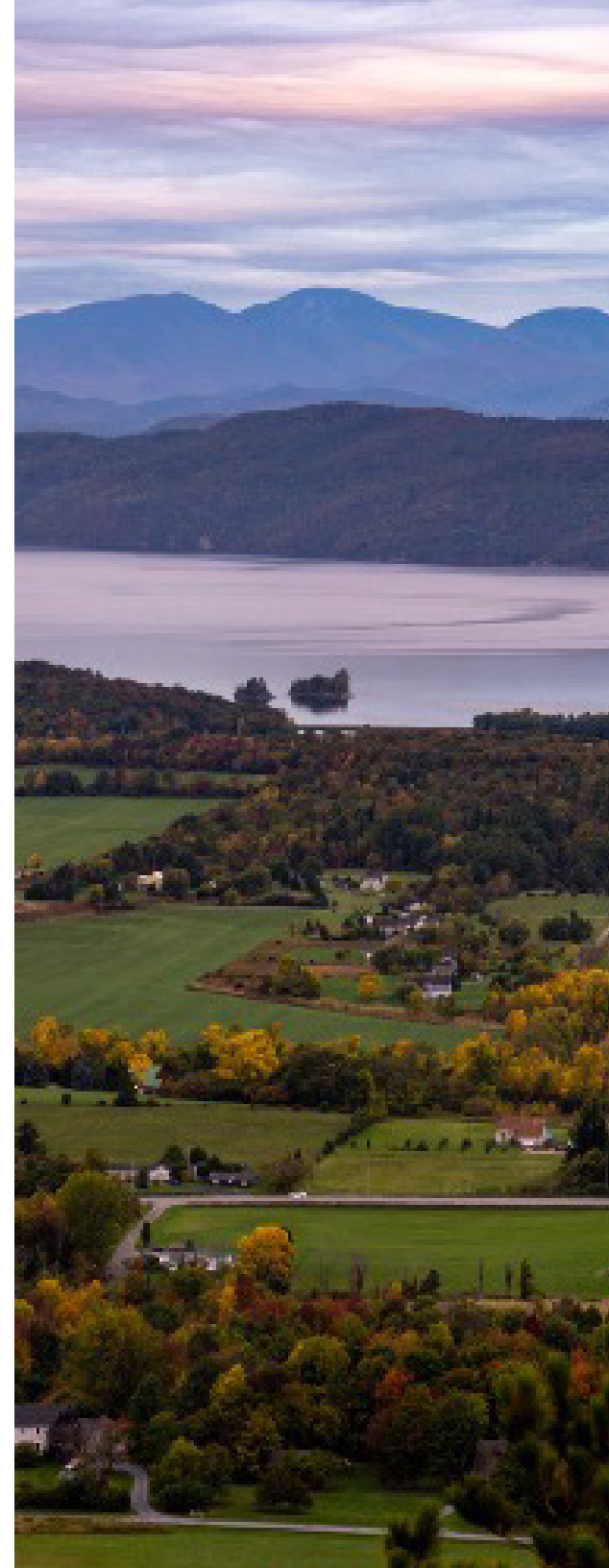
Vermont is history and heritage.

Centuries of policies, actions, and people have shaped Vermont, its landscape, and each other. We acknowledge the rich history and culture of this place, the many people who treasure and steward it—and those who have been harmed by it. We acknowledge that racism and discrimination in land use and other policies have created barriers to equitable land ownership and opportunities for BIPOC (Black, Indigenous, and People of Color), people with disabilities, and other groups.

CLIMATE ACKNOWLEDGMENT

Vermont is warmer and wetter.

Vermont's climate is changing, and a changing climate is changing Vermont. We acknowledge the devastating floods in 2023, and the many people and communities who are still recovering. We acknowledge the many other impacts of climate change that threaten Vermont's land, people, built environment, economy, and culture.

With Thanks

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for Vermont's State
Designation Programs**

DECEMBER 2023

Housing crisis.
Aging infrastructure.

**New solutions and
funding sources.**

Workforce and capacity
challenges.

**Statewide
partnerships and
collaboration.**

Resilience, equity, and
livability needs.

**Creative
people and
communities.**

Vermont faces a host of
challenges and opportunities.
Communities hold the keys to
a stronger future.

**Strong Designation Programs
can open the doors.**

Smart Growth America
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COMMUNITY
WORKSHOP

Vermont needs vibrant places.

Housing and affordability crises. 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, but there is new urgency to address them. The moment for solutions is now. Vibrant, thriving communities can offer them.

About 250 unique downtowns and village centers dot Vermont's landscape. These compact, special places are hubs for housing, business, services, learning, culture, and community building. They are also hubs of opportunity. Investing in these centers can impact many state goals at once: housing access, smart growth, racial equity, flood resilience, walkability and livability, economic development, healthy landscapes, energy efficiency, and more.

Vibrant places need action— and support.

Grants for flood resilience and public spaces. Tax benefits to restore and beautify historic buildings. Faster approval for downtown and village housing. Support to design safer streets and sidewalks.

The Vermont Designation Programs launched in 1999 to revitalize and energize Vermont's downtowns and protect the historic settlement pattern of compact centers and rural landscapes. Since then, program benefits like tax credits and Act 250 relief have helped communities across Vermont plan, design, and implement improvements.

Today, 67% of communities participate in Vermont's five Designation Programs. And 65% say designations help support their local planning goals. But action isn't happening fast enough.

Vermont Designation Programs can deliver. Designation 2050 is a roadmap to the future.

Designation Programs have sparked some success stories and have helped participants leverage millions in funding for local community development work. But far more work is needed, in more places, and far more quickly. Designation Programs have the potential to dramatically scale up progress and investment in Vermont communities—with smart, strategic reform.

$20.4M in tax credits and grants awarded to designated places from 2018-2022.
$707.1M in other funds, leveraged through designation benefits.

Designation 2050 is a statewide project to evaluate and reform the designation programs. Smart Growth America and Community Workshop led a collaborative and robust process to evaluate how well the programs are working now and identify recommendations to make them simpler, more accessible, and far more impactful. The coordinated recommendations in this report can help reform designation programs and fuel a new wave of community-driven and place-based investment, revitalization, and smart growth.

THE NEED FOR IMPROVEMENT

Vermont's 281 active designations show strong buy-in. But program users say change is needed.

- Current programs are complex, hard to understand, and hard for some places to access and use.

- Limited local and state capacity are barriers to action. Program requirements and admin are further drains.

- Communities have diverse needs and conditions. Current programs don't offer flexible options.

THE CASE FOR REFORM

There are many designation successes. But Vermont's must urgent local needs call for solutions to scale.

- Designations have potential to accelerate housing growth, climate action, equity, livability, and more.

- Community interest in smart growth and revitalization is high. Current resources can't meet the demand.

- Program reform can align and leverage resources and fast-track the projects that Vermont needs now.

Designation Today

QUICK FACTS

281 Vermont designations as of Fall 2023 (and climbing)

67% of Vermont municipalities have at least one designation

69% of Vermonters live in census blocks with a designation, or 442,000 people

22,352 acres of designated land (5.7% of Vermont's developed land)

FIVE PROGRAMS. HUNDREDS OF PARTICIPATING PLACES.

Vermont's Designation Programs have evolved since they launched in 1999. Today, five distinct programs bring benefits to more than 2/3 of Vermont communities. The programs continue to grow, with new designations.

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

DOZENS OF BENEFITS

DHCD and other state agencies offer more than two dozen official benefits and incentives. Here's a glimpse.

historic preservation and facade tax credits • flood mitigation credits • sales tax reallocation • speed control and traffic-calming support • permit fee caps • brownfields funding • priority grant consideration or eligibility • signage support • Act 250 relief • technical support and planning programs • state building siting priority • downtown organization fund • downtown transportation funding

WHO'S WHO IN VERMONT DESIGNATION PROGRAMS?

Vermont General Assembly

The Vermont legislature authorized the Designation Programs by statute. It will consider reform in 2024.

Vermont Department of Housing and Community Development

DHCD staff members set program direction and policies and work directly with participating communities.

Downtown Development Board

State leadership board administers the Downtown Development Act, including approving new designations.

Program and Funding Partners

State agencies offer benefits. Regional Planning Commissions (RPCs) and nonprofit partners support local work.

Municipalities and Program Users

Local governments are the primary users of the program, with some benefits available to local businesses, developers, and others.

Designation 2050

Designation 2050 is a statewide project to evaluate, reimagine, and redesign Vermont's Designation Programs for the next 25 years. The Vermont Legislature authorized the project in 2022. The consulting team (led by Smart Growth America and Community Workshop) combined technical research and deep stakeholder engagement to evaluate programs.

EVALUATION AND ENGAGEMENT

Summer 2023

Fall 2023

RECOMMENDATIONS DEVELOPMENT

REPORT AND FINAL RECOMMENDATIONS

Winter 2023

2024 and on

LEGISLATIVE REVIEW AND IMPLEMENTATION

PROJECT APPROACH AND METHODS

25 YEARS OF DATA
on designation programs, state trends and more

14 VIRTUAL PROJECT EVENTS
and statewide Summit, with ~500 registrations in total

5 SURVEYS, PLUS LIVE POLLS
tailored to stakeholder groups, with 359 responses

25 + CHATS AND FORMAL INTERVIEWS to hear from key stakeholders

Technical Evaluation

- Available program participation and benefits data

- Demographic and socioeconomic trends in designation communities

- Existing conditions in land use, housing, hazards, and more

Stakeholder Engagement

- Six core stakeholder groups, including planning and local gov, agencies, funders, business, nonprofits, equity advocates

- Representation from four states, 250+ organizations, 117 towns

Case Studies and Other Plans

- Review of models and programs from five other states

- Coordination with Act 250 and regional land use mapping studies

- Links to other state plans (energy, hazard mitigation, climate action)

Key Findings

Program evaluation and stakeholder input identified key strengths, weaknesses, opportunities and challenges to guide reform.

Designation Program Strengths	Designation Program Weaknesses	Major Reform Opportunities	Major Reform Challenges
REVITALIZATION WORK Many downtown and village success stories.	**COMPLEX PROGRAMS** Too many programs; hard to understand and access.	**SIMPLER PROGRAMS** Fewer programs, easy process, less work.	**LIMITED RESOURCES** Big needs and goals. Not enough money and time.
PARTICIPATION AND USE High percentage of communities involved.	**ADMIN BURDENS** Management tasks taxing for state and local leaders.	**FOCUSED PRIORITIES** Clear focus on top needs and actions: housing, resilience, livability.	**COMPLEX SYSTEMS** Complex landscape of state programs, requirements.
VALUED BENEFITS Strong support and appreciation for grants, tax credits, and TA.	**LIMITED IMPACT** Programs not widely known or understood. Need for more benefits.	**STRONG COORDINATION** Public/private partnerships to scale impact.	**DIVERSE PLACES** Unique places need flexible programs and benefits.

INPUT AND FINDINGS

65% of local survey respondents say program benefits are worth the work to apply and manage programs

51% say designations support action in big priorities like housing, resilience or walkability

0 datasets show meaningful trends or impacts in designated areas, compared to other places

Vision and Priorities

Hundreds of stakeholders shared their visions for the future of Vermont communities and the Designation Programs. The consulting team analyzed and combined these unique visions into two new statements that guide reform.

For Vermont Communities

Vital **Places,** Thoughtful **Growth,** Thriving **Future**

For Reformed Designations

Local **Solutions,** Statewide **Investment,** Real **Impact**

Beautiful, creative, multimodal, healthy, thriving communities

designations working together toward comm... g...

larger

vibrant communities supported by easy button

invest in vital,

Vermont strong for all, 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

Vibra... communitie... surrounded by healthy landscape

...communities

Connected and livable Vermont communities thriving

...include infill

...rt and creativity infused in everything

Ecological limits will constrain your goals

REFORM PRIORITIES

| Sustain Vermont's Historic Settlement Pattern | Promote Vibrant Economic Activity and Livability | Invest in Strategic Action Areas | Build Capacity and Increase Coordination |

Framework for Reform

The program evaluation and reform recommendations are organized into five key areas. Coordinated action in all five areas is essential to making the Designation Programs stronger and more impactful, creating more equitable access, and increasing alignment with state, regional, and local goals.

Simpler Designations

| Maintain focus on community cores | Reduce number of Designation Programs | Offer flexibility in core areas | Align areas with state land use initiatives |

Coordinated Admin & Governance

| Create a simple, transparent process | Integrate process into local/regional planning | Reform the Downtown Board | Grow multi-agency investment & collaboration |

Better Benefits & Support

| Maintain and expand key benefits | Coordinate agency benefits and support | Connect and grow statewide TA | Scale up support for priority projects |

Accessible Info & Promotion

| Establish a new brand, messaging | Adopt accessibility standards and practices | Develop clear, cohesive resources | Expand proactive communication |

Robust Monitoring & Sharing

| Develop evaluation plan and process | Establish impact measures | Monitor program progress, impact | Expand sharing, listening, reporting |

SIMPLER **DESIGNATION STRUCTURE**

The current number of programs and structure make it hard for communities to understand and navigate the programs. The complexity also makes it hard for DHCD staff and agency partners to manage applications and benefits.

Key Findings	Recommendations
PROGRAM TYPES AND AREAS	
Five programs are too many. The current structure is rigid and communities struggle to meet requirements.	**Maintain a focus on community cores.**
• A continued focus on investing in compact cores supports stakeholder visions and state priorities.	Create primary "core" designation for all community sizes; expand benefits for core revitalization and growth; create pathways for smaller communities.
• Housing, smart growth, and climate resilience needs may require expanded designation areas.	**Reduce the number of programs.** Establish one primary Designation Program with clear priorities and one designation process.
FLEXIBILITY AND OPTIONS	
Diverse communities need more flexibility and options for benefits and support.	**Offer flexibility in core areas.**
• Current programs and levels don't fit all municipalities. Unique landscapes and local conditions create barriers to access.	Allow flexibility in requirements and benefits for places with different needs. Offer optional add-ons for growth-ready places and benefits for places of all sizes. Further scope the potential for a continuum or other system to align benefits with capacity.
LAND USE ALIGNMENT	
Current programs don't align with local and regional land use maps or Act 250 areas.	**Align with statewide land use initiatives.**
• Lack of alignment can lead to missed opportunities for local growth or revitalization.	Design the Designation Program to work with new regional land use categories and reformed Act 250 relief areas.

RECOMMENDED DESIGNATION STRUCTURE

The recommended structure for reform reduces complexity and increases flexibility. It shifts from five designations to one designation with two add-on options.
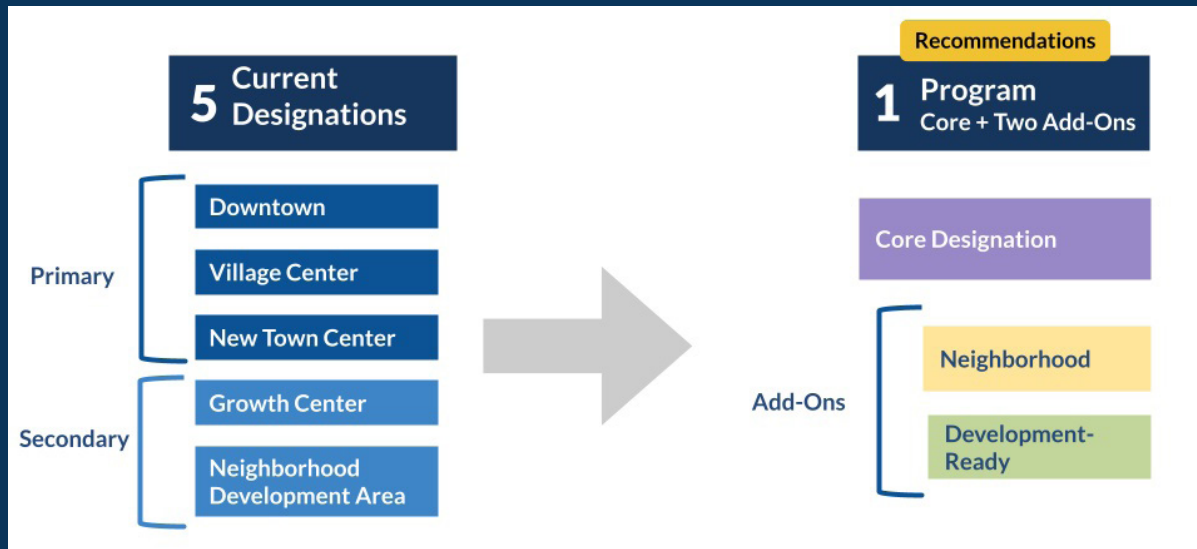
Transition Process

It may take up to five years to consider, refine, adopt, and transition to a new process. Communities have invested in current designations and rely on current benefits, so the transition process should:

- Share clear, frequent, and transparent updates and guidance
- Convert all current local designations to the new system
- Maintain and transfer existing benefits for current designations
- Minimize work and expectations of municipalities

Core Designation

Cores are vibrant, mixed-use centers. They serve as community social and economic hubs.

- One designation for centers of all size, from cities to rural villages
- Goals include housing, walkability, placemaking, revitalization, livability
- Benefits include grants, tax credits, and technical assistance

Neighborhood add-on

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

- Existing neighborhoods, growth-ready areas, and infill sites
- Goals include increasing housing, infrastructure, and livable neighborhoods
- Benefits include advanced funding and grants, technical assistance and design

Development Ready add-on

Development Ready places are sites within Cores or Neighborhood Areas that are well suited for growth.

- Places with existing water, sewer, and utility access, and climate-resilient locations
- Goals include efficient housing and mixed-use development
- Benefits include Act 250 exemption and regulatory relief

COORDINATED **ADMIN & GOVERNANCE**

Program management today involves many players and complex processes: designation boundary decisions, application and renewal review, grant and benefit program management, and coordination with many partners. State agency staff and local leaders wish for simpler and more transparent processes, less paperwork, and more coordination and support.

	Key Findings	Recommendations
LOCAL AND STATE PROCESS	**Current application and renewal processes feel burdensome, bureaucratic, and unhelpful.** • Boundary definition is complex and sometimes fraught. State and local leaders often disagree. • Designation areas, local land use maps, regional plans, and Act 250 don't align. • Designation and local planning processes happen separately, creating extra work. Maps don't align.	**Create a streamlined, transparent, and simple designation process.** Empower communities and RPCs to collaborate on designation design. Eliminate renewal. Develop fair and easy transition process. **Integrate designation process and local planning.** Integrate with existing planning efforts; align boundaries with regional land use maps.
STAFFING AND OVERSIGHT	**High-level state leadership, buy-in, and direction can drive catalytic reforms.** • Stakeholders want more transparent decision-making and a more inclusive, representative Downtown Development Board.	**Reform the Downtown Development Board** Rename Board and expand membership to reflect diversity in communities, goals, and expertise needed. Elevate and expand responsibilities for funding and coordination.
AGENCY ROLES AND COORDINA-TION	**Robust state agency and private sector coordination can leverage resources and scale impacts.** • Communities value DHCD staff support, visits, and coaching. Administrative burdens limit time for TA. • RPCs and other partners can expand roles.	**Grow multiagency investment and coordination.** Reduce DHCD administration burdens and increase staff availability; increase capacity and roles for RPCs and Natural Resources Board; create multiagency teams to support priorities.

BETTER **BENEFITS & SUPPORT**

Agencies offer more than two dozen specific benefits and incentives to designated areas, from transportation grant funds to signage authority to Act 250 permit relief. Communities value many benefits but struggle to understand and access them. Faster action and implementation will require even more dollars, more relief, and more support to make projects happen.

	Key Findings	Recommendations
AVAILABLE BENEFITS	**Some program users value many current benefits. Others struggle to access any.** • Popular benefits include: tax credits, grant funding, permit relief, downtown organization support. • Benefit offerings, requirements, and eligibility don't always align with local needs. Some agency benefits conflict with others.	**Maintain and expand key benefits.** Expand impactful and popular benefits like tax credits and grant funds. **Review and coordinate agency offerings.** Assess gaps in benefits, potential new agency offerings, multi-agency coordination, and simpler application processes.
STRATEGIC PROGRAM PRIORITIES	**Current benefits are insufficient to advance major state and local priorities.** • Priorities like housing, climate resilience, and multi-modal transportation need major support. • Coordinated benefit packages and multiagency support can advance priority projects quickly.	**Scale up support for strategic priorities.** Prioritize expanding benefits for priority needs, including housing, infrastructure, and climate resilience. Offer coordinated state benefits. Scope possibilities to bring multiagency staff support to priority projects.
SUPPORT AND TECHNICAL ASSISTANCE (TA)	**Limited local capacity (staff, funding, knowledge, awareness) limits access to benefits and support.** • There is substantial technical support available, but it's hard for communities to find and access it. • Rural, underserved areas miss out on resources.	**Connect and expand statewide technical assistance.** Support a formal statewide technical assistance network. Explore potential to create a state TA or design center. Grow capacity in communities and offer dedicated support.

ACCESSIBLE **INFORMATION & PROMOTION**

No matter how strong the Designation Programs and benefits, all communities and users must be able to access and understand the programs, benefits, and resources. Technical content and limited accessibility practices limit equity and reach.

	Key Findings	Recommendations
PROGRAM BRAND AND AWARENESS	**"Designation" name and brand are not widely known or understood.** • People use and connect with common words like "downtowns," "villages," and "communities." • There is widespread confusion about the full set of programs, goals, and processes.	**Establish a new brand identity and messaging.** Create an engaging new program name and brand. Develop key messages and simple language to explain the program.
ACCESSIBLE PROGRAMS AND RESOURCES	**Accessibility and information barriers limit equity.** • DHCD and many partners don't yet offer full language access or accessibility services. • Program complexity and technical language make resources hard for many to understand and use. • Stakeholders want more resources, simple guides, and proactive communications.	**Develop clear, cohesive resources.** Develop easy-to-use resources like checklists and simple reporting forms. Expand outreach materials and informational resources. **Adopt accessibility standards and practices.** Create language access and accessibility plans; offer services, plain language, universal design.
OUTREACH AND PROMOTION	**Local leaders value outreach and site visits from staff and partners.** • Administration limits DHCD outreach capacity. • Stakeholders say regular, proactive communications about opportunities, program details, and success stories would help support action.	**Expand proactive communication and outreach.** Develop an outreach and communications strategy; expand staff capacity for direct outreach and work on the ground.

ROBUST **MONITORING & SHARING**

Program monitoring and evaluation is essential to successful Designation Program reform and implementation. Sharing findings, data, stories, and lessons learned can help scale impacts even more.

Key Findings	Recommendations

EVALUATION PLAN AND PROCESS

Current Designation Programs lack clearly defined goals, metrics, and success criteria.

- Data gaps, long timelines, complex issues, and many players make impacts hard to measure.

- The program lacks an established evaluation and monitoring plan.

Develop an evaluation plan and process.

Create a plan for capturing, evaluating, using and sharing available data and short-term metrics. Consider creating a performance monitoring program and team.

METRICS AND DATA

Future program equity and success rely on capturing and evaluating varied data:

- Demographic, socioeconomic, geographic, and issue-based metrics

- Metrics and user feedback on program design, processes, program use, and admin

- Stakeholder experiences, lessons learned, community stories; local outcomes and impacts

Establish impact measures.

Identify indicators of impact and success; identify existing and needed data; explore partnerships for evaluation and monitoring.

Monitor program progress and effectiveness.

Establish short-term and long-term metrics for measuring reform success; prioritize quantitative data and qualitative input.

REPORTING AND SHARING

Intentional, two-way sharing will increase impact.

- State, regional, and local stakeholders want transparent info on program use, access, efficiency, impacts, and return on investment.

- Stakeholders want opportunities to share, hear and discuss experiences and lessons learned.

Expand sharing, listening, and reporting.

Establish reporting methods, roles, formats, and channels; post accessible and transparent info; create opportunities for stakeholder sharing and listening.

ADVANCE **STRATEGIC PRIORITIES**

There's no time to lose in expanding housing, climate resilience, and strong infrastructure. Progress is possible with strategic state investments and coordinated statewide action.

Housing Growth and Equity

Vermont needs thousands of new high quality, affordable, and equitable housing units across the state.

STRATEGIES

- Reformed designation structure; increased benefits and regulatory relief to fuel housing

- Local outreach, education, dialogue, training, and TA to support housing projects

- Equitable housing investments (affordable home and land ownership, wealth-building, rental housing, accessible housing)

Climate Resilience

Vermont needs to adapt to climate change, increase resilience, and reduce emissions.

STRATEGIES

- Alignment of existing tax credits and funding sources

- Expanded technical assistance to support flood resilience

- Additional work to identify priority adaptation strategies that reformed Designation Programs could support

An upcoming companion report will offer more guidance on resilience.

Infrastructure Investment

Vermont needs strong water/ sewer, utilities, bike and pedestrian access, and multimodal transportation infrastructure.

STRATEGIES

- Coordination to access major federal funding sources

- Regional transportation planning and projects

- More funding, TA, and dedicated agency support for complex projects and permits

- Interagency "strike" teams and staff commitment to collaborate and find solutions

CREATE **CONDITIONS FOR SUCCESS**

Three complex, interrelated conditions directly impact program success. Improving them will systemic change.

Local Capacity

Limited local capacity (staff, funding, expertise) is a top barrier to program access and impact. Many organizations offer TA, but needs are currently far greater than offerings.

Equity, Diversity, Access

Systemic racism, accessibility barriers, small town capacity, and other factors limit equity program equity. Reform can help level the playing field, but Vermont must prioritize systemic solutions.

Livability and Social Services

Housing and growth attract more people, who need more services— emergency response, walkability, mental health, public spaces. Municipalities can't meet needs alone, and unmet needs threaten designation goals and progress.

STRATEGIES

- Reduce **program requirements** and administrative work

- Support new models to **build long-term local capacity** (revenue generation, shared services)

- Develop a statewide **TA network or center** to link and expand offerings

STRATEGIES

- **Diversify program leadership** and representation

- Develop and invest in **equity-serving projects** to address rural and racial wealth gaps

- Ensure **language access and accessibility** in all programs

STRATEGIES

- **Fast-track housing critical infra-structure** to meet basic needs

- Support projects and actions that **build health and wealth**

- Strengthen **interdisciplinary partnerships** to scale up solutions and leverage resources

SCALE UP **STATE LEADERSHIP AND INVESTMENT**

Leaders identified three overarching needs in state government—and beyond—to meet these overarching priorities.

High-Level Leadership

High-level directives to **focus resources on community development**, increase impact, and coordinate investments.

Coordination and Capacity

Dedicated **agency staff capacity** to closely **coordinate actions, policies, investments**, and related initiatives.

Funding and Support

Creative **funding models and increased resources** to support urgent housing, revitalization, climate and infrastructure work.

Moving Forward

This report is just the first step in designation reform. Next steps include review by the Vermont Legislature and work to continue refining ideas and a transition plan. But improvement doesn't have to wait. Here's what to expect next and how to engage.

WHAT HAPPENS NEXT

Legislative Review	Concept Refinement	Transition Planning	Coordination
The Vermont General Assembly will consider recommendations and legislation for reform in 2024.	DHCD and core partners will refine details of a new designation structure, process, benefits, and more.	DHCD, RPCs, and partners will develop a multiyear process to transition current designations and benefits.	DHCD will work with public- and private-sector partners to coordinate resources, expand funding, and align programs and plans.

WHAT YOU CAN DO

Legislators, Officials, and Agencies	Planners, Partners, and Funders	Local Officials and Program Users	All Interested Stakeholders
Understand the full report and proposed changes Advance or support policies that lay the groundwork for success	Use evaluation findings and recommendations to inform your programs and offerings Explore ways to partner, coordinate, fund, and support designation priorities	Continue using current designations, benefits to improve your community Promote designation benefits to business and property owners Integrate designations in local/regional planning	Share more input and ideas during the legislative process Learn more about designations and what they offer in the full report or online

Connect and Learn More

Browse more in-depth evaluation findings and recommendations, learn about existing Designation Programs and opportunities, and explore success stories and creative ideas in the full Designation 2050 report. Materials are available on the current project website or at the Department of Housing and Community Development. **vtdesignation2050.org | accd.vermont.gov/housing**

INTRODUCTION

Designation 2050 is Vermont's first effort to evaluate and reform the Vermont State Designation Programs.

From quaint commons to bustling city streets, Vermont's downtowns and villages are the social and economic heart of the state. Vermont created the Downtown Designation Program in 1999 to help revitalize and grow compact, vital centers while protecting surrounding rural lands.

Since then, the Vermont Legislature has created four more Designation Programs to support other places and goals: Village Centers, New Town Centers, Growth Centers, and Neighborhood Development Areas. The Vermont Department of Housing and Community Development (DHCD) manages the Designation Programs. Designation 2050 is the first effort to evaluate and reform them.

Designation Programs Today

There are 281 designations in Vermont today, with more underway. More than 67% of Vermont communities have at least one designation.

Across Vermont, the Designation Programs offer benefits like tax credits, grant funding, and easier permitting for housing in designated areas to municipalities and property owners. Those benefits fund and fuel revitalization, growth, livability infrastructure, and other essential work. Municipalities and property owners access benefits like tax credits, grant funding, and easier permitting for housing in designated areas.

DRAMATIC DOWNTOWN REVITALIZATION IN ST. ALBANS

The city and property owners used tax credits, grants, and other programs to create walkable streets, upgrade infrastructure, and preserve historic buildings.

HOUSING DEVELOPMENT IN HINESBURG

Neighborhood Development Areas and other designations helped reduce regulatory barriers, incentivize housing, and reduce costs.

HISTORIC PRESERVATION IN HARDWICK

Tax credits helped restore a key historic building, which in turn helped launch broader downtown revitalization.

SMALL-SCALE SOLUTIONS IN FAIRLEE

A Better Connections grant sparked new energy, leading to quick projects like a village bus stop, mural, and private housing redevelopment in historic buildings.

Photos, clockwise from top left: Community Workshop LLC, Flickr CC/Bob P.B., Community Workshop LLC, Flickr CC/NNECAPA

PROGRESS AND POTENTIAL

The urgency for action is higher than ever, as Vermont faces a housing crisis, the impacts of climate change, an aging and diversifying population, and other challenges. Many Vermont towns are energized to work on projects like these and have ambitious goals, but they are currently falling short of both what's possible and what's needed. Vermont needs far *more projects* and investments, in far *more places*, and far *more quickly* than they are happening now.

THE URGENCY OF ACTION

HOUSING GROWTH AND ACCESS[1]	CLIMATE CHANGE	EQUITY AND LIVABILITY	LOCAL CAPACITY[6]
30,000-40,000 Expected new, year-round housing units needed by 2030	**7 inches** Increase in annual Vermont precipitation over past 50 years[2]	**21%** Home ownership rates for Black Vermont households, compared to 72% for White[4]	**141** Number of Vermont towns with no town manager or administrator, or 56%
2,100 Average new homes per year in recent years	**$5.2B+** Estimated Vermont property damage from floods over next 100 years[3]	**88,000** Households in Vermont spending >30% of income on housing[5]	**~90%** Vermonters living in small towns (pop. 5,000 or less)

1   Leslie Black-Plumeau, "30,000 to 40,000 more Vermont homes needed by 2030," Vermont Housing and Finance Agency (VHFA), January 25, 2023, accessed 4 December 2023, vhfa.org/news/blog/30000-40000-more-vermont-homes-needed-2030.

2   Vermont Department of Health, "Climate Change," last updated 15 March 2023, accessed 4 December 2023, healthvermont.gov/environment/climate/climate-change.

3   Mary Kueser, Catherine Arnold, and Basil Waugh, "Vermont Flood Costs Could Exceed $5.2 Billion," University of Vermont Gund Institute for Environment, 10 January 2022, accessed 4 December 2023, uvm.edu/news/gund/vermont-flood-costs-could-exceed-52-billion

4   Mia Watson, "Vermont Housing Needs Assessment reveals racial disparities," Vermont Housing and Finance Agency (VHFA), 19 June 2020, accessed 4 December 2023, vhfa.org/news/blog/vermont-housing-needs-assessment-reveals-racial-disparities.

5   Vermont Housing and Finance Agency, "Housing cost burden: Vermont," n.d., accessed 10 December 2023, vhfa.org/sites/default/files/publications/housing_cost_burden_in_vt.pdf.

6   Laura Sibilia and Katherine Sims, "Sibilia & Sims: Vermont needs to address rural capacity gap," VT Digger, 12 December 2022, accessed 10 December 2023, vtdigger.org/2022/12/12/reps-sibilia-sims-vermont-needs-to-address-its-rural-capacity-gap/.

Evaluation and Reform

Vermont's Designation Programs are about to turn 25 years old. They have the potential to be powerful tools for progress, but they are currently falling short of their promise—and the need. This is a critical moment to pause, evaluate them, and strengthen them for the next 25 years.

In 2022, the Vermont Legislature authorized a project to evaluate the Vermont Designation Programs and recommend reforms for the next 25 years. The Designation 2050 project launched in 2023, led by consultants Smart Growth America and Community Workshop.

Designation 2050 combined robust research and deep stakeholder engagement to explore what's working now and how Vermont's Designation Programs could be stronger, simpler, and easier to access. Hundreds of Vermonters engaged, representing nearly half of Vermont municipalities and more than 250 organizations.

How well are the Designation Programs working?

How might they become stronger tools for change?

How might they help Vermont meet the challenges and opportunities ahead?

PROJECT GOALS

Listen, Learn, and Evaluate Programs	Improve Access and Alignment	Improve Benefits and Impacts
Hear from diverse Vermont stakeholders (people, municipalities, businesses, organizations, agencies)	Improve accessibility and address equity barriers for diverse communities and users	Strengthen benefits for all municipalities and program users
Thoroughly analyze data about programs, benefits, and impacts	Make programs easier to understand, use, and access	Modernize, simplify, and streamline administration to boost efficiency
Look at models from other states to identify potential ideas and improvements	Increase alignment between Designation Programs, and with regional plans and land use maps	Improve programs' ability to impact emerging Vermont priorities (housing, climate change, equitable state investment, and more)

PROCESS AND REPORT STRUCTURE

This report includes findings from the evaluation and stakeholder engagement processes, which shape recommendations for program reform. The Vermont Legislature and Vermont Department of Housing and Community Development (DHCD) will consider, refine, and adopt program changes.

The consulting team identified five key areas of evaluation and reform through early interviews and conversations with DHCD staff and partners.

1. **Simpler Designation Structure**: Number, types, goals, requirements, and processes for designation; ease of access for diverse places and people.

2. **Coordinated Administration and Governance:** Oversight and management, decision-making processes and roles, coordination among partners, and alignment of goals and agencies.

3. **Better Benefits and Supports:** Types and amount of funding, technical assistance, regulatory relief, and other benefits available; impact on local and state goals; equitable access.

4. **Accessible Information and Outreach:** Access to clear, simple, and complete information about programs; statewide awareness and knowledge of offerings.

5. **Robust Monitoring and Sharing**: Data and metrics for tracking impact; sharing and using success stories and lessons learned.

In addition to Designation Program reforms, the project also looked at critical ways to integrate and align the Designation Programs with other statewide initiatives, programs, policies, and plans. One simultaneous project by the Vermont Natural Resources Board is exploring reforms to Act 250, Vermont's land use law. Another effort by the Vermont Association of Planning and Development Agencies is developing new regional land use maps. Other critical statewide plans set goals and strategies for housing, renewable energy, climate action, hazard mitigation, and more.

NEXT STEPS

This report concludes the evaluation process, but the true work is just beginning. State leaders will begin using it immediately to consider recommendations and plan next steps. Complete program reform and transition may take 3-5 years.

- **Legislative Review and Adoption:** Major changes to program structure and policies require a change in legislation. The Vermont Legislature expects to consider reforms to the programs' structure, benefits, governance, and other key areas in 2024. Stakeholders can share additional comments and thoughts during the legislation process.

- **Agency Implementation:** DHCD's Community Planning and Revitalization Team will implement changes. That includes further developing ideas and partnerships.

- **Transition Process:** DHCD will plan for a transition process and guidance for local communities to easily transfer current designations and benefits to a reformed structure.

To implement changes, the consulting team recommends DHCD use existing guideline authority to establish a reformed benefits framework to support community progress. Future changes to benefits and requirements must be accessible to communities with a range of capacities and development readiness.

USING THIS REPORT

The real work of community development and designation reform happens on the ground, and it doesn't have to wait. Beyond policy recommendations, this report offers ideas for many Vermont stakeholders and partners: municipal leaders, organizers, planners, and property owners, state agencies, nonprofits. They can immediately begin using evaluation insights, promoting and explaining designation, collaborating and aligning other work, and growing capacity for action. Diverse stakeholders can use and learn from this report in different ways. The report chapters offer different entry points and levels of detail.

- **Quick Review**: **Executive Summary.** Browse this 20-page overview for the basics of designations, evaluation, and recommendations.
- **Full Insights: Program Evaluation.** Explore this section to learn about demographic and other trends in Vermont today, get the stats on the Designation Programs, and find out what stakeholders had to say.

- **Ideas for Improvement: Recommendations.** Learn about top designation reform recommendations, plus systemic changes that will address broader statewide needs like local capacity, housing, and climate resilience.
- **Inspiration: Case Studies.** See how other states support community development and smart growth.

Stay Connected

For more information about the Vermont State Designation Programs, Designation 2050 reform, and next steps, visit the DHCD or project websites.

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

vtdesignation2050.org

Say What?

There are many technical terms in planning, land use, and government.

Visit **Appendix 1: Acronyms and Definitions** for guidance.

Photo: Smart Growth America

Process and Methods

Designation Program evaluation involved both quantitative and qualitative research methods. The consulting team evaluated participation and trends in the programs, data and trends in Vermont communities, case studies and policy examples, and detailed stakeholder input.

Major limitations in data made it hard to fully document Designation Program activities, evaluate long-term impacts, or compare designation types. Stakeholder input and experiences filled in gaps, but this spotlight the need for more intentional data collection and development in the future.

EVALUATION FRAMEWORK

The consulting team developed a framework for evaluation, including key topics and research questions. The framework guided data analysis and stakeholder engagement. It also forms the basis of the **Program Evaluation** and **Recommendations** chapters. The team developed the framework and research questions from the project scope of work, initial meetings with DHCD, and initial review of project needs.

QUANTITATIVE DATA AND METHODS

Quantitative methods included statistical analysis of various state and federal datasets and GIS analysis of characteristics in designated areas. It also included a review of Designation Program data from DHCD and agency partners. Major challenges included a lack of designation-level data, small sample sizes, short timelines for tracking long-term impacts, and inconsistent state data on program users and benefits.

Key Datasets

- Vermont municipal boundaries and designation boundaries (GIS data, Vermont Center for Geographic Information)
- U.S. Census and American Community Survey and Census block group data (U.S. Census Bureau)
- Other data from the U.S. Geological Survey, Federal Emergency Management Agency (FEMA), Federal Highway Administration, and other federal agencies
- DHCD records and past publications on Designation Program growth and participants
- Agency and program data on benefits such as grant applications and tax credits
- Numeric stakeholder survey responses

QUALITATIVE DATA AND METHODS

The consulting team gathered stakeholder experiences and input in multiple ways: semi-structured interviews, focus groups, public conversations and other events, surveys and vision activities, and document review. The team coded notes and transcriptions, using a general interpretive approach to identify key themes.

Challenges included natural participation and response "bias," project timeline and budget limitations, lack of Designation Program awareness, and barriers to participation (from equity issues to summer floods).

EVALUATION FRAMEWORK

Category	Research Questions
ACCESS AND ADOPTION	• How many communities participate in the programs? • Which places are benefitting, and which are left out?
VISION, PURPOSE, AND GOALS	• What does Designation Program success look like at the local, regional and state levels? What do stakeholders envision for the future?
DESIGNATION STRUCTURE AND PROCESS	• Is the current structure (five programs) efficient and effective? Which programs or elements are successful, and which create barriers?
ADMINISTRATION AND GOVERNANCE	• How well do designations align with state and local plans, policies, and goals? How is program management, decision-making and staffing working?
BENEFITS, SUPPORT, AND IMPACT	• What benefits do communities use and value? • What gets in the way of accessing benefits and using programs? What are the conditions for success? How are benefits supporting priorities like housing growth and climate resilience?
INFORMATION, AWARENESS, AND COMMUNICATIONS	• What do Vermonters know and think about Vermont Designation Programs? What are the barriers to accessing information and communications?
MONITORING AND EVALUATION	• What data and metrics are needed for long-term evaluation? What's captured and shared now, and where are there gaps?
MODELS AND IDEAS	• What models or programs are other states using to support community development? What successful models exist in Vermont?

Go Deeper

See **Appendix 2: Evaluation Framework and Research Methods** for more details on the evaluation framework, data sources, and challenges.

See **Appendix 3: Stakeholder Engagement Methods** for more details on the stakeholder engagement process and who participated.

STAKEHOLDER ENGAGEMENT

Designation 2050 evaluation, recommendations, and next steps are informed and driven by the experiences and needs of the people who use, create, and support them. Here's an overview of engagement methods and reach.

ENGAGEMENT AT A GLANCE

In...

6 months

We aimed to reach and engage...

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

grew a... **~350** 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

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 ...

117 Vermont communities and **4** states

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

CORE STAKEHOLDERS

The Designation 2050 team and Advisory Group focused on gathering input and experiences from six cored stakeholder groups, including several types of stakeholders:

- **Direct stakeholders:** local program users, managers, funders, and beneficiaries
- **Program partners and aligned efforts:** organizations supporting or connecting to designation goals and benefits
- **Indirect stakeholders:** people, organizations and municipalities impacted by designation success or recommendations

Program Managers

Community Planning and Revitalization team members at the Department of Housing and Community Development manage all programs. This includes coordinating with partner agencies and funders, managing program applications and renewal, promoting designation, and supporting local communities.

Program Users

The primary users of Designation Programs are Vermont municipalities. That includes local municipal leaders, who apply for designations and renewal, use benefits, and complete projects. It also includes property owners, developers, businesses, nonprofits, and community groups eligible for benefits or plan projects.

State Agencies, Boards and Partners

The Agency of Commerce and Community Development (ACCD) manages the Designation Programs. Other state agencies and boards offer benefits or are involved in related planning, policy or programs. They include the Agencies of Transportation and Natural Resources, Vermont Emergency Management, Buildings and General Services, Downtown Development Board, Natural Resources Board, and Land Access and Opportunity Board.

INQUIRY QUESTIONS

We had a lot of questions for project stakeholders, whatever their roles. During the evaluation and listening phase, we asked these big questions and listened to every response.

What are your goals?

What do you need to succeed?

How are the designation programs working now?

Who's left out? Who faces barriers?

Do they offer the right benefits?

What's our new vision?

What should we change & improve?

Planning and Economic Development Professionals

Regional Planning Commissions (RPCs) and Regional Development Corporations (RDCs) work directly with communities and state agencies. They offer perspectives on how to bridge local, regional, and statewide needs. Other key organizations include the Vermont League of Cities and Towns, the Vermont Chamber of Commerce, the Vermont Planners Association, and the Vermont Association of Planning and Development Agencies (VAPDA).

Legislators and Officials

The Vermont General Assembly will take up the report recommendations in the 2024 legislative session. Key leaders and committees will advance reform ideas alongside other legislative priorities. Other state officials and agency leaders will prioritize and implement programs.

Advisory Group

A Designation 2050 Advisory Group served a critical role in helping to reach stakeholders from priority groups and offering input from their perspectives. Members helped shape the engagement and evaluation strategy, provided input on recommendations, shared opportunities, and co-hosted or shared activities with their networks.

Interest Groups and Sectors

The largest stakeholder group involves the many other "interest groups" with a stake or role in the Designation Programs. This includes a broad range of organizations and entities, from nonprofits and statewide leadership organizations to advocates, consultants, developers, and organizers working directly on particular projects or goals related to community development.

KEY STAKEHOLDER AND ENGAGEMENT SECTORS

- Land use, conservation, and working lands
- Climate resilience and action
- Affordable housing and community development
- Business, finance, and development
- Transportation
- Livability, health, and social services
- Equity and social justice
- Historic preservation and creative sector

ENGAGEMENT APPROACH

Designation 2050 engagement focused on directly involving a wide cross-section of program users, partners, and stakeholders in the evaluation and recommendations process. The consulting team used a variety of methods and activities, allowing participants to engage in different ways.

TIMELINE

The Designation 205s0 evaluation and reform project ran from May to December of 2023, with stakeholder engagement in August and September. This report marks the beginning of a next phase, with legislative action and implementation.

1: EVALUATION AND LISTENING	2: RECOMMENDATIONS	3: IMPLEMENTATION
MAY-SEPT 2023	OCT-DEC 2023	2024

Surveys, visions, and case studies

Designation 2050 Summit

Draft recommendations review and input

Legislation, testimony, and implementation

May 2023

Engagement and evaluation planning

Virtual conversations, interviews, and focus groups

Evaluation and recommendations development

Final report release

Jan 2024

Engagement graphics and photos: Community Workshop LLC
Vermont Statehouse photo: Wikimedia Commons / HDR

ENGAGEMENT GOALS

Consider **diverse stakeholder needs and experiences** in evaluation and recommendations

Engage **traditional and non-traditional stakeholders;** elevate underrepresented voices

Use **targeted, adaptive, equitable, and accessible methods** throughout the process

Build energy and investment in future of Designation Programs by involving stakeholders in program design

ENGAGEMENT ACTIVITIES AND CHANNELS

With a short project timeframe, the consulting team focused on two approaches: 1) gathering in-depth input from representatives of core stakeholder groups; and 2) creating open opportunities for interested people to engage. Methods and channels included digital and in-person experiences, live events and "anytime" (asynchronous) opportunities.

Designation 2050 Project Website and Email List

A project website served as the hub for engagement: vtdesignation2050.org. More than 350 people signed up for project news and updates. Moving forward, DHCD can use this list to expand project promotion and outreach.

Interviews, Meetings, and Chats

From semi-structured interviews to informal chats, more than 40 individual conversations gathered critical insights from core stakeholder groups and underrepresented perspectives.
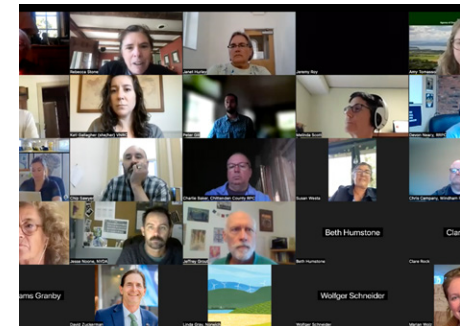
Virtual Conversations and Focus Groups

Project and partner organizations co-hosted five public "virtual conversations" on major topics like land use, housing, and climate resilience. Nine strategic focus groups let us explore central issues and connect with core groups like downtown organizations, business leaders, and BIPOC Vermonters.

Surveys and Live Polls

Four online surveys collected input from different audiences: municipalities and local program users, state agency and government leaders, legislators, and a general input option for other audiences. Live Zoom and mobile polling let more people share input at events.

Engagement graphics and photos: Community Workshop LLC
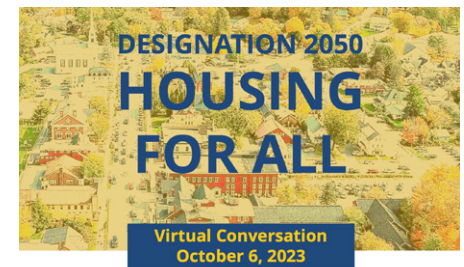
Designation 2050 Summit

Nearly 150 people attended a statewide Design Summit in September 2023 at Vermont State University-Randolph. They heard early findings and helped shape action ideas. Participants included planners, legislators, local and nonprofit leaders, state agencies, students and more. Morning breakout groups worked to define designation success and explore the types of activities and land areas designations should impact. In the afternoon, groups explored big ideas for reforming aspects of the programs.
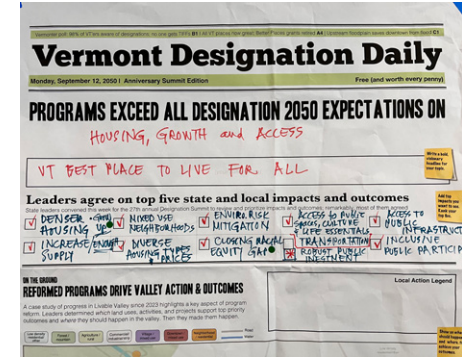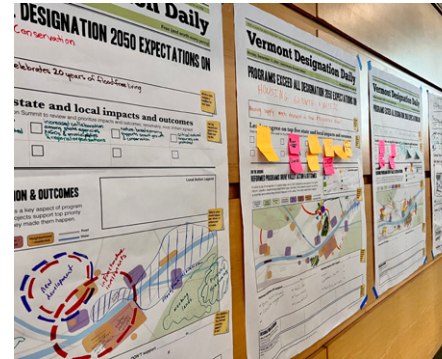
6-Word Visions

People shared "6-word visions" for Vermont's Designation Programs in many events. Their 229 short visions evolved into two new visions for the program and local communities.


Beautiful, creative, multimodal, healthy, thriving communities	designations working together toward common goals	larger designated growth areas for housing	vibrant communities supported by easy button	invest in vital, well-planned places	Vermont strong for all, always	Designations become sexy, fun, well-known
public infrastructure investments in water and sewer	Vermont achieves affordable housing for all residents	opportunity, choice & prosperity for everyone	Rural places are no longer forgotten	Healthy, connected, sustainable communities for Vermonters.	smart growth designations with history & housing	Invest in healthy watersheds. Save towns.

DESIGNATION 2050

PROGRAM EVALUATION

Evaluation shows that Designation Programs are having an impact. But they don't yet meet the need—or potential.

This study is the first thorough evaluation of Vermont's Designation Programs. After 25 years, the program growth and revitalization success stories clearly show value and potential.

At the same time, many state and local leaders recognize that the programs could be stronger and more effective, and that the stakes are high. The consulting team considered:

- Program participation and adoption, including number and diversity of participating communities
- Impact on local and state goals including economy, equity, housing, demographics, and environment
- Benefit use and project implementation
- Satisfaction and experiences of stakeholders and program users

EVALUATION METHODS, DATA SOURCES, AND LIMITATIONS

The consulting team examined indicators for approximately ten years from DHCD data, plus state and federal datasets from the Vermont Center for Geographic Information, U.S. Census Bureau, U.S. Geological Survey, U.S. Bureau of Economic Analysis, FEMA, and U.S. Bureau of Transportation Statistics:

- Number, types, land area, and geographic distribution of designations
- Demographic and socioeconomic data in designated areas compared to other areas
- Housing growth and affordability
- Environmental, hazard, and land use data
- Transportation and infrastructure data

DATA LIMITATIONS

Several major data challenges and limitations made it hard to accurately assess designation conditions or impact:

- **Data scales and designation boundaries:** Designated areas vary substantially in location, area, number, and type. The boundaries do not align with boundaries for any other key datasets, making it impossible to assess conditions like housing, land use, and demographics within designation boundaries.

- **Designation program growth and sample sizes:** Several designation programs were only created in 2013. Communities are enrolling, but it takes time. Program participation ranges from only three New Town Centers to more than 200 Village Centers. Small and uneven sample sizes make comparison hard.

- **Time periods, data availability, and long-term impacts:** Different datasets (population, environment, land use) are often on different time scales. Census block group data is not available at all before 2013. Increasing enrollment means many new designations in recent

years, but those communities may not yet have had time to benefit from the programs. Many program goals take years to achieve (such as housing projects or population growth); it may be too soon to fully see impacts of the current programs.

- **Lack of data:** The consulting team did not have access to data on some topics, such as the total number of historic settlements in the state, or data on resorts, strip development, mobile home development, lakeside camps, or other development types prevalent in the state.

Census block groups usually contain 600-3,000 people and 250-550 housing units. Vermont's largest communities have numerous census block groups, and one might align reasonably well with a designation boundary. Vermont's smaller communities typically have one to four census block groups. When an entire town has only one block group, that data cannot help distinguish conditions inside the designated area. In other cases, a designated area is divided among multiple block groups that also contain rural areas.

CENSUS BLOCK GROUP METHODOLOGY

Population and demographic data are not available at the designation boundary level, so the research team used the closest substitute: census block groups that contain a designated area. In many cases, the larger population in the block group is "served by" the designated area, benefitting from its resources. Still, this method Is imperfect given how block group boundaries are defined and Vermont's unique geography. Some census block groups include both a Village Center and a Downtown, for example. Other census block groups may contain entire rural towns (or more than one). The consulting team estimated that over 442,000 people, or about 69% of Vermont's population, live in a census block group with at least one designated area.

Overview

Quantitative data, policy review, and stakeholder input offered many different perspectives on the Designation Programs. The consulting team used a SWOC Analysis (Strengths, Weaknesses, Opportunities, Challenges) to summarize overall findings.

STRENGTHS	The Vermont Designation Programs are well established and provide a statewide platform for place-based investments.

There are currently 281 designations statewide, with 172 of Vermont's 256 municipalities participating. Many communities value benefits like tax credits and grants. There are strong examples of progress in downtown revitalization, housing growth, and other areas because of the Designation Programs.

Community Revitalization

Statewide success stories of vibrant, growing places

- Many downtowns, villages strengthening activity, sense of place
- Housing, economic development, transportation, historic preservation

Statewide Participation

High % of municipalities participating in programs

- Most Vermont villages enrolled in Village Center program
- Strong program interest and growth overall and in some programs

Valued Benefits

Appreciation for many benefits among users

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

WEAKNESSES	Despite strong participation, most stakeholders see missed opportunities. Many find the programs hard to understand, manage, use, and promote.

Communities are missing opportunities to access funding and act because of this complexity—especially in rural or lower-capacity areas. There is also a strong need for *more* funding and benefits.

Complex Programs

Many programs, hard to navigate

- Too many programs to choose from and manage
- Program types and details hard to understand

Admin Burdens

Burdensome to apply, run, and manage

- Administration overtaxing DHCD staff; limiting outreach
- Local management hard for small, low capacity towns

Limited Awareness

Programs not widely known or understood

- Little awareness beyond direct users (municipal staff)
- Confusion about benefits, requirements

Limited Impact

Not enough benefits to drive priority action

- Limited results for housing, climate, revitalization
- Too little funding and support for projects

OPPORTUNITIES

With strong interest and buy-in, there are great opportunities to strengthen Designation Programs, reduce burdens, and expand government and private sector collaboration.

Simplifying the existing model will make programs easier to use. Increasing partnerships can help expand benefits and support. There is also a key opportunity to capitalize on state and federal funding for housing, infrastructure, and disaster recovery.

Simpler Programs

Fewer programs, less work

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

Focused Priorities

Clear direction for investments, action

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

Strong Coordination

Public/private collaboration for impact

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

Aligned Efforts

Proactive coordination with related projects

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

CHALLENGES

Capacity is one of the greatest challenges, from local time and staff to state funding and agency resources.

Designing simpler *and* more impactful programs for communities with diverse needs is also challenging. The large number of state partners and related efforts increase the opportunity for collaboration, but also make reform more complex.

Limited Time and Money

Current capacity insufficient to meet needs and goals

- Need for far more staff capacity everywhere to get work done (DHCD, agency, local, RPC)
- Need for more funding and 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 and partner priorities, processes hard to navigate; sometimes conflict

Diverse Needs

Unique places need flexible programs, benefits

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

Designation Programs and Reach

There are 281 designated areas in Vermont today, representing 67% of Vermont's municipalities. Designated areas include 22,352 acres—0.4% of all Vermont land or 5.7% of developed land. They range from tiny East Haven to Vermont's largest city.

DESIGNATION OVERVIEW

DOWNTOWNS	VILLAGE CENTERS	NEW TOWN CENTERS	NEIGHBORHOOD DEVELOPMENT AREAS	GROWTH CENTERS
24	**233**	**3**	**15**	**6**
designations	designations	designations	designations	designations
1,959	**8,405**	**266**	**3,765**	**7,957**
acres	acres	acres	acres	acres
smallest place	smallest place	smallest place	smallest place	smallest place
Wilmington	**East Haven**	**Berlin**	**Putney**	**St. Albans**
pop. 2,255	270	2,849	2,617	6,988
largest place	largest place	largest place	largest place	largest place
Burlington	**Milton**	**S. Burlington**	**Burlington**	**Colchester**
44,743	10,723	20,292	44,743	17,524

Designated areas are in municipalities with a wide range of population sizes and community characteristics.[1] Population reported here is for the municipality containing the designation[2]—not the designated area alone—since no data is available at the designation scale.

1   Vermont Department of Housing and Community Development (DHCD), Designation Program Data, October 2023.
2   Vermont Center for Geographic Information, "2020 Census Data," August 12, 2021, accessed 4 November 2023, vcgi.vermont.gov/data-release/2020-census-data.

Table 1. Designations by Regional Planning Commission (October 2023)

Regional Planning Commission	Down-town	Village Center	New Town Center	Neighb. Devel. (NDA)	Growth Center	Total
Addison County Regional Planning Commission	3	9	0	2	0	15
Bennington County Regional Commission	1	16	0	1	1	19
Central Vermont Regional Planning Commission	3	22	1	1	1	28
Chittenden County Regional Planning Commission	2	15	2	6	2	27
Lamoille County Planning Commission	1	10	0	0	0	11
Mount Ascutney Regional Commission	2	8	0	0	0	10
Northeastern Vermont Development Association	3	40	0	1	0	44
Northwest Regional Planning Commission	1	20	0	0	1	22
Rutland Regional Planning Commission	3	24	0	1	0	28
Two Rivers-Ottauquechee Regional Commission	2	42	0	1	1	46
Windham Regional Commission	3	27	0	2	0	32

Vermont's designation areas are concentrated more heavily in urbanized parts of the state (like Chittenden County). Distribution by Regional Planning Commission follows this trend but is also a factor of RPC size. Designation numbers as of October 2023. *Source: Vermont DHCD.*

Map of all Vermont Designations (October 2023)
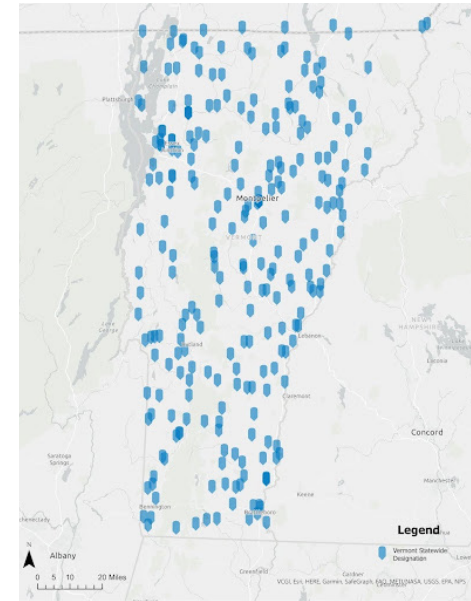
Figure 1. Vermont designations are scattered across the state. They are less common in more rural areas like the Northeast Kingdom and Green Mountain National Forest.

Source: DHCD.
Map: Smart Growth America.[3]

The consulting team reviewed

3 Vermont Department of Housing and Community Development, "Vermont Statewide Designation Locations," GIS database, accessed August 2023, geodata.vermont.gov/explore?tags=isothemeboundary%2Cisothemecadastral%2Cisothemegeodetic.

socioeconomic, geographic, and economic development indicators such as population growth, income, and age distribution.

On a block group basis, the study did not find meaningful demographic differences across the designated areas, or the designated areas compared to the rest of the state. In other words, block groups that include designated areas appear to follow similar demographic changes as those observed statewide. This is especially notable given new residents and economic changes driven by Covid-19. The limitations of using census block groups may mask actual trends, since they usually contain much larger geographic areas than the designated areas themselves. See **Evaluation Methods, Data sources, and Limitations** for more detail.

The largest differences in demographic and socioeconomic trends are in census block groups including New Town Centers, Growth Centers, and Neighborhood Development Areas. But with fewer than 25 designations in all three programs, the sample size is too small to draw conclusions.

OVERVIEW OF DESIGNATION TYPES

The Vermont Department of Housing and Community Development maintains data on current Designation Programs, along with the descriptions that follow.[4]

PRIMARY DESIGNATIONS

Three primary Designation Programs cover Vermont's community centers (both existing and new). Together, they account for 93% of all designations. Some municipalities have more than one designation, such as a downtown and a separate village center.

Downtowns

Vermont's 24 designated downtowns make up the second-largest program. According to DHCD, Downtown Designations "support revitalization activities in medium to large-sized historic centers with the community capacity to support a nonprofit organization or municipal commission that develops and implements a comprehensive revitalization strategy." They are in municipalities ranging from Wilmington (pop. 2,255, as of the 2020 U.S. Census) to Burlington (pop. 44,743). The Vermont Downtown Program is also a Main Street America™ coordinating program.

Village Centers

Village centers are the most common, representing 81% of all designations. They support "revitalization activities in small to medium-sized historic centers with at least one civic and/or commercial building." Census block groups with a Village Center include more than 280,000 residents. See "Population Served by Designated Places" below for more on this.

New Town Centers (NTCs)

Vermont currently has only three designated NTCs (Colchester, South Burlington, and Berlin), which are meant to provide "a framework to create compact, walkable, mixed-use centers for municipalities that have no designated downtown or village center. Successful designations require professional planning staff and a governing body that is committed to making public infrastructure and building investments."

NTC is the smallest designation in terms of population served, with approximately 8,200 people in associated census block groups. NTCs show promising trends, such as the fastest-growing rates of college educational attainment and lowest rates of unemployment.

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4 Vermont Department of Housing and Community Development (DHCD), Designation Program Data, October 2023.

ADD-ON DESIGNATIONS

Municipalities with one or more primary designations can add one or more add-on designations through the Neighborhood Development Area or Growth Center programs. Add-ons are intended to encourage targeted growth in areas well suited for development and support vibrant community centers.

Neighborhood Development Areas (NDAs)

NDAs are the third largest Designation Program, with 15 participating communities as of October 2023. As an add-on, they support "housing development inside or within walking distance to the core designation. The municipality must have adopted plans, policies, and regulations that support housing and smart growth. Developers have the option to apply for designation separately or jointly with the municipality." Census block groups including NDAs often have residential areas in and near other designations, but analysis found that they have had the slowest housing growth rate of the five designation types.

Growth Centers

Vermont has six designated Growth Centers: Bennington, Colchester, Hartford, Montpelier, St. Albans City, and Williston. Growth Centers "help shape areas beyond the commercial center with a framework of policies and regulations to ensure that 20 years of future development will enhance the vitality of the designated core, while protecting farm and forest land outside the growth center" and have significant planning, regulatory, and staffing requirements. Five of the six block groups containing Growth Centers rank among Vermont's top 15 most populated places. Housing growth is in the middle of the pack compared to other designations for overall growth, although fastest in multifamily growth.

NON-DESIGNATED PLACES

Eighty-four municipalities in Vermont currently have no designation. Some of Vermont's undesignated places are very small hamlets or gores. Others are located within the Green Mountain National Forest or have a substantial amount of protected conservation land or resort land. More than 94% of developed land falls outside of designated areas, even if the municipality has a designation. This land includes suburban areas, rural residential, commercial/industrial, and corridor development.

Overall, these non-designated places (the vast majority of Vermont by area) exhibit similar trends to designated areas in terms of indicators like population growth, unemployment, and education. While there may be differences in level (i.e., more or less unemployment), the trends across time are similar.

Photo: Smart Growth America

Vision, Purpose, and Identity

Vermont developed the five current Designation Programs one by one between 1999 and 2013. While each addressed important needs, the gradual approach means there is not a clear focus, vision, or identity for all five. Many Vermonters today are aware of the Downtown and Village Center programs and understand the general purpose. Relatively few know what Designation Programs are or understand the full set. Even well-informed state leaders say they are unclear about overall purpose, or they view purpose through their own lenses. Lack of a clear and compelling identity is a barrier to wider awareness, buy-in, and program access. Lack of a clear vision and priorities can lead to confusion and dissatisfaction.

PROGRAM HISTORY

Vermont created the first designation program in 1999, as downtowns struggled to compete against big box stores and strip development. The Downtown Program was formed to revitalize Vermont's historic downtowns and protect the historic pattern of vibrant centers and rural lands. Benefits focused on Main Street historic preservation and renovation, facade improvements, and mixed-use development.

In 2002, the Village Center and New Town Center designations expanded the focus, creating options for villages and communities without an existing center. The 2006 Growth Center and 2013 Neighborhood Development Area designations expanded boundaries and goals, supporting new growth in housing and infrastructure.

FUTURE VISION AND PURPOSE

Hundreds of stakeholders shared "six-word visions" and input on future program priorities. The diversity of ideas reflects the diversity of Vermont's people and places. There is a strong sense of shared values and common ground, but stakeholders do not share a single, clear vision or set of priorities. The tension in priorities often comes from a mindset of scarcity and competition. Reform recommendations include ways of expanding resources and integrating action.

Figure 12. This word cloud includes more than 200 six-word visions from Designation 2050 stakeholder activities. *Analysis: Community Workshop.*

What We Heard
FUTURE VISION AND PRIORITIES FOR VERMONT PLACES

WHERE THERE'S A COMMON VISION

- Enhancing smart growth and patterns of compact centers and rural lands

- Creating livable and whole communities, with access to housing, transportation, recreation, culture, and more

- Valuing and enhancing places of all sizes and types; leaving no community behind

- Unique, interesting, and special places

WHERE THERE'S TENSION

- Relative importance and priority of large and small communities in Vermont's future

- Visions for Vermont character and aesthetics; *what* built environment and landscapes should look like, *who* defines or chooses it, and *how important* character is to consider

What We Heard
FUTURE VISION AND PRIORITIES FOR DESIGNATION PROGRAMS

WHERE THERE'S A COMMON VISION

- Simple, clear, and accessible programs

- More funding and comprehensive support for action

- Flexibility for diverse communities

- Alignment between state, regional, and local policies, and goals

WHERE THERE'S TENSION

- Relative priority and tradeoffs in supporting housing, transportation, livability, revitalization, equity, business, resilience, and other investments

- Balance of local, regional, and state control in designation boundaries and plans

- Which land to include—place types, amounts, land uses

- What (and how many) types of activities and projects to fund and support

Go Deeper

See the proposed new program vision and priorities in the **Recommendations Chapter**. Read more about the relationship between priority topics in the **Systemic Challenges, Opportunities, and Program Success** section of this chapter.

STATE AND LOCAL PRIORITIES

The alignment of the Designation Programs with broader local and statewide goals is critical to ensuring that designation remains relevant and becomes a key tool in driving positive local change. As Vermont grapples with pressing challenges related to housing, climate change, livability and equity, Designation Programs must better align with and support statewide needs and goals. Stakeholder feedback provided valuable insights into how the programs are currently doing and areas for improvement.

LOCAL GOALS AND ACTION

Vermonters shared their local goals for community development and revitalization through surveys, interviews, and events. A word cloud shows the top words and phrases, including "housing," "growth," "community," "walkable," and "infrastructure." Program User Survey respondents rated a set of common community goals, from "not at all important" to "extremely important." Most respondents ranked most goals as "very" or "extremely" important. This shows the broad range of needs and community development interests across communities of all types and sizes.

While the results were very close, the top-ranked goals were:

1. **Housing access and affordability**
2. **Safe multimodal transportation options**
3. **Infrastructure investment and upgrades**
4. **Smart growth, conservation, and land use patterns**
5. **Livability, healthy communities, and aging in place**

Three goals showed substantial splits, with some communities rating them as very important and others not important. The greatest disagreement was around short-term flood recovery; equitable land ownership and economic opportunity; and workforce, job growth, and economic development.

Designation 2050 survey respondents rated the current programs on their alignment and impact on state and local goals. While most stakeholders felt that the Designation Programs support and align with local goals in theory, most also expressed a sense that change is not happening on the ground effectively or efficiently.

Figure 13. Program User Survey respondents shared their top local goals. This word cloud captures the most important ideas.
Analysis: Community Workshop.

Stakeholders shared a variety of examples and opinions on why progress is slow, ranging from lack of local government capacity or interest, to lack of follow-through and action by property owners and developers, to major roadblocks like local or state permitting, funding and political will.

Local leaders, developers, property owners, and other stakeholders all saw a major need for more resources and focus on *implementation* rather than just planning. Many noted a gulf between the resources currently available (small grants or financial incentives, some policy relief) and what's actually needed to complete major projects.

State and Regional Goals and Plans

Top statewide goals and priorities generally align well with local priorities and the designation programs at a high level, but stakeholders identified numerous areas of tension, conflicts, or lack of alignment in details. More importantly, they recognized overlap and connection between more than a dozen discrete state plans, but lack of any formal system for coordinating and considering them in a holistic way. This study reviewed and considered many of them, and directly coordinated with two: a concurrent Act 250 reform study and regional land use mapping.

Many leaders advocated for a more visionary and holistic statewide approach, where designation programs not only address the immediate needs of communities but also contribute to and coordinate closely with Vermont's larger and longer-term goals. More collaboration between DHCD and other state agencies is essential to ensure this alignment.

A SUITE OF STATE PLANS

More than a dozen related state plans and projects influenced this study. Many stakeholders called for a more intentional state process to coordinate these plans, goals, and strategies.

Climate Action Plan | State Hazard Mitigation Plan | Food System Plan | Bike and Pedestrian Plan | Comprehensive Energy Plan | Broadband Equity, Access and Deployment Action Plan | Regional Land Use Mapping | Act 250 Reform | AgeStrong Vermont: Our Roadmap for an Age-Friendly State | 2023 Infrastructure Report Card | Vermont Futures Project | State Health Assessment and Improvement Plan

"The state does not currently have a housing strategy, so I would not say the designation program is meeting the goals for housing."

- Designation 2050 Stakeholder

Program Impacts and Conditions

Vermont leaders and stakeholders at all levels want to see progress in housing, walkability, health, safety, social connections and more. The consulting team used socioeconomic data to explore current conditions in designated areas and statewide, and to track changes over time in priority goal areas like economic opportunity, housing growth, and resilience.

ECONOMY AND OPPORTUNITY

Downtowns and villages are the economic centers of Vermont communities, providing economic opportunities and a strong sense of place. Income and employment are two important indicators of economic vitality statewide and in communities. Other measures, like educational levels, indicate the state of the workforce and potential for growth. The study found no major differences in any of these factors between census blocks containing different designation types.

EMPLOYMENT AND WORKFORCE

Unemployment rates have decreased substantially since 2013 across Vermont and in the U.S. economy overall, despite a slight uptick during the pandemic (2019-2021). Relatively low unemployment rates in Vermont (2.0% in October 2023)[5] are tied to a growing workforce shortage. Employers are struggling to fill jobs now, leading to reduced services and business hours. The Vermont Futures Project estimates 14,800 retiring workers each year by 2030, and Vermont must add 13,500 new workers each year to balance losses. Only 6,600 annual

graduates join the workforce,[6] Vermont only added 92 people from 2020-2021, and 35% of the population is over 55.[7]

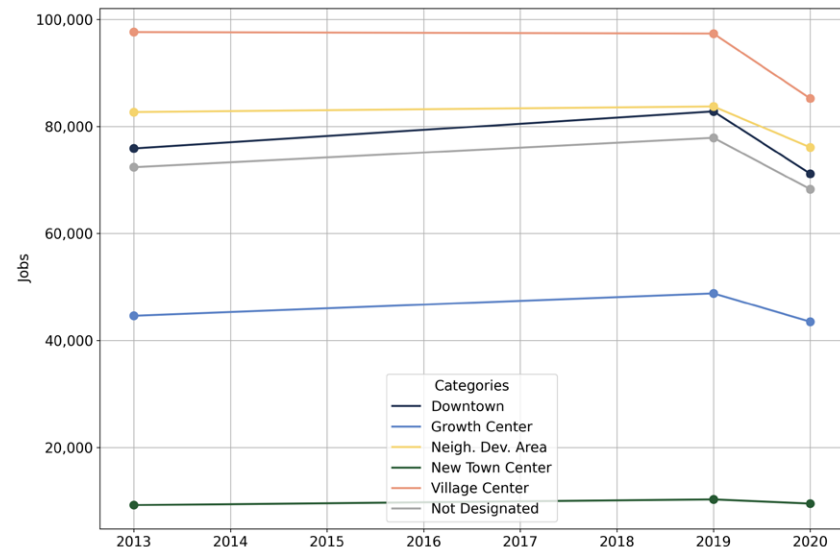**Employment Level in Designation Census Block Groups**

Figure 2. The number of jobs in Vermont stayed relatively constant from 2013-2019, then dropped during the pandemic. Job growth does not differ substantially in census block groups that include different designations.

Source: U.S. Census American Community Survey.[8] Analysis: Smart Growth America.

Overall employment levels across Designated areas were relatively stable from 2013 to 2019, with greater growth in census block groups served by Growth Centers and Downtowns. Block groups with Village Centers contained the most total jobs, given their number and size.

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5   U.S. Bureau of Labor Statistics, "Unemployment Rate in Vermont," Federal Reserve Economic Data (FRED), St. Louis Fed, accessed 10 December 2023, fred.stlouisfed.org/series/VTUR.

6   The Vermont Futures Project, "People-Based Community Economic Development," accessed 4 December 2023, vtfuturesproject.org/people/.

7   Ben Casselman and Jeanna Smialek, "Signs of a Lasting Labor Crunch," The New York Times, November 12, 2023, nytimes.com/2023/11/12/business/economy/vermont-labor-shortage.html.

8   U.S. Census Bureau, "American Community Survey 5-Year Data," 2023, accessed 30 October 2023, data.census.gov.

EDUCATION

Education levels are closely tied to overall opportunity. Adults with a college education are more likely to have higher incomes and employment levels, own homes, and live longer and healthier lives. Vermont has a consistently high college education rate of 35.7% (higher than the national average), and college education rates increased statewide from 2013-2021. The fastest growth was in census blocks containing New Town Centers and Neighborhood Development Areas.[9]

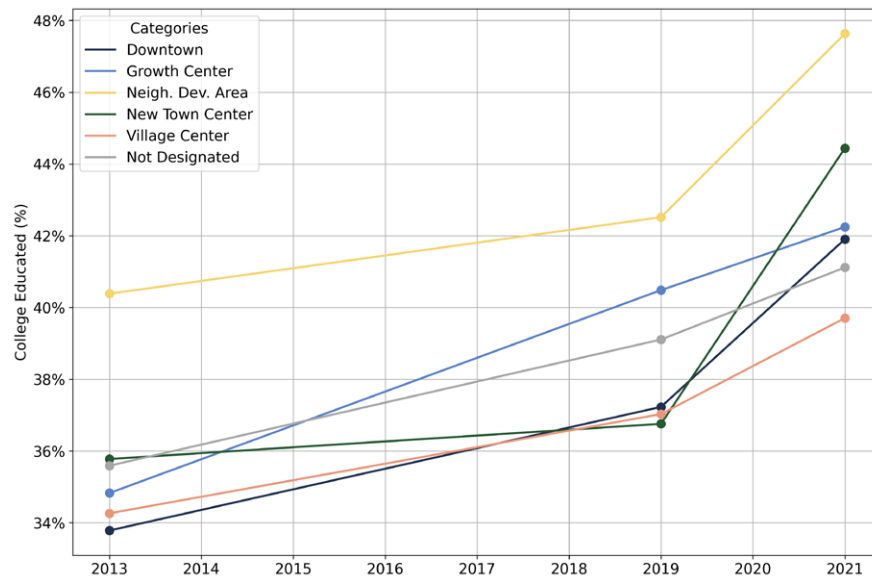### College Levels in Designation Census Blocks (2013-2021)

Figure 3. "Educational attainment level" (or percentage of adults earning a four-year college education or higher) is on the rise across Vermont. *Source: U.S. Census American Community Survey. Analysis: Smart Growth America.*

HOUSING AND LIVABILITY

The national housing crisis is particularly acute in Vermont; homelessness is among the highest in the country.[10]

Housing is a top priority for Vermonters. The current housing access crisis has led to spiraling housing costs, burdening low- and moderate-income Vermonters, limiting employers' ability to recruit workers, and even forcing some households to relocate out of state. There is a statewide need for more total housing units—an estimated 30,000 to 40,000 units by 2030.[11] Vermont also needs more affordable and accessible units, flexible and diverse types, and equitable access. Designated areas are ideal locations for housing, with easy access to services, culture, businesses, and transportation options.

HOUSING AFFORDABILITY AND GROWTH

Several recent studies estimate the need and gaps in housing growth. The Vermont Futures Project set a goal of increasing Vermont's population to 802,000 people and adding 350,000 non-seasonal housing units by 2035 to meet estimated workforce needs.[12] The 2020-2024 Housing Needs Assessment showed that housing growth rates have declined each decade since 1990; they would need to exceed 3%-5% per year to achieve goals, but current rates are less than 1%.[13]

Overall housing growth is less than 1% for all census block groups with designations, and in non-designated areas, except for New Town Centers.

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9 U.S. Census Bureau, "American Community Survey 1-year Data," 2022, accessed 12 December 2023, data.census.gov.

10 Lola Duffort, "Vermont's rates of homelessness are (almost) the worst in the country," VT Digger, February 7, 2023, vtdigger.org/2023/02/07/vermonts-rates-of-homelessness-are-almost-the-worst-in-the-country/.

11 Leslie Black-Plumeau, "30,000 to 40,000 more Vermont homes needed by 2030," Vermont Housing Finance Agency Blog, January 25, 2023, accessed 12 December 2023, vhfa.org/news/blog/30000-40000-more-vermont-homes-needed-2030.

12 Vermont Futures Project, "People-Based Community Economic Development," accessed 30 October 2023, vtfuturesproject.org/people/.

13 Vermont Housing and Finance Agency, Vermont Housing Needs Assessment: 2020-2024, February 2020, vhfa.org/documents/publications/vt_hna_2020_report.pdf.

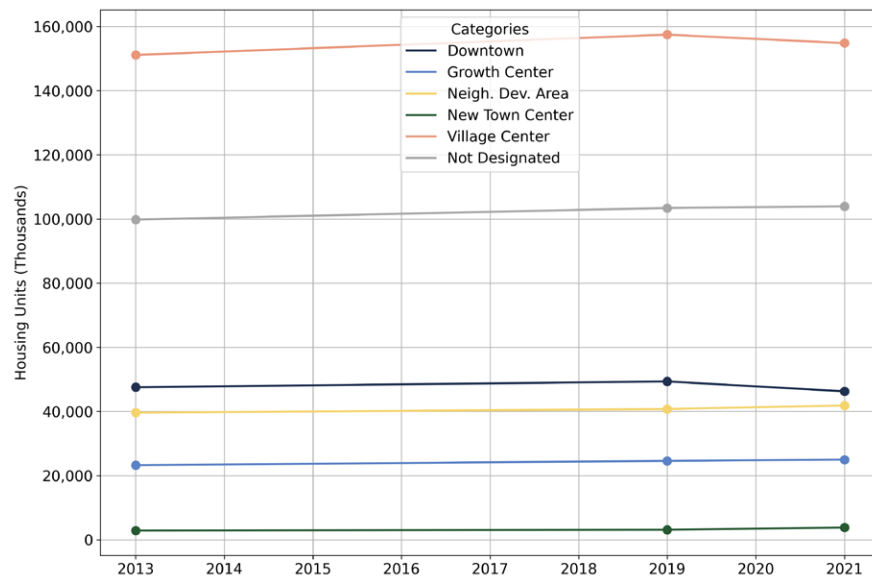## Housing Units in Designation Census Block Groups (2013-2021)

Figure 4. Vermont's total housing stock is growing at less than 1% per year. There is no significant increase in housing growth in census block groups containing designations, compared to undesignated areas.

Source: U.S. Census American Community Survey. Analysis: Smart Growth America.

The newer Neighborhood Development Area and Growth Center designations aimed to increase incentives and support for housing growth. Available data does not show any significant increase in housing in census block groups served by these designations, and data at smaller scales is not available. Some stakeholders (including local planners and developers) did anecdotally share that Neighborhood Development Areas are supporting housing development by reducing permit barriers, development time, and costs. Still, the lack of new units highlights a major missed opportunity given both the need for housing and desirability of designated areas.

Block groups with New Town Centers show the highest percentage of multifamily units (over 65%), growth in multi-family units (2.2%), and most rapid growth in total housing supply. Unfortunately, there are only three New Town Centers, which limits conclusions (small sample size) and impact. Census block groups that include Village Centers currently have the greatest number of units. That is expected given the number of designated Village Centers and the size of many census block groups that contain them. The percentage of multifamily units in Village Center census block groups is declining, as new growth includes more single-family units.

Share of Multifamily Housing Units in Designation Census Block Groups (2013-2021)

Figure 5. Multifamily units (or units considered to be in a multifamily building) are common in census block groups associated with all designations except Village Centers.

Source: U.S. Census American Community Survey. Analysis: Smart Growth America.

"Enough plans. Just give us the money to get it done."

–Local property owner and small-scale developer, on frustration with the focus on planning funding

Vermont housing costs are also growing sharply. Home sale prices rose at a compound annual growth rate (CAGR) of 2.9% from 2012 through 2019 and jumped to 15.2% per year after March 2019. National trends follow the same pattern, with home sale prices increasing over 14.6% per year since 2019.[14]

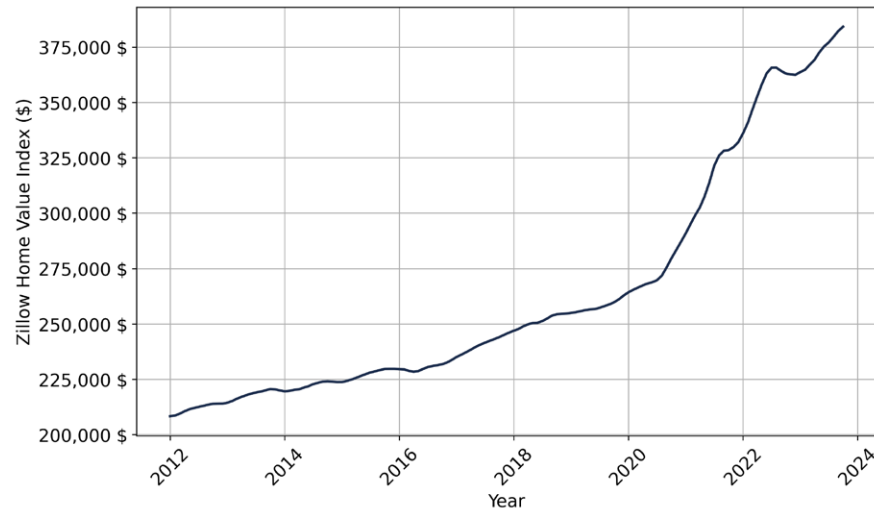## Zillow Home Value Index for Vermont (2012-2023)

Figure 6. Vermont home values grew sharply between 2020 and 2023, according to the Zillow Home Value Index.

Source: Federal Reserve Economic Data (FRED).

NEK HOMELESS POPULATION UPTICK

Photos (top to bottom): Angela Drexel; WCAX Channel 3 News; Flickr CC/Don Shall

Table 2. Annual Housing Growth Rates in Designation Census Block Groups (2013-2019)

Designation Type	Total Housing Growth Average compound annual growth in units	Multifamily Growth Average compound annual growth (multifamily)	Multifamily Share Percent change in share of multifamily units	
Downtown	0.53% (47,525 > 49,329)	0.27% (27,707 > 28,463)	-0.13% (58.3% > 57.7%)	In general, housing totals and growth rates do not differ significantly between census block groups that include a designated area and all other block groups, or between block groups that contain different designation types. Rates are expressed as compound annual growth rates, including growth rate of multifamily share.
Village Center	0.59% (151,127 > 57,458)	0.04% (37,782 > 37,947)	-0.48 (25.0% > 24.1%)	
New Town Center	1.29% (2,828 > 3,094)	2.19% (1,629 > 2,023)	2.16% (57.6% > 65.4%)	
Growth Center	0.81% (23,227 > 24,572)	0.61% (11,404 > 12,114)	0.04% (49.1% > 49.3%)	
Neighborhood Development Area	0.40% (39,603 > 40,735)	0.53% (47,525 > 49,329)	0.60% (56.3% > 59.1%)	*Source: U.S. Census Bureau American Community Survey. Analysis: Smart Growth America.*
Undesignated Areas	0.45% (99,799 > 103,417)	0.54% (30,687 > 32,393)	0.23% (30.7% > 31.1%)	
All Designated Areas	0.51% (264,310 > 275,188)	0.46% (100,819 > 104,622)	0.16% (30.7% > 31.1%)	

HOUSING EQUITY AND ACCESS

Equity in housing is key to advancing equity and racial justice. Housing equity includes multiple factors, from affordability and access to safe and quality housing to freedom from discrimination and barriers to housing. Homeownership gaps are a symptom of systemic racism and other types of discrimination. Increasing ownership is also a key tool for overcoming racism's effects. Vermont currently has the fifth highest racial homeownership gap in the United States. Only 21% of Black Vermont households own homes (or about 450 total), compared to 71% of White households.[15]

Stakeholders shared specific housing equity concerns:

- Lack of accessible housing and neighborhoods for older adults and people with disabilities, short-term crisis housing, and shelters
- Barriers to home and property ownership (and building wealth) among Black Vermonters and other people of color, people with disabilities, people with low incomes
- Barriers to stable, permanent housing for substance users, facing mental health challenges, and reentry
- Structural racism and discrimination in areas like mortgage lending and insurance

15 Mia Watson, "Vermont Housing Needs Assessment Reveals Racial Disparities," Vermont Housing Finance Agency, June 19, 2020, accessed 12 December 2023, vhfa.org/news/blog/vermont-housing-needs-assessment-reveals-racial-disparities.

- Potential for gentrification and resident displacement as neighborhoods revitalize
- Higher climate, safety, and environmental risks in lower-income neighborhoods and for people of color
- Lack of community consensus or support for housing growth overall, and especially for affordable, transitional, or supportive housing

Several focus groups and stakeholder groups acknowledged tension within some housing, ownership, and livability goals. Placemaking, livability, and community development projects increase quality of life for residents but also tend to increase property values and demand. This often leads to gentrification, higher costs, and displacement. Some common solutions (such as housing trusts or permanent affordability covenants) can make home ownership possible for lower-income or BIPOC people, but they limit the opportunity to build wealth.

HEALTH, SAFETY, AND WELL-BEING

In addition to housing and basic needs, many stakeholders and communities are prioritizing other key needs that support health and well-being. More than 29% of Vermont's population will be 60 and older by 2030, making Vermont one of the oldest states in the country.[16]

Older adults are more likely to need services and amenities that are in community centers: car-free transportation and walkable neighborhoods; accessible and affordable housing; safe places to exercise and socialize; and access to food, shopping, and healthcare.

Many also want housing options with a range of supports: smaller, accessible units; shared services and less maintenance; independent or assisted living with a range of support services.

Vermont is also facing crises in mental health and addiction. Suicide levels peaked in 2021 and youth depression and anxiety rates increased by 40% from 2016 to 2020.[17] The Covid-19 pandemic, July 2023 floods, opioid epidemic, and other disasters all increase the need for mental health services and support in Vermont overall, and in communities. At the same time, mental health agencies and providers, emergency responders, and public safety departments all face critical staffing shortages and tight budgets.

HOME EQUITY VS. HOUSING EQUITY

Home Equity

Home equity is the amount of home value that a homeowner owns. That means the difference between what a home is worth and how much mortgage is owed. Building home equity is a key way to build "generational wealth," or wealth that is passed down through families and generations.

Housing Equity

Equity in housing means equal access to housing opportunities for people of all races, genders, abilities, and other backgrounds. That includes access to safe, quality, affordable housing itself. It also includes access to home ownership and the opportunity to build home equity.

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16   Vermont Department of Health, "Age Strong VT: Our Roadmap for an Age-Friendly State," last updated 5 Dec 2023, accessed 6 December 2023, healthvermont.gov/wellness/brain-health-dementia/age-strong-vermont-our-roadmap-age-friendly-state.

17 Lia Chien, "Mental health crisis continues to affect Vermont youth despite high national ranking for child well-being," VT Digger, 8 August 2022, vtdigger.org/2022/08/08/mental-health-crisis-continues-to-affect-vermont-youth-despite-high-national-ranking-for-child-well-being/.

HOUSING AND LIVABILITY NEEDS

Vermont needs a substantial increase in total housing units, but that's not all. Stakeholders shared needs for specific housing types, along with supportive services, and bigger picture conditions and resources to create housing.

HOUSING TYPES AND CHARACTERISTICS

- Accessible units (single-level, ground-floor, equipped for older adults and people with disabilities)
- Energy-efficient, flood-proofed, and weatherized units, including new and renovated units
- Transitional housing with support services for people in recovery or re-entry from the prison system
- Workforce and middle-income housing
- Senior living units offering a range of services, from independent living to advanced care
- Small, low-cost and entry level units for young adults, single residents, and others entering housing

LIVABILITY AND NEIGHBORHOOD CONDITIONS

- Equitable housing ownership and wealth-building programs
- High quality, accessible bike and pedestrian (including basic maintenance and repair)
- Free, welcoming "third places," public spaces and gathering places
- Climate-safe, resilient locations
- Easy access to regional and local transit, with connections to jobs, healthcare, food, and resources
- Safety and security in housing units and buildings and in neighborhoods
- Accessibility upgrades to neighborhood buildings, shops, and services

HOUSING GROWTH RESOURCES AND SUPPORT

- Local dialogues and education to build support for housing growth and help communities plan
- Training on housing and development processes for local elected officials and boards
- Small-scale development training; construction training and recruitment
- Statewide coordination to access federal infrastructure funds (water, sewer, transportation)
- Pilot programs or incentives for promising models (infill/redevelopment, BIPOC ownership, multigenerational, etc.)
- Major increase in state financial, regulatory, and technical support for housing construction

CLIMATE, LAND USE AND ENVIRONMENT

Climate change impacts are increasingly obvious and severe in Vermont. In 2023 alone, as the Designation 2050 project was underway, unusual weather patterns resulted in significant damage and disruption. A late frost fell during an unseasonably warm May, resulting in the loss of more than 50% of the State's apple crop.[18] In early June, northern Vermont was impacted by a moderate drought, one of the earliest droughts ever declared in Vermont, due in part to low snowfall over the winter. In late June, wildfires in Quebec caused several days of poor air quality as smoke and particulate matter drifted into the state. On July 10th, heavy rain fell across much of the state, causing extensive flooding and landslides. Much of the state saw three to nine inches of rain. Montpelier broke its record for rainfall in one day since record-keeping started in 1948.[19]

As climate change impacts worsen, frontline communities will face disproportionate harms and costs from natural hazards and disasters. These include people with low incomes and BIPOC (Black, Indigenous, People of Color) Vermonters. A 2018 study found that natural disaster damages and recovery efforts increase racial wealth gaps. As the cost of damages and FEMA relief funding in a county increased, the wealth of White households increased, likely due to reinvestment initiatives; wealth decreased for Black households.[20]

CLIMATE-RELATED IMPACTS

Designation 2050 survey respondents ranked long-term climate and flood resilience as the second most important issue for reformed programs to address. Climate-related hazards bring increasing risks to life and safety, cultural assets and property, and the economy. Too often, one hazard increases the likelihood or severity of another (such as landslides or wildfires increasing flood risk). These "cascading hazards" can rapidly increase risks and damages.

2023 CLIMATE IMPACTS
At a Glance

Increasing impacts of climate change are hard to ignore. Vermont saw record-breaking patterns and damages during this project alone.

9.2 inches of rain
in Calais, during the July floods

12 swift water rescues
in Vermont, during December floods

50% crop loss
of Vermont apples due to a warm May and late frost

118th most polluted
new ranking for Burlington air quality (particle pollution) in 2023, causing it to fall off the American Lung Association's cleanest cities list

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18 Howard Weiss-Tisman, Lexi Krupp, "Vermont apple growers facing crop loss from freeze still want visitors this fall," Vermont Public, 7 September 2023, vermontpublic.org/local-news/2023-09-07/vermont-apple-growers-facing-crop-loss-from-freeze-still-want-visitors-this-fall.

19 Peter Banacos, "The Great Vermont Flood of 10-11 July 2023: Preliminary Meteorological Summary," National Weather Service, 5 August 2023, accessed 26 October 2023, weather.gov/btv/The-Great-Vermont-Flood-of-10-11-July-2023-Preliminary-Meteorological-Summary.

20 Junia Howell and James R. Elliott, "As Disaster Costs Rise, So Does Inequality," *Socius: Sociological Research for a Dynamic World*, 4 December 2018, doi.org/10.1177/2378023118816795.

While the focus is often on floods, research and stakeholder input recognize many critical aspects of climate resilience and environmental health. The Vermont State Hazard Mitigation Plan ranks natural hazards based on history and likelihood of future occurrence. Two types of flooding rank first and second in the draft 2023 plan: "fluvial erosion" (or rapid erosion along river and stream beds) and "inundation flooding" (or rising floodwaters in valleys and floodplains). Other hazards follow close behind, such as heat impacts, wind and snowstorms, ice, drought, infectious disease, cold, and invasive species.[21]

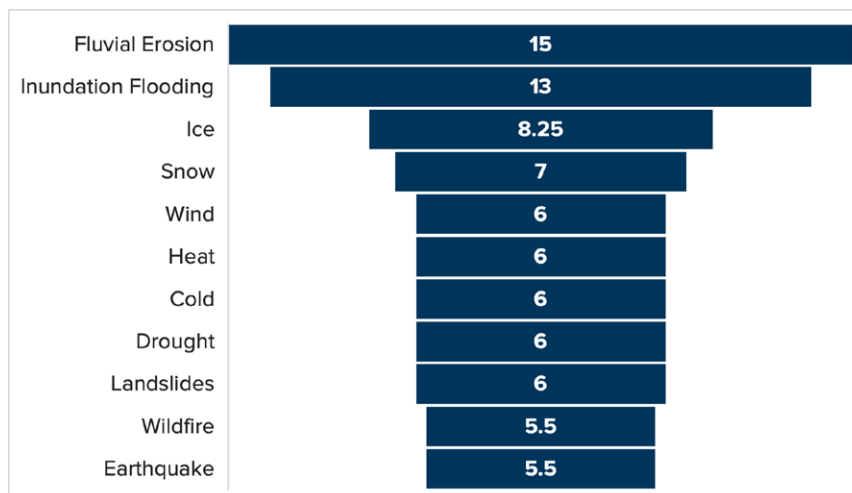### Vermont Natural Hazard Ranking and Risk Scores (2023)

Figure 7. Flash flooding and erosion and inundation flooding top Vermont's natural hazards, based on the state hazard assessment's risk scores. Other serious hazards include ice, snow, wind, heat, cold, and drought.

Source: Draft 2023 Vermont State Hazard Mitigation Plan.

Floods are a known risk in Vermont, especially for many of Vermont's villages and downtowns that were built along rivers.

Over 7% of designated areas fall within the Federal Emergency Management Authority (FEMA)'s 100-year mapped flood zones, and nearly 65% are within 500-year flood zones. This is unsurprising given the program's focus on historic centers, many of which were built along rivers. The July 2023 flood was a 100-year flood, meaning that the probability of such a severe event is once every 100 years based on historic data. But this was the 3rd 100-year flood in the past 30 years. Over the next 100 years, more than $5 billion in flood damages is expected along the Vermont portion of the Lake Champlain Basin.[22]

Damage in downtowns, villages, and neighborhoods highlighted the need for more urgent and effective climate resilience planning and action alongside community development and investment. The shared sense of loss and outpouring of support both highlighted Vermont's personal and collective attachment to historic community centers.

Share of Vermont's Designated Land in FEMA Flood Zones
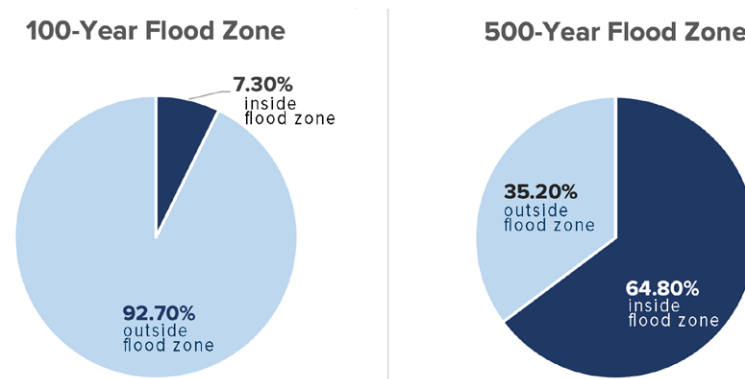
Figure 8. FEMA flood maps show significant risk to Vermont's designated areas. The actual risk is likely higher; Vermont has experienced three "100-year floods" in 30 years.[23] *Source: FEMA.[24] Analysis: Smart Growth America.*

21 Vermont Emergency Management, "Draft 2023 State Hazard Mitigation Plan," 2023, vem.vermont.gov/draft-2023-state-hazard-mitigation-plan.

22 Mary Kueser, Catherine Arnold, Basil Waugh, "Vermont Flood Costs Could Exceed $5.2 Billion," University of Vermont Gund Institute for Environment, January 10, 2022, uvm.edu/news/gund/vermont-flood-costs-could-exceed-52-billion.

23 Mark Davis, "'Climate change is real: Vermont hit by second flood event," Vermont Public, December 20, 2023, wbur.org/news/2023/12/20/vermont-flood-recovery-climate-change

24 Federal Emergency Management Agency, "National Flood Hazard Layer," GIS database, accessed October 2023, fema.gov/flood-maps/national-flood-hazard-layer.

As severe as the risk appears, it may actually be far higher. Flood hazard and precipitation maps are rapidly becoming outdated. The *New York Times* reported in July that "the true number of homes at risk from flooding is three times as much as what federal flood maps show."[25]

Vermont's commitment to addressing climate change is evident in many plans and policies, including the Vermont Climate Action Plan and State Hazard Mitigation Program. Designation programs can play a pivotal role in addressing the climate crisis by promoting smart growth and strengthening compact centers, while protecting surrounding rural watersheds and floodplain health. The July 2023 floods highlighted the urgency for Designation Programs and other investments to enhance resilience at vulnerable sites *and* incentivize development in safer locations.

The Designation Programs do not currently consider climate risk in most decisions about designation boundaries, grants or funding, and other program investments. The exception is Neighborhood Development Areas, which must exclude certain at-risk areas unless the municipality adopts local bylaws consistent with Vermont state rules. Designation Programs can support flood and climate resilience goals by integrating climate risk into investment decisions, improving stormwater and wastewater infrastructure, investing in hazard mitigation projects, and building resilient roads and transportation systems. Some of these investments are more effective or cost-efficient on a district or regional scale.

SMART GROWTH AND LAND USE

Vermont's iconic landscape, history, and character are shaped by its historical settlement pattern: compact, vibrant community centers and surrounding rural lands. Vermont's top state land

RESILIENCE SUCCESSES
At a Glance

Vermont has invested heavily in watershed resilience and conservation since Tropical Storm Irene. Notable projects from 2016-2021 will improve flood resilience in towns and villages as well.

21,000+ acres
of conserved land

1,100 easements
conserved along rivers and streams

480 stream miles
connected by dam removal and larger culverts

300+ acres
of riparian buffer plantings, reducing stream bank erosion, sedimentation, and runoff pollution

Source: 2023 Vermont Infrastructure Report Card.

use and planning goal is to preserve and enhance this pattern, for the many benefits that it offers.

One of the top goals in launching the Designation Programs was to maintain and enhance this pattern by creating incentives for smart growth in community centers (thereby *discouraging* growth in undeveloped places and reducing loss of farm and forest land). This landscape pattern is important to

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25 Christopher Flavelle and Rick Rojas, "Vermont Floods Show Limits of America's Efforts to Adapt to Climate Change," The New York Times, July 11, 2023, accessed 4 December 2023, nytimes.com/2023/07/11/climate/climate-change-floods-preparedness.html.

SO WHAT'S SMART GROWTH?

According to Smart Growth America, smart growth is defined as a holistic approach to developing livable communities. A smart growth approach helps make communities that are economically prosperous, socially equitable, environmentally sustainable, and well connected to essential destinations, no matter how people choose to get around. This includes concentrating development in compact areas and existing neighborhoods, building mixed-use and walkable places, providing transportation options, preserving affordability, and fostering a strong sense of place.

SMART GROWTH BENEFITS

- Creating connected, accessible, and livable communities
- Increasing transportation options, reducing single-occupancy vehicle trips
- Mitigating environmental impacts, such as emissions, and enhancing climate resilience
- Lowering costs through increased efficiency of public services and utilities
- Preserving open spaces, including agricultural lands, wildlife habitats, and other natural areas
- Dismantling discriminatory barriers to housing, transportation, and economic mobility

VERMONT SMART GROWTH DEFINITION

The State of Vermont outlines smart growth principles in its Municipal and County Government Statutes (24 V.S.A. § 2791). Smart growth:

- Maintains a historic development pattern of compact village and urban centers separated by rural countryside
- Develops compact mixed-use centers at community scales
- Enables choice in modes of transportation
- Protects the state's important environmental, natural, and historic features
- Serves to strengthen agricultural and forest industries
- Balances growth with the availability of economic and efficient public utilities and services
- Supports a diversity of viable businesses in downtowns and villages

the state's identity, economy (including tourism), and livability. Attracting more people to centers supports efficient housing and access to services, downtown vitality and economies, more transportation options, and reduced energy use. These in turn reduce municipal service and infrastructure costs while improving affordability, accessibility, and livability.

One way to evaluate smart growth is through population changes. Vermont added nearly 20,000 residents in the 2010s, and new residents typically draw new development. The greatest population increases were in Chittenden, Franklin, and Lamoille Counties,[26] but available census block group data cannot show what percentage of population growth falls within designation boundaries vs. rural areas.

FARMS, FORESTS, AND LAND USE

Concentrating development and protecting rural lands is also increasingly important for addressing the risks and causes of climate change. Farm and forest land can absorb carbon and floodwaters and reduce heat impacts. Keeping large forest blocks intact (without roads or development) can help species migrate and adjust to a changing climate and reduce the spread of invasive species. Maintaining productive farmland is essential to the future of Vermont's food system and rural economy.

Even small-scale changes on the land can have big impacts. While new single-family homes and new roads may not physically develop many

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26 Legislative Apportionment Board (Tom Little, Chair), "Growing, shifting Vermont population may shake up 2022 election map," VermontBiz, June 21, 2021, vermontbiz.com/news/2021/june/21/growing-shifting-vermont-population-may-shake-2022-election-map.

acres, the American Farmland Trust found that low-density single-family residential development presents the greatest risk to farmland.[27] A single home or small cluster built on a large farm parcel may mean that many more acres of land are taken out of productive use. *Parcelization* (the subdivision of large parcels into smaller ones) and *fragmentation* (when intact blocks of forest or natural land are broken up by roads, utility lines, timber harvesting, and other barriers) are also concerning. Parcelization often leads to fragmentation, and fragmentation often leads to (and includes) forest and farmland loss. Fragmentation itself has negative impacts such as smaller habitat blocks, increased roadkill rates, and reduced water quality due to runoff or erosion. Key drivers include aging landowners and increasing housing growth pressure.

CHANGING LANDSCAPES AND LAND USES

State planning and the Designation Programs encourage development in compact areas, while protecting healthy rural lands. How well is Vermont doing? Two estimates of changes in the amount of farm, forest, and developed land over time help paint a picture.

LAND COVER

Land cover is what's on the surface of the land. Satellite images show the land at different points in time; measuring changes in the images over time is a way to measure change on the land itself. But satellite images only give a birds-eye view from space, and they can miss small changes.

LAND USE

Land use is how humans characterize how the land is used—residential, industrial, farm, forest, etc. Parcel records identify current land uses and changes. This can help identify development and changes in land use or health, even when the view from space doesn't change.

Table 3. Vermont Land Cover Changes (2011-2019)			
Land Cover Type	**% of Statewide Land Cover**		**% Change in Land Cover, 2011-2019**
	2011	**2019**	
Agriculture	12.71%	12.66%	-0.05%
Development	6.39%	6.44%	+0.05%
Other (forest, wetland, barren)	80.9%	80.9%	0.0%

Analysis of satellite imagery shows very little physical loss of farm and forest acres during the 2010s. This measure does not account for recent growth pressure or land use classification changes.

Source: U.S. Geological Survey (USGS).[28] Analysis: Smart Growth America.

Two measures—*land cover* and *land use*—tell different stories about smart growth and land use changes in Vermont. Analysis

of land cover (physical changes in land characteristics in satellite photos) shows no loss of forestland and just 0.1% loss of agricultural land to development from 2011-2019, despite the population increase.[29] But satellite land cover analysis can miss small-scale changes on the land, and the time period does not include the higher growth pressure of Covid years. It also does not account for land classification changes that often come before development, increase development pressure, and/or

27 Farmland Information Center, "Vermont Data and Statistics," American Farmland Trust, accessed 4 December 2023, farmlandinfo.org/statistics/vermont-statistics/.

28 U.S. Geological Survey, "National Land Cover Database," 2018, accessed 30 October 2023, usgs.gov/centers/eros/science/national-land-cover-database.

29 Ibid.

reduce ecological function or working lands' productivity. This analysis did not have parcel data readily available to identify changes in land use classification, parcelization, or rezoning, but Vermont Farm to Plate notes that Vermont lost 21,400 acres of agricultural land to development from 2001-2016, with more than half significant for productivity and resilience.[30] The Vermont Parcelization Website reports that Vermont is losing forest for the first time in 100 years, with a 3.2% increase in residential land and a 12% decrease in woodland from 2010-2020.[31] Much of that decrease comes from residential development in rural and forested areas, outside of designated areas.

While analysis did not show significant loss of agricultural and forest *acres* during the 2010s, the findings are limited, and risks of future loss are increasing. The Designation Programs offer significant opportunities to focus development in compact centers and slow or stop low-density rural development that can threaten Vermont's critical landscapes.

30 Vermont Farm to Plate, "Vermont Food System Plan Issue Brief: Farmland Conservation," 2021 Vermont Agriculture & Food System Strategic Plan, vtfarmtoplate.com/sites/default/files/2022-03/vermont_ agriculture_and_food_system_strategic_plan_2021-2030.pdf.
31 VNRC Vermont Parcelization Website, 2023.

What We Heard
CLIMATE AND LAND USE NEEDS

CLIMATE RESILIENCE	LAND USE AND SMART GROWTH	RESOURCES AND SUPPORT
• Floodproofing and weatherization of municipal infrastructure, private homes, and businesses	• Stronger policies to discourage rural development (especially single-family homes) and encourage compact growth	• More coordination between state hazard mitigation and emergency management, natural resources, and designation planning and resources
• Street tree and cool cities initiatives to reduce heat, pollution, and runoff impacts in developed areas	• Stronger policies to support river corridor, floodplain, and wetland conservation	• Updated and more robust data and maps on climate change and changing weather patterns, river corridors, and floodplains
• Increased funding and technical support to upgrade stormwater management and green infrastructure	• Technical assistance and templates to help municipalities modernize zoning bylaws and use best practices	• Better statewide data and monitoring of land transfers, parcelization, and rural development
• Support for community and grassroots resilience solutions including mutual aid networks and resilience hubs	• Watershed and headwaters forest restoration and conservation, to protect downstream settlement	

TRANSPORTATION, INFRASTRUCTURE, AND ENERGY

Vermont's 2022 Comprehensive Energy Plan (CEP) has ambitious goals, including sourcing 25% of Vermont's energy from renewable sources by 2025 and 90% by 2050. Vermont's Global Warming Solutions Act sets a target of 26% reduction in greenhouse gas emissions from 2005 levels by 2025, and an 80% reduction from 1990 levels by 2050.[32] Reducing emissions and energy use overall (including fossil fuel use) brings major benefits for climate, economy, affordability, and equity. Increasing safe multimodal transportation options (like transit, bike, and pedestrian routes) brings major benefits for health, equity, affordability, and accessibility.

Designation Programs can help Vermont strengthen infrastructure and reduce energy use in all sectors by incentivizing compact development in community centers, and by investing in energy-efficient building programs and multimodal transportation.

The 2023 Report Card for Vermont's Infrastructure offers a high-level look at infrastructure today and top priorities for improvement. Vermont's overall grade is a "C," with limited progress (or declines) over the past ten years. The report emphasizes the need to think forward, investing in infrastructure systems that account for climate change, behavior change, and other state plans and policies.[33]

Many of the report's top recommendations for improvement can influence designation priorities and investments:

2023 VT INFRASTRUCTURE REPORT CARD
At a Glance

The 2023 Report Card for Vermont's Infrastructure grades statewide infrastructure types today on factors including capacity, condition, safety, resilience and more. A grade of "C" means "Mediocre – Requires Attention."

C Overall grade

B- Bridges
C   Dams
C   Drinking Water
C+ Energy
C+ Roads
C- Stormwater
D+ Wastewater

- **Improving resilience:** preparing for natural and manmade hazards (storms and increased precipitation, cybersecurity threats, pandemics and more)
- **Growing a skilled workforce:** increasing training and

32 Vermont Department of Public Service, 2022 Vermont Comprehensive Energy Plan (CEP), 2022, publicservice.vermont.gov/about-us/plans-and-reports/department-state-plans/2022-plan.
33 George N. McCain Jr. and Kaitlyn Fuller, 2023 Report Card for Vermont's Infrastructure, Vermont Section of the American Society of Civil Engineers, 2023, infrastructurereportcard.org/Vermont.

recruitment, including women

- **Adapting funding sources and systems:** capitalizing on major federal funding sources and planning for changes like reduced gas tax revenues

- **Supporting rural and urban needs:** investing in infrastructure for compact communities that serve many people, while also ensuring equitable rural transportation and other services (and supporting small, rural governments in accessing funds)

- **People-focused planning and design**: engaging communities to understand the needs of all users, consider life-cycle costs, and collaborate on projects

- **Focus on water infrastructure:** invest heavily in upgrading water infrastructure—one of Vermont's lowest-scoring types

TRANSPORTATION AND EMISSIONS

Sustainable, accessible, and multimodal transportation is a priority for many Vermont communities, but it's not easy to develop. Designation 2050 program user survey ranked "safe multimodal transportation options" as the number two goal for their communities. Stakeholders strongly value transportation-related benefits, including funding for transportation scoping studies, plans, and implementation. State transportation goals include reducing emissions and single-occupancy vehicle trips, while expanding transportation safety and affordability. Stakeholders noted that communities need better transportation infrastructure to support new housing and quality of life. Transit access, complete streets, bike and pedestrian infrastructure, and electric vehicle charging can all improve programs' placemaking goals, climate resilience, affordability, and accessibility.

Maintaining transportation and pedestrian infrastructure is another critical challenge. Even when communities build strong roads and sidewalk networks, many struggle to provide the essential basic maintenance (sweeping, snow and ice removal, line painting) that make these assets accessible. A single pile of snow can prevent people with mobility challenges from using a brand-new sidewalk and accessing their homes, transit, jobs, or services. Available state grants support major repairs and new construction, but not maintenance or the minor repairs that will maintain the use and life of investments.

The 2022 CEP shows that transportation accounts for 38% of Vermont's energy needs and 40% of greenhouse gas emissions. Compact settlements can significantly reduce car travel by both reducing the distances between daily destinations and increasing access to multimodal transportation options. Vermont is seeing positive trends: from 2010-2021, state Vehicle Miles Traveled (VMT) rose by less than 2%. Transit ridership increased by nearly 30% statewide during the same period, although it unfortunately declined sharply during the Covid-19 pandemic.[34] Transit also still represents only a very small percentage of Vermonters' transportation use, and it remains hard to access for most rural Vermonters. In 2017, only 1.0% of trips were by Amtrak or bus).[35]

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34 U.S. Bureau of Transportation Statistics, "National Transportation Statistics, 2021," accessed August 2023, bts.gov/topics/national-transportation-statistics.
35 U.S. Federal Highway Administration, "National Transit Database," accessed August 2023, nhts.ornl.gov/.

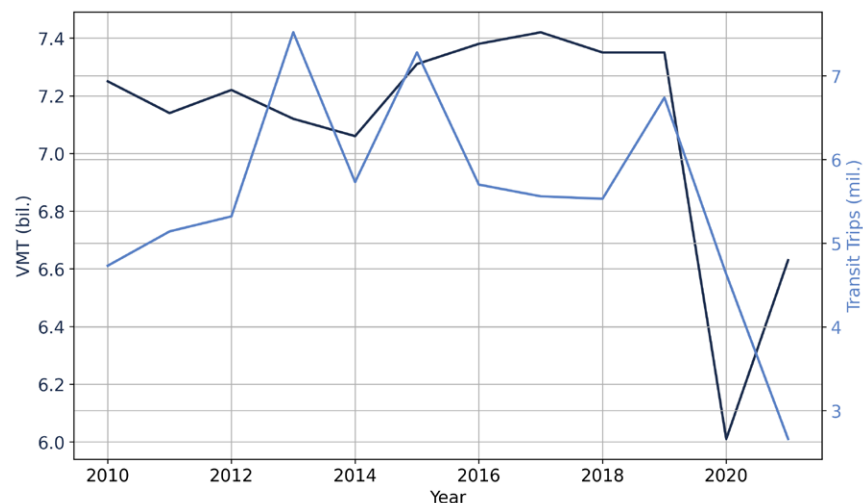## Vermont Vehicle Miles Traveled and Transit Use (2010-2021)

Figure 9. Vermont vehicle travel increased only slightly from 2010-2021, while transit use grew by 30%. Both dropped sharply during and after the pandemic. Transit data does not include Amtrak trips.

Source: U.S. Bureau of Transportation Statistics.

Bike and pedestrian access and use are also relatively low, despite very strong stakeholder interest in increasing safe options. Active People, Healthy Nation's state report for Vermont shows that average use of active transportation for commuting (from 2016-2020) was 0.8% biking, 5.2% walking, and 1.2% public transit. Vermont's rural nature is again a barrier to creating safe bike and pedestrian infrastructure (such as sidewalks and bike lanes), and the cost is high: pedestrians accounted for an average of 9.4% of all traffic fatalities.[36]

Stakeholders expressed interest in increasing connectivity between the Designation Programs and transportation planning. Some stakeholders noted that DHCD and VTrans have common goals but different policies and funding processes. Others highlighted the Better Connection program as a promising model for aligning agency resources, goals, and support. Many communities feel limited by strict federal highway guidance and restrictions on street design and changes, including progressive approaches to traffic calming and pedestrian safety. VTrans management of local roads is both a strength and a challenge for many stakeholders. Municipalities often feel their towns can't afford to take over management of state highways but are frustrated by the administrative hurdles and limited resources at VTrans, which make improvements challenging. Vermont's 2021 Bicycle and Pedestrian Strategic Plan calls for many strategies to improve statewide safety and access, including development of a robust statewide count system to gather baseline data and track progress.

There is strong support for increasing state transportation

> **"Land use choices that support compact and mixed-use settlement can improve transportation system efficiency overall, by reducing the distances between the places to which Vermonters regularly travel."**
>
> *–2022 Vermont Comprehensive Energy Plan*

36 Active People, Healthy Nation, "Biking & Walking Improve Lives and Health | Vermont," The League of American Bicyclists and Centers for Disease Control, 2022, accessed 24 Dec 2023, data.bikeleague.org/wp-content/uploads/2022/06/LAB_APHN-Fact-Sheets_Vermont.pdf.

funding since it has more flexibility to fund projects than federal funding (such as pedestrian and bicycle projects). Stakeholders called for increases in funding and the number of communities served by the Downtown Transportation Fund, Bicycle and Pedestrian Program, and Downtown Transportation Fund. There is also strong support for the idea of single- or multiagency teams and committed staff support to break through barriers and make quick progress on transportation and infrastructure projects.

ENERGY USE AND SOURCES

Residential, commercial, and industrial energy use accounts for another 34% of greenhouse gas emissions and almost 50% of site energy use. The 2022 CEP aims to weatherize 120,000 households and achieve "net-zero ready" construction for all new buildings by 2030.[37] Utilities are also prioritizing climate-resilient energy access, such as local microgrids and energy storage options. For example, Green Mountain Power's Zero Outages Initiative seeks to spend $30 million to bring energy storage to all Vermonters by 2030 while investing $250 million in decentralization and grid hardening.[38] Both of these strategies impact equity as well as climate. They reduce cost burdens for low-income people and help protect against hazards, including extreme heat, cold, and storms.

Reducing energy use overall will require action in many areas: transportation emissions and clean fuels; multimodal transportation options; renewable energy generation; and residential, commercial, and industrial energy use. Research in urban areas shows that compact development can reduce energy use in many ways. **People living in compact centers rely less on automobiles and take shorter trips when they do, showing a decline in vehicle trips as density increases.[39]** Density also helps households reduce energy use, reducing greenhouse gas emissions and other pollutants.[40]

Designation Programs themselves can invest in green building and weatherization techniques, green infrastructure, renewable and efficient heating systems and more. Beyond that, simply increasing incentives for density and village living can significantly impact Vermont's energy goals and enable other private organizations and businesses to deliver more efficient programs and services.

WATER, SEWER, AND OTHER INFRASTRUCTURE

Strong, resilient infrastructure (transportation, broadband, water, sewer, energy, and utilities, and more) is essential to supporting most other local goals and needs. It's also essential to supporting many state goals, from water quality improvements to energy and emissions reductions—and especially to building housing. Vermont's sobering 2023 Report Card notes that the state's infrastructure is among the oldest in the country, with serious backlogs in maintenance making problems worse. It also cites major, systemic statewide challenges that impact other designation goals and local solutions: workforce shortages and supply chain issues, climate change and increasing precipitation, inflation, and changes in funding systems.

37 Vermont Department of Public Service, 2022.

38 Diana DiGangi, "Green Mountain Power proposes energy storage for all Vermonters," Utility Dive, 10 October 2023, accessed 8 December 2023, utilitydive.com/news/green-mountain-power-vermont-storage-grid-hardening/.

39 Sungwon Lee and Bumsoo Lee. "Comparing the impacts of local land use and urban spatial structure on household VMT and GHG emissions." *Journal of Transport Geography* 84, April 2020, sciencedirect.com/science/article/abs/pii/S0966692319304971.

40 Burak Günerlap, Yuyu Zhou, Diana Ürge-Vorsatz, Mukesh Gupta, Sha Yu, Pralit L. Patel, Michail Fragkias, Xiaoma Li, and Karen C. Seto, "Global scenarios of urban density and its impacts on building energy use through 2050," Proceedings of the National Academy of Sciences 114 (34), January 9, 2017, pnas.org/doi/full/10.1073/pnas.1606035114.

Water and wastewater were two of the worst-performing categories and two of the most important categories identified by local leaders as essential to supporting housing growth. The Report Card notes that 59% of Vermont's residents were served by 1,382 public water systems in 2020, but there are "thousands of immediate repair needs." Fifty percent of Vermonters are connected to 116 public wastewater systems, but the aging systems led to 144 overflows from 2020-2022. The Report Card cites critical issues including leakage and water loss, lead pipes, lack of water metering and high bills, and low municipal revenue to support improvements.[41]

The Report Card focuses on the urgent need to upgrade, repair, and maintain existing systems, but local leaders and stakeholders also shared serious concerns and needs around expanding water and wastewater systems to support housing growth. Stakeholders called for similar increases in funding, technical support, and robust agency staff support to advance water and wastewater infrastructure. Many noted how critical this infrastructure is to supporting essential housing growth, and how often water and sewer infrastructure delays hold up other housing and smart growth projects. Many cited complex permitting and design processes that are hard even for professional planners (and sometimes ANR staff) to navigate. Other stakeholders shared stories of major misalignment between Designation Programs and water/sewer program requirements, survey which prevented communities from accessing the other.

41 2023 Report Card for Vermont's Infrastructure, 2023.

Photos: Community Workshop LLC
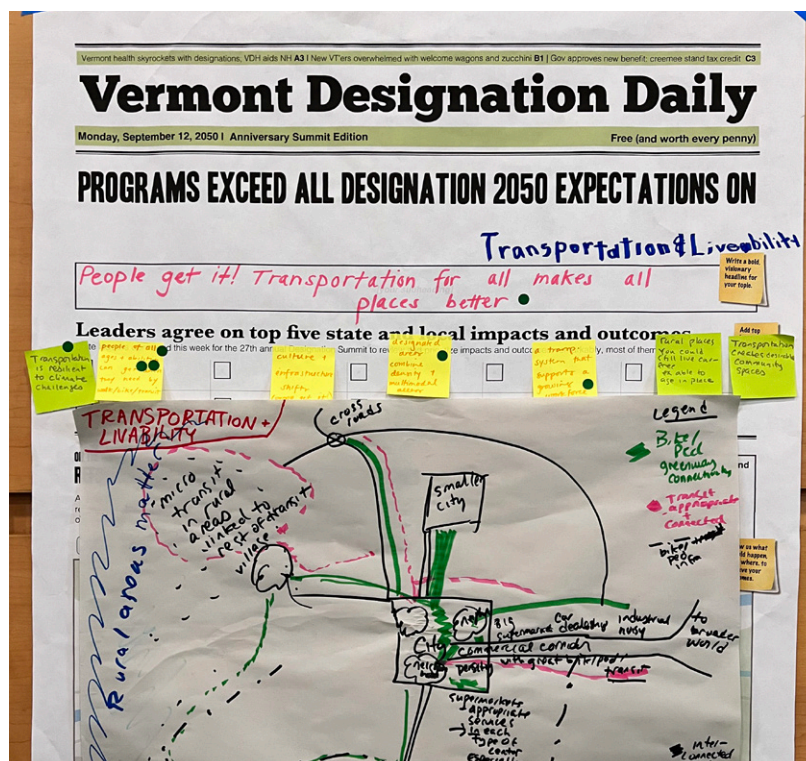
What We Heard
TRANSPORTATION, ENERGY, AND INFRASTRUCTURE NEEDS

Active and multimodal transportation options are top priorities for many Vermont communities and residents for livability reasons. Upgrading underlying infrastructure and systems are top priorities for many local and state leaders.

TRANSPORTATION	RESIDENTIAL AND INDUSTRIAL ENERGY	WATER, SEWER, AND OTHER INFRASTRUCTURE	RESOURCES AND SUPPORT
• Convenient, affordable transit options (local and regional) • Complete, appealing bike and pedestrian networks to increase access, options, and safety • Robust, regular maintenance and repair of bike and pedestrian infrastructure • Reduced parking requirements for designated areas • Electric vehicle charging station funding and support	• Weatherization and energy efficiency funding for public and private homes and buildings • District and shared green energy systems (such as downtown district heat or neighborhood biomass) • Opportunity funds to upgrade and connect building systems at strategic moments (such as flood recovery) • Green streets initiatives, electric grid resilience, battery storage, and underground power lines	• Rapid development of water and sewer systems in priority housing locations • Upgrades to existing municipal systems, such as water monitoring • Green infrastructure requirements or incentives built into housing and other funding programs • Stormwater infrastructure upgrades to prepare for heavier precipitation	• Coordinated state support to access federal infrastructure funding and plan regional work • Increased local maintenance capacity and creative systems • Dedicated agency staff and navigators to shepherd projects • Support and training to help municipalities develop capital budgets and plans • Stronger alignment between designation requirements and agency funding programs

Program Design and Use

How well are the current Designation Programs working for stakeholders and leaders? What would make them easier to use and more impactful? The evaluation and engagement process used input from hundreds of local leaders and program participants, planners, state agency partners, and designation program managers to explore those questions. The study considered five core aspects of program design and management, which also form the backbone of program recommendations:

1. **Designation program structure**
2. **Administration and governance**
3. **Benefits and support**
4. **Information and outreach**
5. **Evaluation and sharing**

Several key needs emerged across all stakeholder groups: easier and more equitable access, alignment between goals and agencies, clearer information and purpose, and increased capacity at all levels (from local to state). Stakeholders also shared hundreds of ideas for improvement, from small changes to major reforms. There are many different visions for the future of the programs; common priorities include:

- Simplifying the program structure and designation types
- Dramatically increasing program benefits and support for implementation
- Increasing flexibility for diverse community types
- Reducing administrative work
- Supporting priority projects and actions, including

housing growth, multimodal transportation and walkability, climate resilience, and vibrant places

Equity, access, and diversity emerged as key priorities in all aspects of the evaluation process. Most stakeholders want to see more equitable access to the Designation Programs themselves as well as program benefits like grants and technical assistance. Small and rural communities are most often left out from participating in designation or applying for benefits. Stakeholders also prioritized reforms that help communities improve equity on the ground through projects like affordable housing, climate and flood resilience, and walkable streets.

DESIGNATION PROGRAM STRUCTURE

Individual programs offer clear benefits, but most stakeholders agree that the program structure needs reform.

The five current Designation Programs fall into two categories.

1. **Primary designations** (Downtowns, Village Centers, and New Town Centers)
2. **Secondary or add-on designations** (Neighborhood Development Areas and Growth Centers)

All five programs have benefits and challenges and there are many different opinions on program effectiveness and impact. This is in part because Vermont communities have very different circumstances, needs, and experiences.

CURRENT DESIGNATION STRENGTHS AND CHALLENGES

PRIMARY PURPOSES	STRENGTHS AND VALUES	CHALLENGES AND CRITIQUES	AREAS OF DISAGREEMENT

DOWNTOWN DESIGNATION

Supporting revitalization in medium-large historic centers:

- Historic preservation
- Walkability and multimodal transportation
- Economic development
- Private investment
- Programming and place-making

• Strong participation • TA and peer support • Implementation and program funding, including transportation, tax credits, and vitality fund • Requirement for local organization • Many success stories, projects, impacts	• High admin burdens for relatively low benefit • High staff turnover and need for training/support • Many requirements; inaccessible to lower capacity communities • Financial and staff burdens for regional hubs • Hard to staff organizations	• Priority for statewide investment (relative to other places) • Importance of housing goals vs. downtown vibrancy • Appropriate scale or range of community sizes	

VILLAGE CENTER

- Supporting revitalization in small-medium size historic centers:
- Historic preservation and placemaking
- Mixed-use and economic development
- Walkability and multimodal transportation

• Very high participation • Perception of value and benefits for towns, including grant priority and funding • Ease of designation and limited requirements • Some accessible benefits, such as tax credits and Better Places program	• Lack of actual benefits for towns and gap between village/downtown benefits • Lack of local capacity to use and manage programs and benefits; uneven progress • One-size-fits-all model doesn't serve diverse places • Funding priority offers little benefit to places with designation, but excludes those without	• Level of actual benefits and impacts of program participation • Need for multiple levels or options for different-sized villages • Local and state authority and decision-making criteria for boundaries

PRIMARY PURPOSES	STRENGTHS AND VALUES	CHALLENGES AND CRITIQUES	AREAS OF DISAGREEMENT
NEW TOWN CENTER			
• Support creation of compact, mixed-use centers in places without historic cores: • Water, sewer, and infra-structure for growth • Housing and mixed-use growth • Walkability and complete streets	• Meets need for places that lack historic centers • Regulatory relief supports quick progress • Potential to support climate-resilient devel-opment in locations less prone to climate hazards or re-launch historic hamlets	• Low program participation and demand; significant capacity requirements • Doesn't serve small munic-ipalities (interested in New Village Centers) • May be used simply to meet requirements for add-on designations • Fear that new centers could draw energy away from historic centers	• Whether there is a need for a distinct program to support new centers • Whether smaller towns or villages (with little potential for major infra-structure or housing) should participate
NEIGHBORHOOD DEVELOPMENT AREA			
• Support housing devel-opment growth near centers: • Infill and new development • Affordable and mixed-income projects • Housing near compact centers, transit, and strong infrastructure systems	• Regulatory relief, fee waivers, wastewater funding are valuable and appealing • Streamlined permitting and lower fees reduce housing costs • Benefits draw developer leadership and desig-nation assistance • Growing interest and participation	• Requirement for core desig-nation limits some ideal projects and locations • Potential for "spot" desig-nation led by private interests • Some NDAs useful only to launch one project • Potential disconnect between municipality (typical applicant) and developers who receive much of the benefit	• Whether NDA should require existing primary designation • Need for actual desig-nation and long-term program vs. short-term project benefits

PRIMARY PURPOSES	STRENGTHS AND VALUES	CHALLENGES AND CRITIQUES	AREAS OF DISAGREEMENT

GROWTH CENTER

• Support long-term planning and development in and around growing centers: • Area-wide capital planning and design • Major infrastructure investments and upgrades • Infill and new housing development • Commercial and economic growth	• Benefits for development-ready places • Long-term planning supports smart growth • Larger boundaries allow for potential expansion of housing and development options while advancing smart growth	• Difficult to achieve designation and meet requirements • Requirements exclude many interested places • Low interest and program growth; no recent designations added • Very large boundaries lead to lack of visible "on-the-ground" impact	• Mismatch between local goals and program structure for some municipalities • Value and return on investment of program overall, relative to costs and requirements

NUMBER AND STRUCTURE OF PROGRAMS

Vermont Designation Programs aim to serve diverse communities through different program types, but data and stakeholder input raise concerns. Comments and data both show relatively low participation rates and interest in three of five programs. Most stakeholders think five programs is too many; both local leaders and state officials are concerned with the program's complexity.

- No municipalities have joined the **Growth Center** program, for example, since 2010. Some communities have interest, but have found the requirements impossible to meet.
- **Neighborhood Development Areas** sometimes see little progress over time; one NDA has received no benefits in

two years. Other NDAs seem to be driven by developers for one project and then dropped; municipalities may have no need for an ongoing program.

- Stakeholders questioned whether **New Town Centers** needed to be a distinct program, since activities and goals align with other programs.

At the same time, there is a need for more flexibility. Leaders in some mid-size communities struggled with a lack of options between **Village Center** and **Downtown Designation**. Some municipalities with strong downtowns don't apply for the Downtown Program because capacity needs are too high; one dropped out of the program for the same reason. Some larger villages want stronger benefits than Village Center designation offers but can't meet requirements.

PROGRAM SATISFACTION
At a Glance

Here's what Program User Survey respondents had to say about their satisfaction with the impact and benefits of Designation Programs.

65%
benefits are worth it
and outweigh the effort to apply and manage

65%
programs support local goals
and help meet local planning and community needs

51%
programs support big priorities
on big priorities like housing, climate and livability

Program Effectiveness and Satisfaction

The programs currently reach a wide number of communities across the state, and places of all sizes. Users generally agree that the Designation Programs are beneficial, but that impacts could be much stronger. Their satisfaction varies with different programs and details. Village Center designation is relatively well received in many lower-capacity communities. Many smaller towns and villages perceive it to be low-risk and easy to access, while adding significant value. Ironically, many stakeholders also see the perceived value of the Village

Center designation as greater than the actual benefits and support that it brings. Stakeholders highlighted the need for flexibility and tailored solutions that reflect unique places.

Stakeholder Survey Rankings of Local Program Impacts
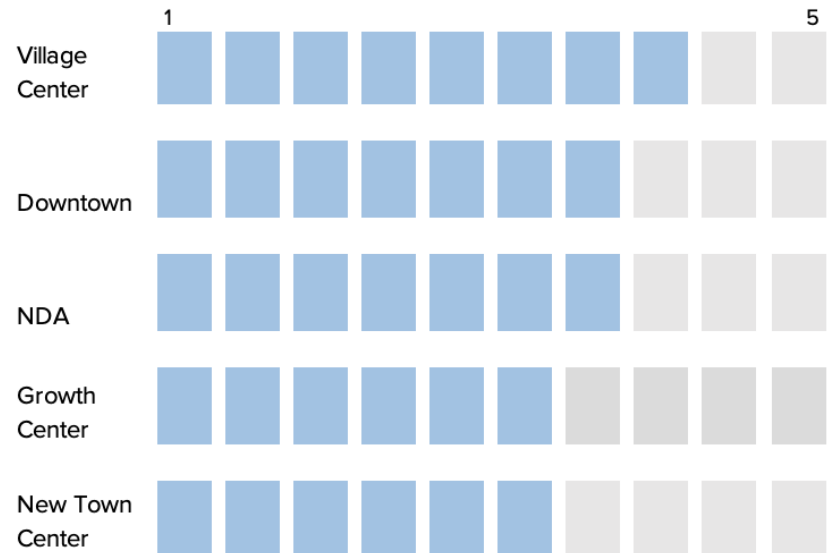
Figure 10. Survey respondents ranked the five current designation programs in terms of their impact on local community goals, from 1=low to 5=high. Village centers and downtowns ranked the highest, though stakeholders felt that all five programs are having a positive impact.

Source: Designation 2050 Program User Survey.

REFORM IDEAS

Stakeholders shared numerous ideas for reforming the structure of the Designation Programs, including some different approaches. Final recommendations incorporate key areas of agreement: 1) fewer programs and simpler structure; 2) flexible requirements and benefits; 3) options for advancing specific goals; and 4) continued focus on compact centers.

PROGRAM FOCUS AREAS OR TYPES

- Growth areas for new development
- Historic centers
- Neighborhoods and residential areas
- Goal-based areas (for example: climate-ready, sprawl repair, preservation, housing growth)

NUMBER AND STRUCTURE

- One designation
- One designation with ladder of requirements and benefits
- 2-3 designations, based on community size
- 2-3 designations, based on existing/historic centers vs. growth-ready places
- Transect approach (all land categorized by goals, uses)

ADMINISTRATION AND GOVERNANCE

The administrative burden of Designation Programs can outweigh the benefits.

The Designation Programs' administrative processes are well intended but pose significant challenges for both municipalities and DHCD program staff. The program complexity hinders efficient management and delivery of the programs and can create barriers to access for municipalities—especially those with limited local capacity and resources. Potential benefits of the programs are overshadowed by the daunting administrative tasks. This increases inequities, creates missed opportunities for community development, and limits the program's reach, effectiveness, and sustainability. Future success of Designation Programs hinges on structural changes to reduce administrative burdens, robust funding for more agency staffing and local assistance, or both.

DHCD AND STATE AGENCY PROGRAM ADMINISTRATION

At DHCD, the capacity to manage, oversee, and support the Designation Programs is crucial. DHCD reports similar challenges: administrative processes and requirements aim to increase alignment with state goals and ensure sound development of local programs, but they can undermine those goals. Statewide interest and program participation has grown dramatically, but DHCD staffing has not. Program managers find that application and renewal management take most of their time, leaving little room for outreach and technical support—two services that stakeholders most value.

Capacity is also limited at partner agencies, where stakeholders also value technical support and coaching assistance.

Enhancing capacity is not just about increasing numbers but also about ensuring that the available staff members are skilled, equipped, and empowered to drive the Designation Programs' success. A limited workforce would make recruiting hard, even if more staff funding was available; it would take substantial time and require very specific skill sets in planning.

Specific concerns include:

- Limited staffing resources to manage the growing demands of the program and effectively coordinate with other agencies and partners
- The need for specialized skills and training to support the evolving program challenges and complexities
- Constraints in budget allocations for accessibility services, technology systems and databases, evaluation methods and other essential support processes

What We Heard
ADMIN AND GOVERNANCE NEEDS

PROGRAM MANAGEMENT AND ADMINISTRATION

- Reduce administrative requirements and burden (including eliminating renewals, isolated application processes)
- Streamline staffing, with the Designation Programs managed by 1-2 people
- Increase DHCD training, technical assistance, and 1-1 support to guide local leaders and communities
- Increase clarity, simplicity, and readability of all program materials; offer simple guides and checklists
- Align designation boundaries and policies with regional land use maps and Act 250 changes

LOCAL, REGIONAL, AND STATE ROLES

- Increase RPC capacity and roles in designation applications and boundary decisions, technical support, and evaluation
- Formalize partner networks to increase coordination and resource sharing among public and private sector entities
- Integrate designation planning and definition with existing municipal planning processes
- Consider statewide changes to municipal funding structure, increasing community capacity
- Support alternative local leadership including nonprofits, volunteers, and shared staffing

STATE GOVERNMENT ALIGNMENT, COORDINATION

- Shared digital information systems or databases to track communities across agencies and streamline administration
- State "subcabinet" or high-level leadership group to formalize interagency action and coordination
- Improve training, skill building, and state resources for program management; accessibility and access services; and communications
- Evolve the Downtown Board to include more diverse representation and focus
- Review and align goals and priority strategies in all major state plans

LOCAL PROGRAM ADMINISTRATION AND CAPACITY

Local governments lack capacity to navigate the programs and make the most of the benefits; program complexity taxes DHCD staff capacity.

Local governments are the primary users of Designation Programs; programs cannot be successful unless they are easy for diverse local communities and leaders to understand, use, and manage. Municipalities report often feeling overwhelmed and burdened by the paperwork, requirements, and intricacies of the designation application processes and processes to access benefits. Many also reported feeling confused by the programs themselves.

Professional planners tend to have smoother application experiences, but the complexity of requirements and processes, variations in local data and policies, and other barriers still create hurdles. Small and rural communities often face additional challenges such as limited (or no) municipal staff, outdated bylaws, limited data and mapping capacity, and small tax bases. Regional Planning Commissions can fill gaps in local capacity by providing free or affordable data and mapping services, writing designation applications or policy updates, coaching communities, and managing grant or implementation projects. In reality, RPC assistance seems to be uneven: some provide full-service assistance and effectively support the designation programs and implementation. In other cases, community leaders felt their RPCs did not have enough capacity to meet all needs, that entry-level RPC staff often lacked training or skills to support strong planning, or that RPC rates for services were out of reach.

Program User Survey Ratings on Understanding and Ease of Use
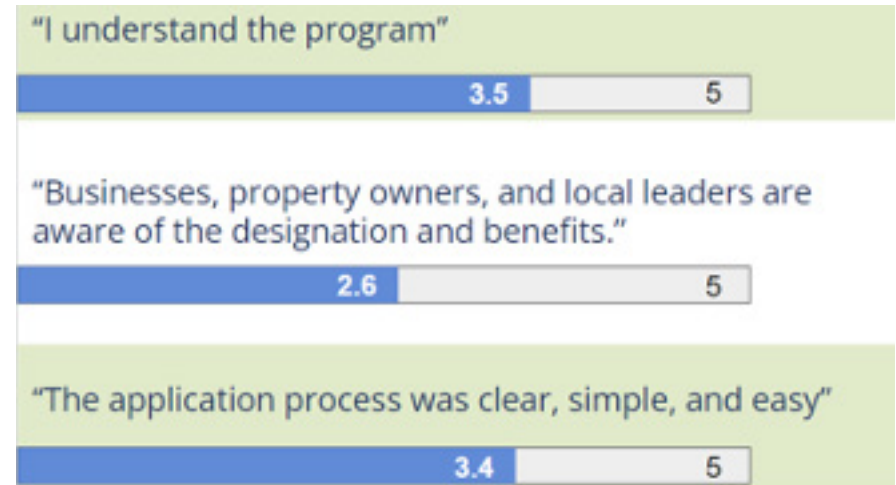
Figure 11. Program User Survey respondents rated how much they agreed with statements about the ease of using programs on a scale of 1-5 (1=not at all and 5=significantly). Responses show significant lack of understanding and a sense that programs are unclear and hard to access.

Source: Designation 2050 Program User Survey.

The structure and design of the programs themselves creates serious barriers to local access. Survey respondents indicated limited understanding and awareness of the Designation Programs and benefits among local leaders, businesses, and property owners. Many respondents themselves did not feel that the application process was easy or clear, or that they fully understand the options and benefits. Stakeholders also shared perceptions that successful designation programs require robust technical assistance and effective communication between DHCD and other agencies and local communities, which is currently falling short.

Stakeholders shared that limited capacity is the biggest barrier to action in all community sizes and types, regardless of

program complexity. Addressing capacity barriers (including staff, funding, and technical experience) is essential for increasing local action and program success. Many stakeholders shared other ways to reduce the gulf between capacity needs and availability, including more regulatory flexibility on application standards (especially to address equity concerns), increased state technical assistance, and better communications and storytelling that can make the case for local investment and staffing.

PURPOSE, ALIGNMENT AND DECISION-MAKING

The administrative processes of Vermont's state Designation Programs present challenges for both municipalities and program staff. Some municipalities feel burdened by the paperwork and administrative overhead, potentially leading to wasted efforts and missed opportunities. Meanwhile, some misalignment of policy objectives raises concerns about the purpose and clarity of the program for all stakeholders involved. Some stakeholders feel that the required paperwork wastes limited staff and volunteer time that might be better spent on actual town projects.

Program users view the process of setting boundaries for designations as time-consuming, tense, and politically challenging. This is a symptom of broader tension between program intentions, limited resources, and potential outcomes. Municipalities tend to prefer expansive boundaries, maximizing the area eligible for benefits and aligning with local perceptions of village and downtown boundaries. State program managers and leaders often push for smaller boundaries, and many communities expressed frustration with decisions and restrictions by the Downtown Board or DHCD managers. The Downtown Board itself emerged as a potential focus for reform, with many stakeholders asking that the board evolve

(in name, charge, and membership) to represent the diverse communities and designations it covers.

BENEFITS AND SUPPORT

Stakeholders value many current benefits. But they also noted inconsistencies, capacity challenges, and gaps where substantial benefits reform could drive substantially greater program impacts.

The financial and regulatory benefits of Vermont's Designation Programs play a pivotal role in its success and sustainability. The Designation Programs have succeeded in helping to revitalize historic community centers and incentivize smart growth and central housing locations. Benefits intended to support vibrant and welcoming community centers, especially historic preservation tax credits and technical assistance, have helped to drive reinvestment and revitalization in many designated areas. Regulatory relief (especially in NDAs) has helped make housing development faster, cheaper, and easier.

As the Designation Programs and goals have evolved and expanded, so have the financial considerations and challenges associated with them and the benefits they offer. Unfortunately, benefits have not changed or expanded to keep up with a greater number of participating communities and growing project needs and costs. Benefit levels, types, requirements, and processes must now evolve and expand as well. Stakeholders at both the state and local levels consistently highlighted the importance of increasing funding and access to benefits in ensuring the program's effectiveness.

LOCAL IMPACTS

Stakeholders generally agreed that the Designation Programs are effective at meeting smart growth goals at the state level

but were divided on their effectiveness at meeting local land use and community development goals. The most cited impacts are discrete projects, like successful revitalization of a historic building or a downtown complete streets plan. Some noted that the designations have helped communities to think about smart growth goals when they wouldn't otherwise, and many feel the programs have supported small steps or progress toward goals. Some benefit programs have also fostered strong community collaboration, especially in the realm of transportation planning. Collaborative efforts like Better Connections projects have streamlined transportation planning and ensured that transportation improvements align with broader needs and aspirations of the community.

Others see the Designation Programs only as a series of boxes to check to access benefits. Some communities noted applying for designation only to support a single planned project, or at a developer's request. In the worst cases, some feel that complex program requirements and administrative burdens can impede local development goals.

STATE FUNDING AND BENEFITS

The current designation benefits overview lists more than two dozen discrete benefits, ranging from very specific and nuanced benefits (like speed control measures in downtowns) to high-level and vague benefits (like state grant priority). Stakeholders value, use, and appreciate many existing benefits. The most popular are:

- **Regulatory benefits:** Developers, planners, and other stakeholders all agreed that Act 250 relief, reduced permit fees, and limited appeal processes increase speed and reduce costs of housing and other development projects. Stakeholders shared examples of projects that successfully added affordable housing in walkable neigh-

borhoods, particularly in Neighborhood Designation Areas. Both developers and planners said that program benefits helped make projects feasible and more affordable.

- **Tax credits and reinvestment incentives:** Stakeholders emphasized the positive outcomes of small, low-barrier revitalization grants. Historic preservation and façade improvement tax credits, and more recent programs like Better Places, are effectively allowing many property owners and grassroots leaders to enhance placemaking and village or downtown appeal.

- **Implementation and operations funds**: Funding to implement or construct projects is the most highly valued, and hardest to find and secure. Local leaders say that major transportation and wastewater grant funds are essential to constructing and upgrading expensive systems, but available funds don't begin to meet the statewide needs. Even very small project grants that follow planning processes (like the Quick Build for Health grants for Better Connections projects) can be instrumental in moving action forward. Downtown organizations say operations funding and new Downtown Revitalization grants are essential to supporting the staff and programs that truly drive downtown success.

Despite valuing some current benefits, local, regional, and state stakeholders all expressed major concerns and the need for major expansion and reform. Top issues include:

- **Lack of coherent structure and focus:** The current set of benefits comes across as a jumble of available offerings from different agencies (which it is) rather than a strategic set of investments in common priorities. Most stakeholders (from local leaders to program managers) understood the full set of benefits and eligibility. Some benefits or requirements conflict with others.

- **Inconsistent availability and processes:** While the state has allocated resources to several benefit programs, budget fluctuations and changing priorities create confusion and unpredictability. This makes it hard for municipalities to plan and implement projects. Stakeholders consistently highlighted the need for more streamlined, transparent, and consistent funding processes and availability. They also called for better alignment across state agencies, to address inconsistency and conflicts in regulatory benefits.

- **Level and type of benefits:** Above all else, stakeholders noted that the amount of benefits available (particularly funding) does not come close to what is needed to achieve local and state goals. Gaps include project and implementation funding for transportation and infrastructure, substantial funding for renovating and improving accessibility in historic buildings, and operations or organizational funding to support implementation. Many stakeholders wished for benefit "packages" (such as a set of grants to implement related projects in a downtown or village center) to reduce the red tape and work needed to make progress happen.

Many local stakeholders said they valued state grant priority for designated areas, but few realized how watered-down that benefit is. With so many participating municipalities statewide, applicants for programs like Municipal Planning Grants often get very little priority at all. On the flip side, the stated priority for designation communities does effectively box out any community that does not have a designation, preventing them from ever receiving planning grants that could help them advance toward designation or improve livability.

CAPACITY FOR IMPLEMENTATION

Benefits can only create impact if communities can access and use them. Local governments (especially smaller municipalities) often grapple with limited financial, staff, and technical resources. Most recognize the benefits of Designation Programs, but the resources and commitment needed to manage them or implement projects can limit participation and impact. The complexities of navigating the program and sprawling set of benefits make program management even harder. Technical assistance is a pressing need for communities of all sizes.

Workforce and hiring challenges make program implementation even harder. Many local leaders commented on the challenge of recruiting skilled professional staff and employees, and in securing quality contract labor for planning, engagement, design, and building projects. Most smaller municipalities need more staff assistance to effectively manage programs and projects, whether by hiring staff directly or finding supplemental assistance. There is also a pressing need for funding to train and support the volunteers and elected/appointed officials who often lead programs and projects in smaller communities.

Stakeholders emphasized the need for funding, training, and incentives for developers, especially if communities would like to see the development of more affordable or unusual housing and mixed-use development types. Developers continue to cite construction and labor cost challenges, including difficulty finding local skilled trades workers. Rising consultant costs also increase project budgets and limit the reach of state grant funds. On the flip side, consultants commented on the challenges of hiring and retaining quality staff and completing large scopes of work within limited grant budgets.

What We Heard
BENEFIT VALUES

TANGIBLE BENEFITS

- Historic preservation and other tax credits (easy funding with few strings; Downtown Transportation Fund, Quick Build for Health, Downtown Revitalization Fund, implementation grants)
- Funding for downtown organization operations, staff
- Act 250 relief, permit fee reductions, appeal limits, development incentives
- Grant application priority (perceived); actual benefit may be minimal

SUPPORT AND ASSISTANCE

- Direct outreach and site visits from DHCD and partner agency staff
- Programs like Better Connections that fund technical expertise and studies
- Programs like Better Places that teach skills like crowdfunding
- Programs like REDI that offer support to apply for grants and benefits
- RPC assistance and staff time in some cases (uneven availability and cost)

OVERALL BENEFITS

- Range of different benefits from multiple agencies, for a diverse set of community development activities
- Different benefit levels and types for diverse communities and applicants
- Combination of funding, regulatory, and technical assistance benefits

What We Heard
BENEFIT CHALLENGES AND NEEDS

TANGIBLE BENEFITS

- State grants out of reach for communities with no designation
- Strict requirements limit eligibility for popular funds
- Funding and grants often don't cover actual costs of projects (implementation, community engagement)
- Funding requirements and timelines often misaligned, making it hard to piece together a funding package

SUPPORT AND ASSISTANCE

- Lack of understanding of benefit programs and use among many stakeholders (local and state)
- Agency staff time is limited, reducing availability for support and site visits
- Wide array of skills and experience levels among local leaders applying for and using benefits
- Limited pool of developers, contractors, consultants

OVERALL BENEFITS

- Complex suite of benefits and eligibility; lack of awareness and understanding at all levels
- Incomplete communications materials; private benefits not listed
- Different application and access processes at different agencies; some conflicts between benefits
- Changes in funding availability due to political or budgetary cycles

ACTION AND REFORM IDEAS

Top ideas for reform focus on two major areas: increasing the amount and types of benefits, improving the ease of access:

- **Increased funding, resources, and benefits:** More dollars for existing grant and funding programs, and eligibility for more communities; more easy/low-barrier programs like tax credits and Better Places; increased access to major funds like downtown transportation or bike and pedestrian funds; foundation or endowed state funds to ensure consistent and ongoing resources.

- **Holistic, cradle-to-grave benefit packages:** Connected grants or resource packages to implement interdisciplinary projects (like transportation and placemaking improvements in a complete streets plan); technical support teams to coach and support projects from start to finish; packages that combine robust planning, implementation, and technical support resources.

- **Staffing, operations, and program benefits or resources:** More benefits that support local coordination, organizations, and programming, such as pooled insurance for downtown organization employees, or funding to support coordinating organizations in larger Village Centers.

- **Statewide technical assistance center and offerings:** A statewide TA, design, or resource hub or network to offer robust training, capacity building, and technical services; increased DHCD, agency, and RPC outreach and support.

- **State agency alignment and systems:** Common digital process, platform, and/or database for state agency benefits and grant applications; clear communications materials and explanations of benefits, eligibility, and processes; alignment of agency requirements and eligibility; project or permit "navigators" to help communities walk through complex projects and processes.

- **Tailored support and streamlined processes:** Customized DHCD support for municipalities based on their size, capacity, and unique challenges (such as dedicated training programs, technical assistance, and financial incentives); simplified application and reporting processes to improve program access, especially for smaller municipalities with limited capacity.

ACCESSIBLE INFO AND PROMOTION

Current program awareness and understanding is low. Investments in accessibility services, messaging, and clear communications can expand equity, reach, and impact.

The success of Vermont's Designation Programs depends in large part on the ability of diverse Vermont leaders to learn about the programs, understand what they are, and access them. Clear and accessible information about program purpose, benefits, and local impacts can improve local buy-in, investment, and equitable participation. Major improvements in language access and accessibility services are essential to ensuring that all Vermonters can equitably learn about and access the programs.

PROGRAM IDENTITY AND AWARENESS

Given how many Vermont communities participate, it's surprising how many leaders and stakeholders say they are not familiar with Designation Programs. A clear, accessible name and identity for the programs could substantially increase interest, access, and support for programs. For most, the name "Designation Programs" does not convey anything about what the programs are or do and does not pique

interest. Plain words like "village center" or "downtown" are much easier to understand, but some stakeholders said these can also be confusing since people use these terms differently.

Community Workshop informally started most events and interviews by asking how much participants knew about the Designation Programs. Anecdotally:

- Many general stakeholders (such as engaged community members or local businesses) say they had never heard of Designation Programs.

- Many local and state leaders were aware of Designation Programs but were surprised to learn that there are five. They often were not familiar with details or full benefits.

- Far more people are aware of specific programs and benefits. Many who said they did not know about Designation Programs did know about Downtowns and Village Centers, or historic preservation tax credits.

Program user survey respondents indicated limited knowledge and awareness of the programs, benefits, and processes; knowledge among business and property owners was the lowest. Current communication channels and efforts like DHCD newsletters, website, program materials and guides, and local outreach all contribute to some level of statewide awareness, but stakeholders are clear that they do not go far enough in disseminating clear, accurate, and timely information. The lack of proactive outreach and a clear communications plan results in inconsistent messaging and missed opportunities.

ACCESSIBILITY AND LANGUAGE ACCESS

Planning, land use, and community development are complex and hard for even professionals to fully understand. The Designation Programs, benefits, processes, and resources are especially hard for anyone with a disability or English language

THE NEED FOR AWARENESS

At a statewide leadership conference, Community Workshop informally asked participants in a panel session on housing solutions whether they had heard of the State Designation Programs.

Fewer than 15% raised their hands.

limitations to access. Despite clear state and federal policies around accessibility and the rights of people with disabilities, ACCD and partner agencies do not yet offer consistent and comprehensive accessibility and translation services for their many programs and offerings. Some agencies have made major strides in increasing accessibility and language access, such as the Agency of Natural Resources, and can serve as models for progress. ACCD and other benefit partners must also increase staff training and available services and work to implement best practices and universal access, along with general improvements like use of plain, simple language and graphically engaging materials.

ACTION AND REFORM IDEAS

Equity requires that all potential program users be able to easily access the Designation Programs and benefits, regardless of knowledge, capacity, or resources. The current programs are hard for many to understand and use. Clear program information, user-friendly processes, and simplified program options can all help. Stakeholders identified multiple strategies to improve awareness and access to the programs:

- **Appealing brand and messaging**: New program name and brand identity, user-friendly messaging and

language, and compelling materials to increase appeal of programs and alignment with stakeholder values.

- **Accessibility services**: Robust and consistent DHCD and agency services including language access, plain language policies, disability services, and adoption of accessibility standards and best practices.

- **User-friendly resources**: Clear, readable, and user-friendly informational resources and tools to make programs understandable to more diverse users; stories, project examples, case studies and tools to demonstrate what's possible and provide models.

- **Proactive communication and strong channels:** More proactive, regular publicity of program opportunities and educational materials to directly reach stakeholders and increase awareness; clear and robust communications plan to develop outreach channels and platforms.

- **Two-way engagement:** More intentional and frequent stakeholder engagement to provide valuable insights into unique local challenges and needs and support continuous improvement.

- **Outreach partnerships:** Intentional partnerships with statewide and local organizations, advocacy groups, and other stakeholders to increase promotion and reach; diverse outreach partners to help reach more diverse audiences and reduce barriers like lack of awareness or distrust of government.

MONITORING AND SHARING

Stakeholders and leaders want to better understand the program's impact, hear solutions and ideas, and share their experiences. A robust, integrated monitoring, evaluation, and sharing program can deliver.

Metrics and evaluation are tools for accountability but also for continuous improvement, ensuring that the programs remain aligned with objectives and deliver tangible benefits to Vermont communities. Stakeholders emphasized the need to better understand the impact of the programs and more regularly offer input on their experiences.

Metrics provide clarity on what the program aims to achieve. They set clear benchmarks for success, ensuring that all stakeholders, from DHCD to local municipalities, have a shared understanding of program objectives. Metrics also hold both the state and local municipalities accountable, ensuring that resources (financial and human) are used well. Regular evaluation can highlight areas of improvement, ensuring that the program remains agile and responsive to the evolving needs of Vermont's communities.

FUTURE METRICS AND DATA

Stakeholders suggested various metrics for future monitoring and evaluation, including measures of and changes in housing, climate impacts, economy and population, equity, and stakeholder engagement. Data on many of these topics does not currently exist at the designation level. There is a clear call for designing a robust and practical metrics system that aligns with existing data scales, and/or sourcing or developing data at the scales needed to evaluate designations. Some stakeholders suggested an integrated statewide dashboard to track progress and data across multiple plans and agencies.

Capacity constraints can make formal, thorough assessments challenging, especially in the face of competing priorities. As the program grows, the state will need to invest in regular assessment or grow capacity in other ways. Stakeholders proposed partnerships or other nontraditional approaches to address capacity constraints and identified many organizations that already play a role in data and evaluation. The Vermont

State Data Center at UVM, Vermont Center for Geographic Information, Vermont Futures Project, Regional Planning Commissions, and other projects already provide some of these functions; the Designation Programs could support and better coordinate with existing resources.

STAKEHOLDER ENGAGEMENT

The most accessible and important assessment info currently comes from stakeholder experiences, and this will remain critical even if quantitative and outside data improves. Current annual reports summarize funding awarded and leveraged within each program, as well as specific projects and success stories. Establishing mechanisms for stakeholders to provide feedback on the program, such as regular surveys, focus group discussions, or community meetings, can also be beneficial. Increased stakeholder engagement and feedback cycles do require more time and effort from local stakeholders, which increases burdens on local capacity. The state should consider ways to streamline feedback processes and to compensate participants (especially volunteers and underrepresented stakeholder groups) more fully for their time and input. Current agency limitations on participation stipends (amounts and delivery methods) limit equitable participation and prevent input from a diverse range of stakeholders.

ACTION AND REFORM IDEAS

Metrics and evaluation can ensure that the program remains aligned with its objectives, delivers tangible benefits, and continues to drive positive change in Vermont's communities. Given the feedback and insights from stakeholders, there's a clear call for a more structured and comprehensive metrics and evaluation framework, ensuring that the Designation Programs remain a key tool in shaping Vermont's future. Specific stakeholder suggestions included:

- **Regular metrics, monitoring, reporting:** Consistent, ongoing monitoring and reporting program led by DHCD managers or a team of advisors; established and transparent metrics on program use and participation, impact, and access to benefits.

- **Improved baseline and ongoing data availability:** Statewide coordination to address limited and inconsistent data availability; dedicated study or effort to fill gaps in designation-level demographic and socioeconomic data; statewide indicators or data dashboard or platform for transparent access.

- **Feedback loops and stakeholder engagement:** More regular opportunities for stakeholders to provide feedback on the programs (surveys or comment forms, focus groups, an advisory panel, or open events and conversations); opportunities for stakeholders to meet and discuss experiences with each other, and with agency staff and partners; increased authorization and funding for equitable participation stipends.

- **Annual reviews and continuous improvement:** Expanded annual review of programs, including evaluation against new and established performance metrics and clear process for making improvements based on findings; potential engagement of third-party organizations to periodically audit and evaluate the programs.

- **Storytelling and stakeholder sharing:** Intentional documentation and communications plan to gather stories of projects and impacts, share models and lessons learned, and build awareness of programs; user-friendly platform or place for local leaders and program uses to share and find stories and examples.

Systemic Challenges, Opportunities, and Program Success

The overall success of Vermont's Designation Programs has many factors. Some relate to program design and structure, which DHCD and state leaders can influence and guide. But stakeholders often highlighted major, systemic challenges and barriers to program success related to the challenges faced by communities across the state. Designation programs cannot solve these problems alone, and they may not directly address these systems at all. Still, affirming the programs and the many stakeholders who could be involved in advancing solutions can raise awareness and motivate action to address them.

Major systemic challenges and opportunities include:

1. **Equity, access, and diversity**: People of color, lower-income people, rural communities, and others need designation benefits. Poverty, racism, and lack of capacity are barriers to accessing them.

2. **Local capacity:** Communities don't have the capacity they need (staff, time, experience, money) to take advantage of programs and complete projects. Missed opportunities leave them farther behind.

3. **Livability and social service** needs**:** Designation benefits and projects will bring more people to compact centers, increasing public and human service needs. Municipalities struggle to provide them, and unmet needs can threaten livability and program investments.

EQUITY, ACCESS, AND DIVERSITY

Diversity strengthens Vermont communities and the state overall, but Vermont does not yet equitably support all people and communities. Equity barriers make it hard for underserved people and communities to access the very resources that could help move the needle. Designation programs cannot solve historic racism or poverty alone, but there are many ways that they can celebrate and support diversity while removing barriers and increasing equity.

Many stakeholders shared concerns about inequity in the Designation Programs and Vermont. Key concerns include:

- **Limited racial diversity**. Vermont is the second whitest state in America, behind Maine. Limited diversity discourages more diverse residents from moving here.

- **Home ownership gaps.** All Vermonters do not have an equal opportunity to buy homes, build wealth, and leave future generations better off.

- **Volunteer reliance**. Vermont communities have long relied on volunteers to do municipal work and fill staffing gaps. Wealthier communities are more likely to have staff and strong volunteer networks.

- **Accessibility barriers.** Vermont is aging and disability

rates are increasing. Accessibility barriers in housing, streets, and information will soon impact more people.

- **Environmental justice**. People of color, people with low incomes, and people with disabilities often face higher risks, like living in areas with more pollution or hazards.

SYSTEMIC CHALLENGES

Stakeholders named three major areas where inequity limits the potential to build stronger communities. Each area involves many complex, interacting factors.

- **Historic racism and wealth gaps.** Centuries of American racism and discrimination in land use policy leave Black and other people of color farther behind.

- **Discrimination and exclusion of people with disabilities and differences**. Lack of widespread accessibility and language access services prevents people with disabilities or language limitations from fully accessing community resources and opportunities. It also limits their ability to participate in decision-making and advocate for accessibility solutions and investments.

- **Rural poverty and opportunity gaps**. Lower incomes and fewer resources limit rural communities' ability to develop supportive services and programs. Lower municipal capacity and isolation decrease access to resources.

- **Housing and business finance systems.** Current financing systems often limit fair access to housing and business opportunities for people who have fewer resources. Loan and investment funding is hard to access, limiting growth in housing options and ownership.

ACTION AND REFORM IDEAS

Stakeholders shared many ideas for action and reform to help

address equity. They range from specific policy changes and process improvements in the Designation Programs to major statewide action. Top stakeholder ideas are captured here.

- **Expanded language access and accessibility services.** Equitable access to services and resources is a right in Vermont; DHCD and other agencies should develop language access policies and expand services.

- **Targeted programs to address equity barriers.** Meaningful progress requires meaningful investments, including funding, special programs, and initiatives to reduce racial homeownership gaps, rural opportunity barriers and more.

- **Recruit and support diverse leaders and participants.** Increase racial and other diversity across the state: in elected and appointed positions, planning and local government staff, and partner organizations.

Stakeholders highlighted the need for program flexibility, allowing for tailored solutions that reflect the unique characteristics of each municipality. The high number of program participants across the state, including communities of all sizes, suggests a broad reach. Village Center designation is relatively well received in many lower-capacity communities. Many smaller towns and villages perceive it to be low-risk and easy to access, while adding significant value. Ironically, many stakeholders also see the perceived value of Village Center designation as greater than the actual benefits that it brings.

LOCAL CAPACITY AND COORDINATED SUPPORT

Local "capacity" is one of the single biggest needs that emerged in the evaluation, and one of the single biggest

barriers to local action and progress. Many different needs fall under the capacity heading, from staff time to funding to technical expertise. Many Vermont organizations are already offering or expanding technical assistance (TA), and some are considering how best to grow and coordinate offerings.

The local capacity picture is more complex than it first seems. Discussions with state and local leaders highlighted the complex factors that limit different types of local capacity, prevent access to resources, and stress available services. Capacity discussions often center around small and rural communities, but local leaders in communities of all sizes shared similar concerns and needs. Key concerns include:

- **Limited local funding.** Municipal budgets are funded primarily by property taxes. Many leaders are reluctant to raise taxes to increase budgets—even when most voters support increases. Other revenue models (like TIF or options taxes) are hard to access.

- **Workforce challenges**. Statewide workforce and hiring challenges make it hard for municipalities and local community development organizations to hire staff, consultants, and contractors. High turnover (due to low wages and limited benefits) means communities lose institutional knowledge.

- **Political will and municipal leadership.** Many statewide resources, programs, and grants are available to municipalities only; selectboards or officials must authorize and pursue them. Communities without invested local leaders have little chance for progress.

- **Mismatches between resources and needs**. Capacity-building programs are often designed to support specific goals or community types. Those may not align with the needs of communities seeking help.

- **Volunteer reliance.** Many Vermont communities have proudly relied on volunteers to fuel local progress for decades. Volunteerism has benefits, but it can create equity barriers. Untrained volunteers (and paid local staff) often need more expertise in project management, budgets, fundraising, engagement, and core skills.

- **Policy barriers to solutions and models.** State law and policy prohibit some promising and popular options, such as the expansion of TIF or shared municipal services.

SYSTEMIC CHALLENGES

Stakeholders named three major areas where overarching capacity limitations must be addressed, to ensure the success of Designation Programs.

- **Municipal funding and revenue systems.** Vermont's municipal funding system is unique in New England and can limit options for increasing revenue. Many see inequity in the current system. Others worry about creating inequity and school funding problems if options like TIF expand.

- **Workforce shortages.** Statewide workforce and housing shortages make it hard for municipalities and community organizations to hire staff, consultants, and contractors. High turnover (due to low wages and limited benefits) drains institutional knowledge. Lack of workers limits action to build housing and expand the tax base.

- **Rural and racial equity.** Existing inequity makes local capacity challenges worse. Lower incomes and access to education in rural areas or in racially diverse communities can lead to fewer municipal resources. That means less capacity to seek funding and do projects that could increase wealth and well-being.

ACTION AND REFORM IDEAS

There are many ways to strengthen and reform local capacity. The Designation Programs can help build capacity locally and reduce the capacity burdens in program administration. Other solutions require statewide coordination and systemic changes. Top stakeholder recommendations include:

- **Expanding shared municipal staff and services**. Policy changes could enable communities to share more staff positions, services, equipment, or other resources. This can allow small towns to save resources and access more services and skills.

- **Exploring new local funding models and revenue systems**. Alternative models from other states could increase dollars or in-kind resources. Current options in Vermont could be expanded.

- **Simplifying the Designation Programs and expanding resources.** Lower administrative burdens (like less paperwork or easier approval processes) will save local resources. Resources like project models, templates, and checklists can reduce extra work and speed progress.

- **Developing a statewide technical assistance network or center.** A new entity or structured network connecting providers, partners, and resources can increase access to existing resources. It can also help providers to partner, align, identify gaps, and leverage assets.

Many stakeholders raised the potential of local community groups, volunteers, organizations, businesses, and other entities to support local leadership and projects. Many Vermont communities do successfully engage volunteers, but reliance on them has equity implications. Some Vermonters and stakeholder groups are not able to offer unpaid work, and some communities have less volunteer capacity.

LIVABILITY AND SOCIAL SERVICE NEEDS

Core designation and local goals like smart growth and housing development will bring more people and activity to downtowns, village centers, and compact cores. Drawing more people and activities to downtowns (and larger villages) supports many goals, from community revitalization to social connections, and climate action to smart growth. But it also increases demands on municipalities, which are struggling to keep up. Projects and development decisions don't usually account for "externalities"—hidden costs and needs that municipalities are expected to fund and meet.

Bringing more people into towns requires that towns create safe and welcoming places for them to be. More people and development increase the need for services, from upgrading sewer systems to shoveling sidewalks, providing recreation and public spaces to managing public safety. Municipalities have historically benefited from more people and tax revenue, but the math is changing. Unmet housing, social service, and livability needs create crises and problems that threaten the very housing, public spaces and opportunities that people need–and the businesses and visitors that help fund essential services. Stakeholders from multiple perspectives (local government, business, emergency response, social services, housing, residents) shared concerns about related challenges:

> **"Most of what we respond to are symptoms of [homelessness, drug abuse, and mental health]."**
>
> *–Hartford police chief Gregory Sheldon, in WCAX News*

- **Urgent need for housing (first)**. Shortages in available, accessible, and affordable housing are creating crises. People who can't find shelter need housing first.

- **Mental health, addiction, and homelessness.** Rising rates in all three areas mean more people in crisis, struggling to recover or access resources. Many people need more services and resources, from emergency response to long-term support services or care.

- **Aging and accessibility**. Older adults need more accessible housing, streets, buildings, and spaces. It takes substantial resources to increase accessible infrastructure and services (from housing retrofits to walkable downtowns), and even more to maintain it.

- **Impacts on downtown safety and appeal.** Unmet needs lead to more public incidents and challenging behavior. Concerns (real or perceived) about crime, safety, and drug use can discourage people from living, shopping, and working in centers.

- **Rising costs and lower revenues**. Increasing costs and inflation are stretching municipal budgets. Affordable housing incentives can further reduce revenue.

- **Staff and skill shortages.** Nearly all service providers are struggling to hire and retain staff: municipal departments and road crews, police and EMS, mental health agencies, nonprofits, courts, schools, and more. Municipalities aren't equipped to provide social services and intervention.

SYSTEMIC CHALLENGES

State leaders and stakeholders identified several systemic challenges and root causes.

- **Healthcare access and system.** Stakeholders consider many of the challenges and problems in growing towns to be failures of the healthcare system. Many people

who are struggling or in crisis could improve if they had affordable and accessible care.

- **Municipal funding systems**. State leaders and municipal advocates see major flaws in how municipalities are funded. That strains their ability to provide services.

- **Silos in planning, services, and care**. Many different agencies, funders, and service providers have a stake or role in these issues. They rarely coordinate at the start of projects, combine resources, or find creative solutions.

ACTION AND REFORM IDEAS

Local and state leaders shared different strategies for addressing these issues, but common priorities emerged, including the need to fast-track housing and develop coordinated, holistic approaches to providing services.

- **Coordinating infrastructure and high-impact investments.** Stakeholders see major opportunities to access federal funding and invest in the infrastructure needed to support housing. Municipalities need help to access it, and they see high-level state coordination as a tool.

- **Increasing local funding for services and livability investments.** Municipalities need more funding and support to provide ongoing services like emergency response and plowing sidewalks. TIF, other revenue generation models, and creative partnerships can help.

- Holistic housing and care models. People everywhere desperately need more help, and homes are a convenient place to get it. Some housing providers are expanding resident services and comprehensive care facilities.

DESIGNATION 2050

RECOMMENDATIONS

A simpler structure, more coordinated administration, better benefits and technical support, accessible information, and robust monitoring. Designation 2050 recommendations cover it all.

Vermonters shared thousands of comments, suggestions, and ideas. There are dozens of great place-based designation models from other places. The consulting team thoughtfully considered and captured each one.

One of the biggest challenges was narrowing down the possibilities. The following recommendations bring together the assessment, engagement process, and national best practices to propose a path forward for the designation program.

Recommendations Process

These recommendations build from synthesized visions and ideas shared by hundreds of stakeholders, shaped through an iterative and collaborative process. They are informed by a robust program evaluation, a review of case studies from other states, and coordination with parallel studies and projects.

For each recommendation included here, there are many options that are not included. In general, the recommendations do not include ideas that conflict with state policy or other major recommendation; are beyond the scope of this project, or designation programs overall; or have limited impact for core program goals

The iterative reform process will continue. These recommendations will likely evolve as the Vermont Legislature and state government partners consider them in 2024 and as new opportunities and resources emerge.

There are opportunities for all interested Vermonters to stay involved.

- **Share input and ideas during the legislative process.**
- **Support reform with testimony and outreach.**
- **Learn more about designations and what they offer.**
- **Spread the word.**
- **Look for ideas that you can implement in your organization or community.**

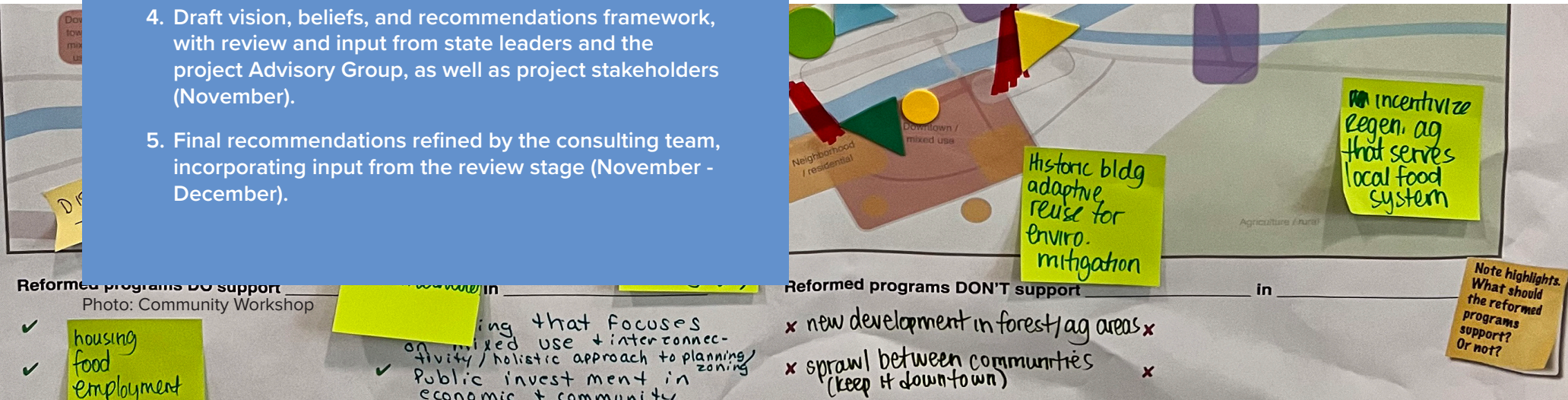## FIVE STEPS TO PROGRAM REFORM RECOMMENDATIONS

1. Evaluation, case study research, and statewide engagement, to gather data and information on the current programs and identify top stakeholder priorities and ideas (June-September).

2. Statewide design summit, to engage state leaders and stakeholders in brainstorming and designing early-stage recommendations and ideas (September).

3. Initial recommendation ideas, developed by the consulting team and reviewed with DHCD staff (September - October)

4. Draft vision, beliefs, and recommendations framework, with review and input from state leaders and the project Advisory Group, as well as project stakeholders (November).

5. Final recommendations refined by the consulting team, incorporating input from the review stage (November - December).

Photo: Community Workshop

ALIGNED STUDIES, PROJECTS, AND PLANS

Designation reform is not happening in a vacuum. There are many other state plans, projects, and studies that relate to designations, smart growth, and these recommendations. Many stakeholders hope that Vermont will find better ways to connect related state plans, goals, and policies in the future. Act 250 reform and regional land use mapping projects are occurring at the same time as designation reform. The following recommendations are closely tied to those projects and will align with their outcomes.

Act 250 Study

Act 250 is Vermont's state land use and development law. It was passed in 1970 to help ensure that growth and development align with state environmental, planning, and development goals.

What's Happening

The Vermont Natural Resources Board is overseeing a study on necessary updates to Act 250. It considers staffing, permit fees, and alignment with state goals as well as the regional land use mapping effort. The study will be completed in December 2023.

How It Connects to Designation Reform

Act 250 has different requirements and review processes for development depending on land use, scale of development, or type of area. It sets thresholds for what development requires a permit, and Act 250 relief is one of the most valued benefits for housing development. The study includes location-based considerations to support smart growth. The recommendations for new designation benefits align with Act 250 study ideas and updated administration. The study has similar goals for development in sound locations, in line with goals of a reformed designation program.

MORE INFO

nrb.vermont.gov/act250-program

Regional Land Use Mapping

Vermont's 11 Regional Planning Commissions (RPCs) are required to develop, adopt, and update comprehensive regional plans consistent with state planning and development goals. A regional plan must include a land use element and map that identifies future land use areas.

What's Happening

The Vermont Association of Planning and Development Agencies (VAPDA) is defining and recommending a set of statewide future land use mapping categories for use statewide and with Act 250 and Designation Programs.

How It Connects to Designation Reform

The recommendations for a reformed designation program structure principally align with new regional land use types. This change will improve consistency between local and regional plans and the designation program and streamline the designation administrative process. The recommendations note high-level opportunities for alignment with smart growth objectives in the land use mapping process. RPCs will propose a method for creating new regional land use maps using these new types. The Legislature may then direct them to create and use land use maps.

MORE INFO

vapda.org/home-act-s100.html

OTHER RELATED PLANS AND STUDIES

There are several other major plans, listed below, that influence and connect to designation reform. This project could not fully integrate every one, but the consulting team encourages ongoing coordination.

Vermont Climate Action Plan	Vermont State Hazard Mitigation Plan
Vermont's 2021 Climate Action Plan lays out key statewide actions and strategies. It includes ways to lower pollution and emissions *and* to help Vermonters adapt to a changing climate. **MORE INFO** climatechange.vermont.gov/readtheplan	The State Hazard Mitigation Plan (SHMP) is updated every five years. It identifies top climate-related risks and other hazards facing Vermont. The 2023 plan prioritizes actions and investments to help Vermont prepare for climate change and minimize impacts on people, land, and the built environment. **MORE INFO** vem.vermont.gov/plans/SHMP
Vermont Futures Project	**Vermont Building Energy Code Study**
The Vermont Futures Project uses data to help create a thriving Vermont economy. Its research identifies specific targets for growing Vermont's workforce and population, and associated housing goals. Next, the project will help shape local goals and statewide strategies to achieve its mission. **MORE INFO** vtfuturesproject.org/	The Vermont Legislature commissioned this study to (1) consider and recommend strategies to increase awareness of and compliance with the State's building energy standards; (2) evaluate cost-effectiveness and (3) assess how the building energy codes interact with the fire and building safety codes. **MORE INFO** publicservice.vermont.gov/efficiency/building-energy-standards/building-energy-code-study-committee

Vision, Beliefs, and Priorities

Vermont's current Designation Programs support statewide planning goals by extending place-based investments, regulatory incentives, and capacity. The program has grown and changed over the past 25 years, with new aspects aligning with different priorities or opportunities available. However there has not been a single vision or clear focus areas to guide the programs. Many stakeholders expressed confusion about the overall goals or priorities of the current programs. Without a clear direction, it is challenging to focus and prioritize benefits, investments, and program resources.

Hundreds of stakeholders shared their visions for the future of Vermont's Designation Programs during this process, with a focus on several different themes:

- Why community development and planning matter
- How they envision communities changing, improving, and growing
- What Designation Programs should be, do, and offer

The consulting team used all of these ideas to develop a statement of beliefs and visions for Vermont communities and for Designation Programs, and core priorities for improving the programs.

VISION DEVELOPMENT

The new program beliefs, vision, and goals reflect the input of hundreds of stakeholders, as well as key themes and findings from the evaluation process. Incorporating all of these ideas into a single program vision and set of goals is part art and part science.

Stakeholders shared nearly 230 distinct "six-word visions" for Vermont and the Designation Programs through surveys and engagement events. More ideas emerged through interviews, focus groups, and other plans and projects. The consulting team "tagged" and "coded" each response to identify key themes. They also analyzed the language that stakeholders prefer and use to identify keywords that will resonate most broadly. Stakeholders don't all agree on a vision or goals for Vermont communities or the Designation Programs. The versions here focus on identifying common ground and lifting up shared priorities.

BELIEFS

We believe that vibrant, distinct, and resilient communities can give everyone the opportunity to thrive.

VISION

Program stakeholders, leaders, and partners all expressed common and inspiring beliefs that all Vermonters should have the opportunity to thrive here, and that strengthening community resilience, vitality, and sense of place are key to making that happen.

Stakeholder visions for the future fall roughly into two categories: visions for Vermont places and communities, and visions for a reformed designation program itself. Stakeholders shared many rich details about what they imagined for each. Still, common themes rose to the top.

People value and want to see vibrant, lively, unique, and healthy places—in communities of all sizes, and in both cores and surrounding rural areas. People support growth but want it to be thoughtful and well planned (locally, regionally, and statewide). People want the Designation Programs to empower and support local communities in shaping their futures and taking action.

VISION FOR VERMONT PLACES AND COMMUNITIES

Three core themes emerged in stakeholders' visions for stronger places and communities.

Vibrant and Inclusive Places

Stakeholders all across the state share a vision for distinct and creative places that attract and support unique and diverse people. Many individual visions emphasized themes of strong local character, history, and sense of place. At the same time, people recognize the need for communities to evolve and to become more welcoming of new people and new ideas.

Thoughtful Growth

Stakeholders shared many specific priorities for changes and improvements on the ground, from increased housing and equitable access to climate resilience and walkability—growth that supports livability and opportunity for all. The common link is a desire to ensure that all Vermonters have access to affordable, safe, and quality places to live, work, learn, connect, and visit.

Thriving, Resilient Centers and Rural Lands

One of the top themes in stakeholder visions is the desire to maintain, enhance, and/or restore Vermont's landscape patterns, with compact, vibrant, and resilient community centers surrounded by healthy natural and working lands.

Our Vision for Vermont Communities

Vibrant Places, Thoughtful Growth, Thriving Future

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

Thriving, Resilient Centers & Rural Lands	that connect, enhance and rely on each other	
Vibrant, Unique & Inclusive Places	that welcome diverse people, build connection, and embrace local character and creativity	
Livability & Opportunity for All	with housing options, climate resilience, strong infrastructure and amenities	

connected and unique robust downtowns abound

Beautiful, creative, multimodal, healthy, thriving communities

Vibrant communities surrounded by healthy landscape

6-word visions

VISION FOR A VERMONT DESIGNATION PROGRAM

Three core themes emerged in stakeholders' visions for the future of Vermont's Designation Programs.

Local and Accessible Solutions

Stakeholders value the programs and benefits, but nearly all agree that these benefits can be hard to understand and use. The evaluation and engagement also showed that access to the Designation Programs is not yet equitable. It's harder for some communities and program users to participate and benefit from the Designation Programs than others. Visions focus on a program that is simple and easy for *all* communities and users to understand, access, and use, and provides solutions that work for a range of local contexts and capacities.

Real Impacts, Resources, and Support

People envision a program that helps communities quickly identify priority projects and make them happen. While the current designations offer valuable benefits, most stakeholders envision far more robust benefits, expanded resources, and direct assistance to support local action. Many also shared ideas for how benefits could better align with state strategic priorities such as housing access, equity, and climate action.

Statewide Investment and Coordination

Stakeholders imagine a reformed designation program that is widely known and valued, and that is supported by public and private sector partners across the state. They also envision increased coordination and collaboration across all levels and fields, increasing buy-in and impact.

Our Vision for the Designation Program

Local Solutions, Statewide Investment, Real Impacts

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

EASY	**Easy & Accessible Designation Program**	with streamlined designation, easier process & management
	Robust Benefits, Resources & Support	that get results, from project funding to regulatory relief and 1-1 support
	Statewide Coordination & Elevation	to align resources and partners, capture impacts & solutions, grow participation & understanding

invest in vital, well-planned places

public infrastructure investments in water and sewer

vibrant communities supported by easy button

6-word visions

REFORM PRIORITIES

Four overarching priorities emerged from the evaluation and stakeholder engagement process:

Sustain Vermont's Historic Settlement Pattern

A reformed designation program should maintain the current focus on strengthening historic community cores and protecting surrounding rural lands. Strategies include investing in core infrastructure, revitalizing town centers, and increasing efforts to grow housing and prepare for climate impacts in dense settlement areas.

Prioritize Strategic Action in Housing Equity, Climate Action, and Infrastructure

As a reformed designation program grows benefits and support, it should prioritize major strategic needs. This includes accessible and equitable housing solutions that address Vermont's housing crisis and help build wealth. It includes climate-smart strategies that increase resilience, such as building retrofits, floodplain restoration, weatherization, climate-resilient infrastructure, and decarbonization investments. It should also focus on smart infrastructure investment that can support climate and energy goals and offer other community benefits, such as multimodal transportation infrastructure and more resilient, energy-efficient power systems.

Promote Vibrant Economic Activity and Livability

It is essential that the benefits encourage vibrant, mixed-use development that enhances economic activity and civic engagement. They also must foster livable communities with quality services, amenities, inclusive spaces, and goals of creating walkable, welcoming, and diverse environments. This includes leveraging historic preservation and other tax credits and financial tools to revitalize historic buildings and centers.

Build Capacity and Increase Coordination

Reform offers opportunities to implement a flexible and responsive process that aligns with local needs and capacities. A variety of benefits and resources can match community needs, from implementation funding to technical assistance. Improvements to program accessibility can ease management demands for local users, partners, and state agency staff. Increased funding and alignment of state programs, rules, and requirements can support efficiency and impact.

Program Reform Recommendations

The new program vision and goals offer an ambitious and inspiring picture for the future of Vermont's places, people, and communities. It will take substantial investment, coordination, and creative thinking to make those real—within and far beyond reformed designation programs.

OVERVIEW

The recommendations build from the success of the program and identify strategies to improve reach and impact to address some of Vermont's most pressing priorities.

1	**Simpler Designations**	Simpler program. Clear focus. Flexibility & more options.
2	**Easier Admin & Governance**	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.

The program reform recommendations are organized into five key areas. The consulting team believes that action in these areas is essential to making designation stronger and more impactful, ensuring that it aligns with other statewide and regional efforts and goals, and creating more equitable access. Each of these core areas supports and relies on the others. The five recommendations categories include:

Simpler Designations

The most substantial recommendation for reform is to the program structure itself. Reducing the number of designations will make the program easier to understand and access. Adding flexibility will allow a broader range of communities to access benefits and support that are right for them.

Coordinated Administration and Governance

The recommendations also include ways to simplify and reduce the amount of work and administration needed—for local communities, DHCD and state agency staff. Strategies include shifting the roles of local, state, and regional partners, and more effectively aligning a reformed designation program with other land use programs or initiatives led by other entities.

Better Benefits and Support

In order to achieve more ambitious goals, designations will need to offer expanded benefits, resources, and support for local action. That includes funding and improved regulatory relief for priority projects. It also includes more technical assistance, training, and support for local leaders in order to

increase capacity and remove barriers to action. Many of these benefits address key strategic areas that were not core priorities for the program, notably, climate, equity, and housing access.

Accessible Info and Promotion

Lack of awareness and access to program-specific information are barriers to more communities and leaders participating in the program and using benefits. Recommendations include finding ways to make program info more engaging and easier to understand, expanded statewide outreach and promotion, and ways to make the programs and support accessible to all.

Monitoring and Sharing

As Vermont implements designation reform, it will be essential to monitor and evaluate success and impacts. It is also critical to share findings and progress—data on impacts and investments, success stories and lessons learned, and templates or models for local projects. Recommendations include new metrics for measuring impact and strategies to share information widely.

Photo: Smart Growth America

Recommendations Overview
SIMPLER DESIGNATION PROGRAM STRUCTURE

Recs	Key Opportunities and Actions
Maintain a focus on community downtown and village cores	• Introduce Core Designation as primary designation program offering • Maintain and grow existing benefits for Cores
Reduce the number of designation programs	• Establish a primary program with clear priorities • Offer optional, Add-On Designations
Offer flexibility in Core Designation	• Support community progress, including guidance and decisions on alignment of benefits with capacity considerations • Balance priorities and administrative challenges • Align with planning and regulatory frameworks
Align with other statewide land use efforts, local, and regional planning	• Align designation program categories with planned growth and village areas • Align regulatory relief program offerings with Act 250 reform • Elevate regional planning approach and processes • Increase RPC capacity

Recommendations Overview
COORDINATED ADMINISTRATION AND GOVERNANCE

Recs	Key Opportunities and Actions
Create a streamlined, transparent designation process	• Establish steps for pursuing designation • Support communities through the process • Define access to benefits after designation • Provide guidance for transitional period • Sunset existing programs and update administrative processes
Integrate designation with local and regional planning	• Elevate regional planning approach and processes • Increase RPC capacity
Reform the Downtown Development Board	• Use existing authority to elevate the Board's role • Reform the Board's role • Expand the Board's membership
Grow multiagency investment and collaboration	• Grow agency involvement in supporting designated places • Establish interagency teams to address complex challenges • Expand the role of the Natural Resources Board

Recommendations Overview
BETTER BENEFITS AND SUPPORT

Recs	Key Opportunities and Actions
Maintain and expand key benefits	• Maintain and expand key benefits, including tax credits and technical assistance
Conduct agency review and coordination	• Grow benefits offered by other agencies and improve coordination
Connect and expand statewide technical assistance	• Scope a statewide technical assistance network • Further explore needs and models
Scale up support for priority actions and projects	• Expand benefits to support housing growth, access, and equity • Expand benefits to support climate action • Expand benefits to support investment in infrastructure

Recommendations Overview
ACCESSIBLE INFO AND PROMOTION

Recs	Key Opportunities and Actions
Establish a new brand identity and messaging	• Create a new brand and identity • Develop tools and training
Develop clear, cohesive resources and Information	• Develop "sticky" messages and language • Develop engaging information, resources, and outreach materials
Adopt accessibility standards and practices	• Develop language access and accessibility plans and services • Develop engaging information, resources, and outreach materials
Expand proactive communication and outreach	• Develop a comprehensive outreach and communications strategy

Recommendations Overview
ROBUST MONITORING AND EVALUATION

| Recs	Key Opportunities and Actions
Develop an evaluation plan and process	• Establish methods and roles • Consider partnerships or a formal performance monitoring team
Establish impact measures	• Establish short-term and long-term metrics and data sources
Monitor program progress and effectiveness	• Implement monitoring and evaluation plan • Respond to needs and findings
Expand sharing, listening, and reporting	• Create more opportunities to gather, share, and find experiences, stories, and data
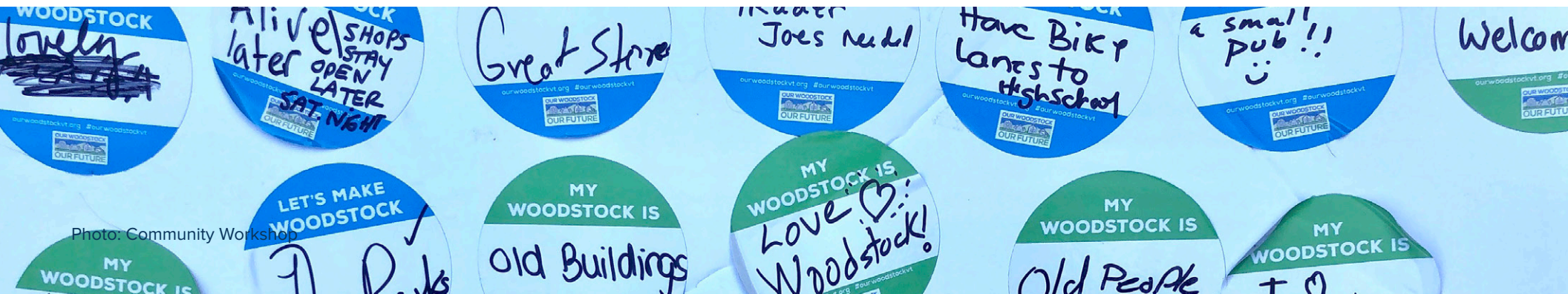
Photo: Community Workshop

1. SIMPLER DESIGNATION PROGRAM STRUCTURE

A reduction in the number of designation categories aims to streamline administration, focusing on the most impactful and accessed elements of the existing programs, and making them more manageable and flexible for communities and stakeholders. Engagement and evaluation findings highlighted the unwieldy nature of the programs and confusion about the wide range of categories and benefits. Many communities also expressed interest in gaining the capacity to access more benefits or creating designation areas that align with unique local geography and needs. A more flexible program structure will allow more diverse communities to use it and benefit.

RECOMMENDATIONS

Maintain a focus on community cores	Reduce the number of designation programs	Offer flexibility with steps in core designations	Align with other statewide land use efforts

Reformed Program Structure Overview

The reworked program includes one primary designation, Core Designation, with two "add-on" options to access additional benefits for the geography around the Core as well as for Development-Ready locations.
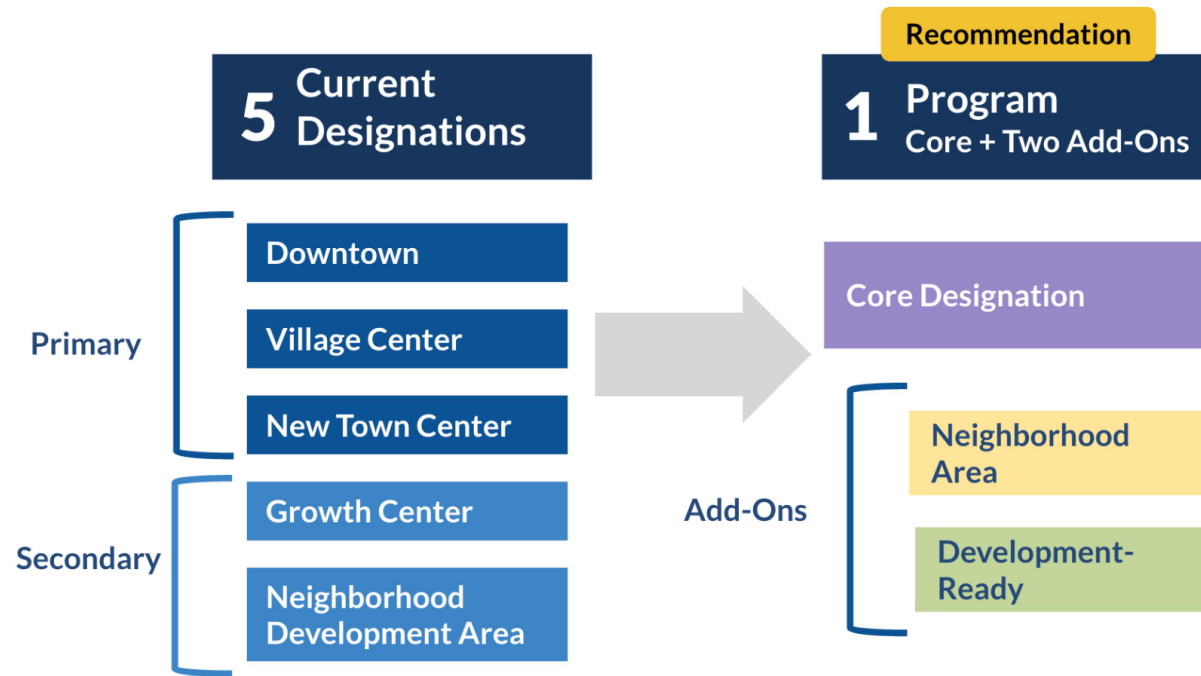
REFORMED DESIGNATION PROGRAM STRUCTURE OVERVIEW

Core Designation	Neighborhood Area (Add-On Designation)	Development-Ready (Add-On Designation)
• Vibrant, mixed-use centers that serve as community social and economic hubs. • Cores include centers of all sizes and types, from large downtowns to small villages. • Core Designation primarily offers non-regulatory benefits such as access to and prioritized funding, technical assistance, and other incentives. • The benefits are targeted at revitalizing commercial centers, increasing housing supply, and supporting vibrant places.	• Neighborhood areas are compact, walkable residential areas that are connected to cores. • They include existing neighborhoods as well as potential residential growth and infill locations and should include locations that present opportunities for climate adaptation. • The Neighborhood Add-On Designation primarily offers non-regulatory benefits such as access to and prioritized funding, technical assistance, and other incentives. Benefits are particularly targeted at increasing housing supply.	• Development-Ready places are sites within Cores or Neighborhood Areas that have municipal conditions and capacity that are ready for growth and development. They fall within Cores or Neighborhood Areas. • These areas have infrastructure and are identified as locations to target for development. • The Development-Ready Add-On Designation applies to areas within Cores and Neighborhoods that achieve Act 250 exemption, offering additional benefits to support growth and development.

See More Recommendations

3. BETTER BENEFITS & SUPPORT

Maintain and Expand Key Benefits

Photo: Community Workshop

MAINTAIN FOCUS ON COMMUNITY CORES

Vermont's historic cores are the anchor of the existing Designation Programs as well as the proposed reforms. The reformed structure strongly focuses on central community cores to ensure they can receive coordinated investment, advance visible, on-the-ground results, and support planning and development that maintains the historic settlement pattern of compact town centers surrounded by rural countryside.

Maintain Existing Benefits

This structure and recommended benefits include resources and support to sustain and revitalize existing places, as well as support future development to adhere to compact settlement patterns and smart growth principles. The reformed program seeks to maintain and build from the historic character of existing community cores and promote future development that is more resilient, environmentally sustainable, inclusive, and economically vibrant. This program structure can meet communities' existing needs to support lively, mixed-use centers as well as their goals to evolve and grow.

REDUCE THE NUMBER OF DESIGNATION PROGRAMS

A single reformed program provides a range of benefits that support communities' goals to sustain, plan, evolve, and transform. The primary program, Core Designation, focuses on existing community centers and settlements of all sizes, while offering steps to match the capacity, needs, and goals of a variety of places. Two add-on options provide additional benefits for housing and smart growth development outside the Cores as well as development benefits for development-ready sites.

Establish a Primary Program with Clear Priorities

The Core Designation is designed to recognize and build the vitality of downtowns and village centers. Cores exist on many scales, but they all feature a central mixed-use or civic center with housing and/or other community assets. They are the commercial and civic areas that require the most coordinated investment and have the most visible on-the-ground impact, both for improving quality of life and fostering a sense of place. These central cores play a key role in community and regional life and can offer the opportunity for residents to access many daily needs without relying on car ownership.

Core Designations will exist as mapped areas within Planned Growth and Village Areas as currently proposed in VAPDA's Regional Land Use Mapping Study. Where Cores face risks from climate and environmental hazards, the designation program is intended to both increase the resilience of existing assets and encourage future development that is better prepared. A key consideration is retaining and improving the resilience of small businesses and the existing economic base.

Offer Optional, Add-On Designations

Two add-on options provide access to additional benefits for areas in and around Cores. If a community chooses, it can pursue a **Neighborhood Designation** for land outside the Core. This wider area must align with a mapped Planned Growth Area or Village Area as currently proposed in VAPDA's Future Land Use study.

Neighborhood Areas offer the opportunity to bolster housing supply in proximity to civic cores, addressing the housing access crisis and creating much-needed units with convenient access to civic and economic resources. The benefits are focused on directing critical resources and funding for neighborhood infrastructure and housing development.

NEIGHBORHOOD ADD-ON DESIGNATION

Neighborhood Areas are adjacent, connected, or walkable areas to the Cores; they complement the Cores and allow for expansion and growth.

They are envisioned as "add-on" designations to a core—adjacent to or in close proximity—facilitating growth and development in these areas to support compact and connected community expansion.

The consulting team encourages policy-makers to design incentives for communities pursuing Core Designation to opt into the add-on Neighborhood Area Add-On, given the significant need for housing in the state. Neighborhood Areas will both support the delivery of housing well aligned with community assets and civic services and will bolster the economic base and small businesses in Cores.

Under a process managed by the Natural Resources Board (NRB), development benefits will be accessed after meeting the requirements of the NRB to ensure alignment with smart growth principles and support much-needed housing that is well connected to existing services. This recommendation is intended to align with anticipated recommended revisions to Act 250, to ensure more seamless coordination and less administrative duplication, specifically, to leverage the Act 250 exemption process to identify areas ready for devel-

opment and provide further support. Given the ongoing Act 250 Reform Study, the consulting team recommends aligning Development-Ready Areas with the highest level of Act 250 Exemption—likely Tier 1.

This add-on will make additional benefits available for development and facilitate investment in areas identified as development ready. DHCD will need to work over the longer term to establish complementary benefits and support from a potential technical assistance network. Sites ready for such benefits could include infill sites in existing Cores, such as underutilized parking lots, or sites suitable for larger-scale development that are less prone to climate hazards than much of a community's existing housing stock.

In Core Areas, benefits are intended to focus development within established centers and/or increased density in locations adjacent to centers of activity. Additional benefits will equip Cores with development tools suitable for locations ready for investment and development. This may include infill projects and sites

DEVELOPMENT-READY ADD-ON DESIGNATION

This "add-on" designation will be applied to sites within Cores and Neighborhood Areas to promote smart growth and expand housing or community assets in priority locations.

Development-Ready is a new concept for areas and sites that qualify for regulatory relief from Act 250, Vermont's state land use and development law.

Photos: Community Workshop LLC

appropriate for increased density. In Neighborhood Areas, benefits will aim to increase housing supply in appropriate locations connected to Cores: climate-prepared, walkable, and compact. In addition, benefits can be used to increase density, add amenities, and support development to establish newer cores/nodes in smart growth locations that support neighborhoods. This may include sites along corridors between Cores that are development ready.

OFFER FLEXIBILITY IN CORE DESIGNATION

A wide range of communities will pursue Core Designation and will need support and resources that match their capacity, context, and readiness. A key theme from stakeholder engagement was concern that villages were "stuck" with a much smaller benefit offering and saw too large of a gap between the offerings for villages and the significant capacity requirements for downtown designations. Some also expressed interest in even smaller communities joining the program than have participated in the current Village Center Program. A reformed framework should recognize the variety of communities and offer flexibility accordingly.

Support Community Progress

A flexible approach can enable communities to progress and grow as they gain capacity but without the administrative process of needing to pursue a different designation. Core Designation will provide a variety of benefits that meet the range of community capacity and readiness to pursue the investments and projects that meet their revitalization and development goals. Benefits for Cores should be made available with program requirements that match a community's readiness. Technical assistance will provide guidance and support on navigating program requirements and accessing

benefits best suited for each community's needs. An important next step for DHCD will be defining a process to align benefits and requirements with capacity, whether that is along a continuum, or determined on a project basis.

Balance Priorities and Administrative Challenges

This approach addresses the tension between simplifying the program and meeting diverse community needs, striving for an equitable and manageable approach. It also offers the opportunity to leverage existing and expanding capacities at the regional and state levels to better support communities. DHCD will need to work with key partners to develop critical guidance to support coordination across programs and provide flexibility in each community development journey. This study began scoping some potential options to achieve this, such as a stepped approach for communities with different levels of capacity. DHCD should continue this work and ultimately create guidance or program criteria for different types of benefits that cannot be applied to all cores on account of capacity needs or resource scarcity.

Align with Planning and Regulatory Frameworks

Reforms intend to integrate and coordinate the Designation Programs with comprehensive local and regional planning and proposed regulatory reforms. Boundaries and benefits in a reformed designation program will align with Future Land Use Mapping and Act 250 tiers. Specifically, proposed designations are intended to fall within with two proposed future land use categories delineated by RPCs and municipalities: Planned Growth Areas and Village Areas. Defining Core Designations within existing planning processes and state-level regulatory frameworks reduces the need for multiple processes, such as boundary-making, and leverages existing and expanding capacities to support designation.

ALIGN WITH OTHER STATEWIDE LAND USE EFFORTS

The reformed designation framework is designed to align with the Regional Land Use Mapping & Study currently being developed by VAPDA and to be implemented by the RPCs (See **Aligned Studies, Projects, and Plans** earlier in this chapter for more information). This change will improve consistency between local and regional plans and the designation program and streamline the designation administrative process for both program users and DHCD.

The proposed changes in regional land use planning and Act 250 allow the planning, mapping, and regulatory components of the current Designation Programs to shift into the local/regional planning processes and to the Natural Resources Board. This enables a reformed designation program to simplify and to focus on providing technical assistance, interagency coordination, funding, and other resources to help achieve local and statewide goals in designated places. Without those corresponding changes, the improvements to the designation programs that stakeholders seek will be difficult to achieve.

The consulting team recognizes that decisions across both the new land use types and the Act 250 Study will impact the implementation and function of the designation program. Given that these studies are not yet final and will make a parallel set of recommendations, the consulting team recommends additional context for consideration to ensure the effective implementation of a reformed designation program and strong alignment with smart growth principles.

Connectivity with Planned Growth and Village Areas

The mapping of Planned Growth and Village Areas should focus on the existing and central footprint of a community's commercial and civic core, while allowing for infill and critical housing growth. These areas should align with a "walkability radius" considering distance and physical connectivity with a center or key amenities, as opposed to a community's full land area. Planned Growth Areas in particular are well suited to considering climate change impacts in land use siting and development decisions, for example, encourage housing development in areas at higher elevations to avoid future flood conditions, or to avoid or minimize other climate-related hazards. Promoting growth within these relatively concentrated areas should improve household access to services and amenities, support efficient investment in infrastructure, reduce sprawl, and minimize vulnerability to climate change impacts.

The draft future land use mapping categories, circulated in November 2023, described Planned Growth Areas as including "the densest existing settlement and future growth areas with the highest concentrations of population, housing, and employment in each town. They include a mix of commercial, residential, and civic or cultural sites with active streetscapes, supported by land development regulations, public water and/or wastewater, and multimodal transportation systems." This description aligns with the goals of the Neighborhood and Village Areas as articulated in these recommendations. The collaboration between RPCs and municipalities should take into consideration both the regional needs for growth and the priorities of each municipality as they address housing, resilience, and infrastructure investment.

Connectivity with Act 250 Reform

Act 250 relief presents an important opportunity to support much-needed housing development both in existing community Cores and in locations that will allow for smart growth and community expansion to complement existing community assets. The most recent Act 250 reform recom-

mendations available at the time of the completion of this report anticipated a new tier system, with tiers 1A and 1B used for community centers of different sizes. If this concept advances, the consultant team recommends scoping alignment between these categories, land use types, and reformed designations to reduce administrative burden and concentrate program impact.

NEXT STEPS	FUTURE WORK
• Refine benefits and program requirements for Core Areas • Develop legislative proposal • Track concurrent studies to consistency in terms and outcomes • Create transition plan	• Transition to new structure • Grow funding and supports • Track progress and adjust as needed

2. COORDINATED ADMINISTRATION & GOVERNANCE

Simplifying program structure will help to reduce complexity and increase access. Simplifying program administration and management processes (from local to state level) will further reduce barriers to participation and increase DHCD's capacity to offer essential assistance and program support. Shifting governance roles and leadership will allow more partners and entities to play a role in shaping and supporting strong local programs.

Recommendations include changes to the administrative processes and requirements, as well as important ways to leverage the resources and skills of many partners.

RECOMMENDATIONS			
Create a streamlined, transparent designation process	Integrate the designation process with local and regional planning	Reform the Downtown Development Board	Grow multiagency investment and collaboration

CREATE A STREAMLINED, TRANSPARENT DESIGNATION PROCESS

Given the new structure and designation types, as well as the increased role for RPCs, a new process is needed to support municipalities pursuing designation. The transition to a reformed program will require a significant amount of guidance and activity. Ramping up activities, education and communication efforts, and alignment with existing processes to reduce administrative burden could take up to five years to complete.

Support Communities Through the Process

Communities may coordinate with RPCs, DHCD, and other technical assistance providers to navigate resources, design projects, support planning and engagement, and get guidance on how to use a reformed designation program and benefits.

A municipal plan must be updated and readopted every eight years to remain in effect and be resubmitted for regional approval. Generally, no updates or renewals of approved designations are necessary outside of regular planning cycles. If regional plan updates include revised land use maps that include changes to the designation areas, boundaries, or zoning that may affect previously approved designation areas, or if there is a change to applicable reformed program requirements, additional review may be needed.

Maintain Access to Benefits

After designation, communities will have access to benefits offered by the reformed designation program, including regulatory relief, tax benefits and incentives, grant prioritization, and technical assistance. DHCD staff will provide direct support and guidance to communities.

Communities may receive regulatory exemptions within Core and Neighborhood Areas via the Development-Ready

PROPOSED STEPS FOR COMMUNITIES PURSUING DESIGNATION

A community pursuing designation will:

1 Work with the RPC to define and map a Core Area for state designation and submit the map as part of the planning process for RPC review and approval.

2 Determine if it would like to pursue a Neighborhood Area Add-On, and/or Development-Ready Add-On if eligible.

3 RPCs will submit one regional map and plan with all designations identified for approval.

4 Municipalities may work with the RPC to apply to the NRB for Development-Ready Add-On Act 250 exemptions if desired.

5 If revisions to Core maps are needed, DHCD should support the RPC and municipality to determine a balance between regional and local needs and priorities.

Core Areas will fall within a Planned Growth or Village Area in comprehensive municipal plans, under the new regional land use mapping.

Add-On, providing a more conducive environment for development and investment and supporting the development of more housing in close proximity to desired services. Communities will have access to tax benefits and incentives, as well as tax-advantaged financing to spur economic development in designated areas.

DHCD, RPCs, and a proposed potential technical assistance network would offer technical assistance to communities that is likely to be critical in advancing the Designation Program's work on broader strategic priorities, such as advancing equity, increasing housing supply and affordability, and improving climate resilience.

Provide Guidance for Transitional Period

Communities will need guidance that outlines several likely pathways for participation in existing programs to evolve into the new structure. For example, current Village Centers may gain access to additional benefits as a Core Designation. This can be supported by a checklist of benefits and program requirements, or a decision tree based on community capacity to outline potential paths for current program participants. The decision tree should include options for additional engagement via the add-on designations to promote housing and redevelopment.

DHCD should also explore options for re-evaluating existing boundaries within RPC planning processes to transition into the new program structure, including establishing boundaries for the Core Designation. These options should be included in guidance to RPCs and municipalities.

Sunset Existing Programs and Update Administrative Processes

An expiration date for existing programs and boundaries should be set for no more than 3-5 years into the future or aligned with an upcoming regional planning cycle. Regional plan updates should be given the resources and mandate to produce future land use maps under a new statewide system within 2 years of new legislation and guidelines. Existing provisions and benefits should extend through that time period, and then sunset with clear communication of what the replacements are. This information and any support needed should come from RPCs, DHCD, and a potential technical assistance network, described in **Better Benefits & Support**. The application process should be updated to align with Core Designations, and a process for submitting maps for Neighborhood Areas and Development-Ready Areas should be established.

INTEGRATE DESIGNATION PROCESS WITH LOCAL AND REGIONAL PLANNING

The reformed designation program more intentionally aligns designation processes with established planning processes, and local and regional comprehensive plans to reduce administrative burdens and foster more connectivity between local

and regional planning and state investment.

Elevate Regional Planning Approach and Processes

The designation process should align with and build on existing processes that offer collaboration between Regional Planning Commissions and their member communities preparing Municipal Plans. RPCs will play a key role in mapping future land use categories that may incorporate locally defined planning processes. Municipalities may work with RPCs to determine boundaries or properties more specifically for inclusion within Core Designations, and opt into the Neighborhood Area Add-On, and Development-Ready Add-On as appropriate. VAPDA's proposed Future Land Use categories are leveraged, in that Cores will be within Planned Growth Areas and Village Areas, and Neighborhood Areas will align with those area boundaries. This alignment ensures that designations are integrated with local and regional planning efforts and reflect current land use priorities.

Increase RPC Capacity

An increase in RPC staff capacity can provide additional municipal support and guidance as needed to support state designations—for example, to provide information and technical assistance, define and map areas proposed for designation that meet state program requirements, help prepare applications for state board review, and help design and manage state-funded projects within designated areas.

Increase DHCD Capacity

By shifting decision-making over designated area boundaries and reducing the administrative burden of applications overall, the reformed program design should lead to enhanced DHCD staff capacity, enabling staff to have a greater focus on program development, outreach, and direct support to communities. DHCD should maintain a role in the designation application review process, specifically to support municipalities and RPCs in finalizing their Core Designation boundaries.

REFORM THE DOWNTOWN DEVELOPMENT BOARD

The revised program's governance needs to evolve to reflect a more strategic function for the program and to offer opportunities for more effective collaboration across agencies

LESSONS LEARNED FROM OTHER STATES

In states that have sustained a strong commitment to smart growth and the creation of vibrant places, a key factor has been institutionalizing leadership at the highest level of government. This means placing the responsibility for organization and oversight at cabinet level, as accomplished with Maryland's Executive Council Subcabinet on Smart Growth and Delaware's Office of State Planning Coordination.

On this basis, the consulting team recommends a number of measures to raise the profile of a reformed program and ensure that it has priority appropriate to its vital mission. The principle is that ultimate authority should be clearly placed with an official directly accountable to the governor, with explicit responsibility across agencies.

Learn More

CASE STUDIES

COMPONENTS OF DOWNTOWN DEVELOPMENT BOARD REFORM

To enhance the Board's decision-making capabilities and align it more closely with state-level policy objectives and key goals and opportunities presented by the program (including advancing equity and climate goals), the Board should evolve. Initial steps would include:

- The named Secretaries and other officials take their seats and participate as members on a regular basis.

- The Secretary for Commerce and Community Development be designated as chair as a matter of routine, to fix responsibility and authority and to ensure leadership.

- Determine other entities that should be represented on the Board given the designation program's more strategic remit, such as the Office of Racial Equity.

- Adoption of a statement (through legislation or gubernatorial direction) that clarifies that the Board is a funding and benefits coordination body, with responsibilities that include vetting regulatory programs, reviewing regional land use maps, and certifying core steps in collaboration with DHCD.

- Adopt a new name for the Board and a reformed designation program to reflect the broader scope of the program and its renewed focus.

Use Existing Authority to Elevate the Board's Role

While for some changes a legislative modification might be necessary, most of what is proposed here could be effectively implemented under existing statutory authority. To some extent, Vermont already reflects the recommended principle, at least nominally, through the establishment and composition of the Downtown Development Board under the relevant statute (24 VSA § 2792). The Board was "created to administer the provisions" of the state code on "Historic Downtown Development" (chapter 76A), which includes the designation programs. By statute, the membership includes the Secretaries of the three key agencies (Commerce, Transportation, Natural Resources), the Commissioner of Public Safety, and the State Historic Preservation Officer, along with other key stakeholders. In practice, those key officials are represented on the Board by designees. The appointees are a step removed from the chief executive. The board meets about eight times a year, and elects its own chair. This has the effect of lowering the prominence of the Board and the program it oversees. As currently operated, the board can provide needed advice and input however cannot give the program prominence as a significant element of state policy for growth and development. All of this suppresses the role of the designation program.

Reform the Board's Role

Under a reformed approach, Cabinet-level members should be responsible for:

• Coordinating closely related programs (e.g., Natural Resources, Transportation)

• Overseeing and directing resources not only to a reformed designation program but also other interrelated policies and programs affecting the built environment and infrastructural decisions

• Elevating a reformed designation program across state agencies as a way to support localities and meet state planning priorities

- Elevating barriers and needs across relevant leadership, agencies, and programs.

Designees or technical staff should be responsible for:

- Leading the application review process
- Elevating opportunities and issues to cabinet-level members
- Identifying opportunities for more effective collaboration across agencies
- Regular reporting on progress, barriers, needs, and opportunities.

Expand the Board's Membership

As currently designed, the Board also lacks accountability on some key issue areas relevant to the desired broader remit for the program. A new Board membership needs to include expertise on key strategic priorities relevant to the program, notably housing access, equity, and climate. Diversity of background and lived experience is essential to advance more inclusive decision-making.

GROW MULTIAGENCY INVESTMENT AND COLLABORATION

Other programs, agencies, and boards already support the current Designation Programs by providing resources or resource prioritization to designated places. Further coordination and involvement could scale up the program and also streamline the community experience if a reformed program can provide a more coordinated access point to these resources.

Grow Agency Involvement in Supporting Designated Places

Other agencies will play significant roles in program implementation, identifying appropriate resources given their alignment with the program's goals for housing, climate, equity, and vibrancy. However, growing agency involvement will require an investment of staff capacity to review the rules and regulations of various programs to ensure compatibility with the program and communications efforts, all in support of communities' successful navigation of the resources available.

Establish Interagency Teams to Address Complex Challenges

Interagency teams may also form to tackle identified priority projects within Designated areas, taking on a "strike team" approach, similar to the interdisciplinary problem-solving efforts that occurred after Tropical Storm Irene. Inteagency teams could be assigned to support the planning, permitting, and funding of specific priority projects such as climate adaptation efforts, which would require coordinated approaches and lead to lessons learned for eventual implementation in a larger number of communities.

Expand the Role of the Natural Resources Board

The benefits of the Development-Ready Add-On will be available within RPC-mapped locations that meet the NRB's criteria. This relies on the ongoing close partnership with the NRB in line with the Act 250 study and reform. The NRB will be responsible for managing and approving these exemptions and confirming that requirements of the benefits are met.

REFORMED ROLES AND RESPONSIBILITIES

The recommendations made will require a shift in the decision-making responsibilities and roles of the Designation program. These shifts are intended reduce administrative burden and duplication, and foster a balanced approach between local initiatives, regional planning, and state investment and support. Many of the shifts in roles and responsibilities have been discussed within portions of the recommendations and can be summarized as follows:

Department of Housing and Community Development

DHCD leads the Designation program. The department staffs the program, is the primary point of contact supporting program users and is responsible for coordinating with sister or state agencies and policy partners. The recommendations emphasize DHCD's role in aligning resources and partners, sharing learning and solutions, and growing participation. DHCD staff are also expected to play a key part in providing technical assistance and support for program users. DHCD should also engage in the Board's review of regional plan land use maps, including the boundaries of the Planned Growth and Village Areas and Core definitions, to ensure alignment with the goals of the program.

Program Users

Municipalities: Local governments are the primary users of the current Designation Programs and engagement efforts collected extensive information about what is and is not working for communities as they work to achieve designation and access valuable benefits. Local governments will continue to be the primary users of a reformed program and engage in designation during the regional and local planning processes.

Other Program Users: Improved communications will support awareness and access for other users to leverage and expand resources and benefits, such as small businesses, community-based organizations, and developers, more proactively. This aims to address the current disconnect for non-governmental users eligible to receive benefits, and potentially expand access for them to utilize those benefits.

Restructured Downtown Development Board

The restructured Downtown Development Board provides roles for two types of members: Cabinet-level leadership and designees/technical staff. The Downtown Development Board's reform includes a new name to better reflect a reformed designation program, with expanded responsibilities as a funding and coordination body, as well as the review and approval of municipal applications for state designation. Under a reformed program this will encompass the vetting of Core Designation boundaries via one regional map and plan with all designations identified. Duties may also include the review of regional maps for consistency with program goals and requirements. The Board's membership should evolve to ensure expertise and lived experience relevant to core priorities for the future of the Designation program, namely housing equity and climate goals. The recommendation suggests a close partnership with the Natural Resources Board in line with Act 250 reform. This emphasizes the Board's elevated role in governance and coordination across different state initiatives.

Regional Planning Commissions

RPCs determine key boundaries of involved geographic areas via the comprehensive planning processes advanced in partnership with local communities. RPCs are tasked as the "first stop" in the designation process—helping municipalities identify areas proposed for state designation that align with regionally mapped Planned Growth and Village Areas. The reformed Designation program is more aligned with RPC planning processes, elevating decision-making for RPCs and leading to a more streamlined process for communities. This aligns with the recommended emphasis on the RPCs' role in defining and approving these areas within regional/local planning processes. With increased capacity, RPCs may also be able to take more of a technical assistance role in support of program elements.

Natural Resources Board (NRB)

The NRB is expected to continue administering Act 250 and is proposed to have added responsibilities in determining locations suitable for exemptions (see **Aligned Studies, Projects, and Plans** for more information). The NRB or a similar board will review and approve comprehensive plans and land use regulations to ensure that these areas qualify for Act 250 exemptions or other jurisdictional modifications intended to provide regulatory relief. The administration of the Development-Ready Area, specifically the access to redevelopment benefits for Tier 1 areas, relies on the ongoing close partnership between DHCD, RPCs, and the NRB, among others.

The NRB will be responsible for confirming eligibility requirements and will rely on coordination and partnerships across the Board, NRB, DHCD, and RPCs as well as expertise from relevant agencies or possibly increased capacity of the NRB.

Technical Assistance Partners and Network

Dozens of Vermont organizations (nonprofits, RPCs and RDCs, state agencies, funders, universities) already offer much-needed technical assistance to local leaders and communities, from training to programs to funding and consultant expertise. In the short term, a formalized "network" of public and private sector partners can expand access to resources for local communities and increase coordination in developing and offering them. The network can also explore the need and potential models for a statewide technical assistance network.

Other State Agencies

Other agencies support designated areas by providing resources or resource prioritization to Designated areas, which may be coordinated via a technical assistance network. Other agencies can play significant roles in program implementation and increasing impact as opportunities arise to align priorities and processes with the State's goals for housing, climate, equity, and vibrancy. Decisions around these factors are introduced under **Coordinated Administration & Governance** and will be an ongoing and longer-term effort.

NEXT STEPS	FUTURE WORK
• **Confirm partner capacity and roles** • **Legislative proposal** • **Reengage Downtown Board members and elevate roles** • **Begin assessing coordination needs across agencies and programs** • **Align participants and offerings with key goals related to housing access, equity, and climate**	• **Transition to new structure** • **Elevate state smart growth and planning** • **Make changes needed to programs and funding streams to ensure compatibility** • **Expand coordination and partnerships**

3. BETTER BENEFITS & SUPPORT

The current Designation Programs began with a core focus on revitalization, placemaking and economic development. Benefits should continue to address these core objectives, fostering the development of vibrant, welcoming communities and supporting the small businesses that provide so much character to Vermont's communities. Alongside these continued, successful strategies for investment, a reformed designation program should grow its benefits package and address key state-wide goals that can be effectively met in smart growth locations.

A reformed designation program should include a wider variety of benefits to increase program impact, especially for housing delivery and climate action. The benefits of a reformed program will provide regulatory relief for housing projects, facilitate technical assistance and planning support, and provide infrastructure funding, like access to the state transportation fund. More benefits will incur more costs, requiring a higher program budget and more active, financial participation from other agencies and partners. While more benefits will strengthen the program, urgent, large-scale challenges like the housing access crisis will require more attention than this program alone can provide.

RECOMMENDATIONS

Maintain and expand key benefits	Conduct agency review and coordination	Connect and expand statewide technical assistance	Scale up support for priority actions and projects

MAINTAIN AND EXPAND KEY BENEFITS

A reformed designation program should maintain and expand the most popular and utilized benefits that support historic cores and vibrant economic activity. A variety of available tax credits support the revitalization of historic and adaptive use of characterful and civic landmarks buildings in designated areas, contributing to vibrant and economically active communities. In addition, technical assistance for downtown and village center projects, regulatory relief for housing development, and eligibility for transportation investments provide significant value to communities of all sizes.

STRATEGIC PRIORITIES

1 Housing Growth, Access and Equity

2 Climate Action and Resilience

3 Investment in Transportation and Infrastructure

CONDUCT AGENCY REVIEW AND COORDINATION

As discussed under **Better Benefits & Support,** other state agencies support Designated areas by offering resources or resource prioritization to Designated areas. Ensuring that communities can easily navigate the rules and regulations of various programs will require significant staffing investments. The outcome should be a coordinated set of resources that work together to achieve Vermont's planning goals. Another promising area for state agency coordination is for those that fund infrastructure to collaborate and provide training and support for municipalities on public facilities planning, financing, and management.

CONNECT AND EXPAND STATEWIDE TECHNICAL ASSISTANCE

Local capacity emerged as the single biggest barrier to local action and program implementation. Many local stakeholders acknowledged the wide array of resources and organizations already available but wished for a "one-stop-shop" and more coordination to publicize offerings and fill gaps. Many were excited about the idea of a statewide "Design Center"

or "Technical Assistance Center" to coordinate providers and expand resources, including resources available from state government, nonprofit organizations, and others. There are examples and models around the world that may be effective for Vermont, and several partner groups are already discussing more formal ways to coordinate.

Support a Formalized Statewide Technical Assistance Network

It will take time to explore larger needs or potential statewide centers. Formalizing a network of state technical assistance providers could offer immediate benefits with little investment, while laying the groundwork for future steps. Successful networks don't create themselves; it will require some funding and/or committed staff capacity to coordinate and launch well. DHCD should work with interested partners to formalize a network in 2024 and secure resources to support it.

A technical assistance network could:

- Convene leaders quarterly (or at other frequency) to share progress and work together
- Identify and include providers that aren't included in informal networking
- Support members to develop collaborations and partnerships
- Develop a more comprehensive inventory of existing resources and assets and identify gaps (in types of assistance, for example)
- Develop a clear, accessible, shared system or location to gather statewide resources for community leaders Identify policy changes or other strategic actions to improve statewide TA and capacity
- Explore and scope a statewide hub or center

Photo: Community Workshop

SCALE UP SUPPORT FOR PRIORITY ACTIONS AND PROJECTS

Housing Growth, Access, and Equity

Vermont is experiencing a housing access crisis, and a reformed designation program offers one vehicle to address the growing housing supply in locations that offer a high quality of life, relatively low environmental impact, and the opportunity for more diverse housing options. Benefits to support additional housing supply will be provided primarily through regulatory relief from Act 250, as facilitated through the Development-Ready Add-On. To achieve more ambitious housing goals, the program will require additional investment and a broader variety of benefits and types of technical assistance. These resources can support communities in identifying innovative opportunities for mixed income development and begin to address the challenges presented by the market in delivering this type of development.

TOP OPPORTUNITIES AND STRATEGIES

To advance these critical goals, the State should explore opportunities to incentivize strategies to deliver more diverse, accessible, affordable housing such as:

- **Provide resources or technical assistance on zoning best practices to Designated communities:** The HOME Act has already led to state-wide zoning changes which will support housing development in designated areas, such as lowering parking thresholds, and many resources are already available through DHCD's recent Zoning for Great Neighborhoods initiative. Further technical assistance can explore strategies to bolster the housing supply specific to the community context. This assistance can also help to better align zoning with climate goals, considering both adaptation and mitigation.

POTENTIAL TA HUB OR RESOURCES CENTER OFFERINGS

1. **Easy, centralized access to partner network resources**

2. **Hands-on support and coaching to help local leaders overcome barriers and navigate complex projects**

3. **Technical expertise, design, planning, and program management services to fill gaps in local capacity**

4. **Training and education to increase local skills and capacity**

Explore Needs and Scope Advanced Models for a Statewide TA Center

There is strong potential in going beyond a network and creating a statewide center or hub. A formal network could explore and develop this idea. Scoping steps should include:

- Assessing current state offerings to learn what's available, what's missing, and what works

- Soliciting direct stakeholder input on preferred models, structures, and offerings

- Reviewing and further exploring promising models from other places, funding opportunities, and plans

- **Incentivize state, private, and nonprofit partners to target equitable wealth-building programs to designated areas**: Programs such as first-generation homebuyer down payment assistance will enhance opportunities for low- and moderate-income households, including BIPOC households, to build generational wealth while also improving access to housing in locations with a high quality of life and lower likelihood of dependence on car ownership. These investments are critical given Vermont's problematic racial homeownership gap. Programs may be funded by local financial institutions or philanthropy as well as public sector entities. The launch of a reformed designation program which is more proactively seeking to address equitable development goals presents an opportunity to seek partners to fund this sort of effort and impact community wealth via the Designation program.

- **Scope opportunities for a land bank program**: A technical assistance offering could support community organizations or local governments to partner on land banking initiatives. This potential benefit would be well-positioned for philanthropic partnership, especially if pursued in tandem with a wealth-building initiative supporting first-generation homeowners, BIPOC Vermonters and others historically disadvantaged.

- **Develop technical assistance to inventory and establish redevelopment strategies for vacant and/or underutilized land**: Many community cores include underutilized sites, owned by both the public sector and private entities. Technical assistance could support communities in both identifying sites ready for transition and developing strategies for public-private partnerships that could deliver mixed-income housing. Proposed development strategies could also seek opportunities to invest in the public realm and community vibrancy, such as through Community Benefits Agreements supporting investment in vibrant public spaces or shared amenities in close proximity to multi-family development. In flood-vulnerable downtown settings, redevelopment plans would include strategies for "flood-prepared" uses at the ground floor and shared infrastructure to protect businesses and future residents.

- **Offer training and resources and make connections between small-scale/missing middle developers and opportunities in designated areas**: DHCD is currently investing in building the capacity of developers to deliver "Missing Middle" housing, which can include typologies that were prominent historically in New England, but which were often excluded by recent zoning practices, such as fourplexes and cottage courts. Even with more supportive zoning, small-scale or first-time developers may struggle to navigate the design and financing challenges of building this type of housing stock, which is still relatively uncommon in the national housing market. Further capacity-building investments could be aligned with a reformed designation program to enhance the likelihood of more "Missing Middle" units coming online in designated areas close to desired services.

Climate Resilience and Action

Climate change impacts have become both prevalent and recognizable across Vermont. In 2023 alone, as the Designation 2050 project was underway, the state experienced unseasonably warm weather, drought, wildfire smoke, and rainfall that caused flooding and landslides.

Stakeholders expressed that climate action should be a priority for the program. Relative to other climate hazards, Vermont is equipped to address flood vulnerabilities given the state's historic experience with flooding. However, climate change

is changing the nature of flooding events—frequency and intensity—and therefore the response will need to change as well. There is significant experience with flood mitigation measures that can be expanded and built upon to better adapt to future flooding events and improve community resilience to flood impacts. Further, immigrant and BIPOC business owners report facing unique challenges in recovering from the July 2023 flooding, highlighting the need for climate adaptation solutions that center historically marginalized populations.

TOP OPPORTUNITIES AND STRATEGIES

Adaptation strategies for flooding within a community are likely to include hardening and fortifying existing structures, utilizing nature-based solutions, directing new development to flood safe areas, and enhancing climate adaptation and resilience planning efforts for key community sectors (municipal services, local businesses, tenants, and property owners). A reformed designation program offers a structure to support communities in developing and implementing these adaptation strategies, such as:

- **Promote and expand existing tax credit programs as part of a reformed designation program to incentivize climate resilience:**
  - 50% Flood Mitigation tax credit (maximum credit of $75,000). Market this more widely and look to combine with other funding sources. Expand credits to include mitigation for other climate impacts such as extreme heat and wildfire.
  - 50% Code tax credit. Explore the potential to increase this tax credit if buildings are retrofitted or designed using stretch codes outlined above.
- **Offer technical assistance to support flood resilience and other climate impacts:** This could include sharing best practices and relevant case studies related to

hardening and floodproofing buildings and other built infrastructure options; leveraging nature-based solutions at site-specific or larger scales—including the potential for floodplain restoration; restructuring physical and operational aspects of businesses to make them more resilient; creating checklists for resilience at a community and building level, assisting applicants in preparing for state grants (including Flood Resilient Communities Fund and hazard mitigation assistance opportunities) and tax credit incentives.

FURTHER RESEARCH AND PLANNING

Additional work is needed to understand other climate vulnerabilities and adaptation opportunities that could be integrated into a reformed designation program. More detailed discussions regarding the topics below are included in the Climate Resilience & Designations companion report.

- Enhanced partnerships across various state agencies to support climate resilience in designated areas
- Development of Resilience Hubs within designated areas
- Development of a "train the trainer" programs, to help build technical capacity for climate resilience within community organizations.
- Prioritization of infrastructure investments which do 'double duty' for water quality, climate adaptation, and quality of life.
- Seeking better alignment between hazard mitigation, planning, and climate preparedness.
- Consideration of how strategies with cross jurisdictional boundaries, such as watershed scaled strategies, can be supported through the designation program.

Investments in Infrastructure

The Designation program has long offered prioritized infra-

structure investments such as via the Downtown Transportation Fund. The program should continue to offer strategies for designated areas to benefit from investment, especially in safer pedestrian environments which can both create a welcoming public realm and support households in reducing car ownership. Infrastructure investment needs to consider climate goals, building to standards informed by climate data considering future scenarios. The latter can present a challenge as design guidelines and building codes have yet to fully adopt climate resilient approaches. While there are several sources of "best practices" with respect to technical solutions, these solutions may face administrative, legal and/or governance challenges. For example, engineers and infrastructure owners may be hesitant to design "beyond code." Elevated structures, such as roadways, could result in significant impacts to adjacent properties. Elevated buildings create accessibility challenges and can create community fragmentation if some buildings are elevated, and others are not.

TOP OPPORTUNITIES AND STRATEGIES

- Establish a state fund for grants/loans for plan-related

projects in designated areas, similar to the Downtown Transportation Fund, prioritizing projects with strong equity, housing affordability and climate resilience components.

- Prioritize designated areas for future transit-oriented development and alternative transportation funds (transit, bike, pedestrian) also with considerations for climate resilience, such as adequate shelter for anticipated future weather events.

- Explore creative funding models for engagement of private and philanthropic sectors to partner on future infrastructure, climate resilience or equitable development investments.

- Explore funding models and incentives to extend water and/or wastewater in locations without and design systems to capacity for future climatic conditions.

- Explore funding models and support upgrades in other areas of infrastructure, including stormwater systems, water treatment facilities, and broadband, designing systems with capacity for future climatic conditions.

NEXT STEPS	FUTURE WORK
• **Identify leaders to convene a formal statewide technical assistance network in 2024; identify potential members** • **Expand existing technical assistance resources and fill gaps** • **Develop centralized listing and communications to increase resource access** • **Align participants and offerings with key goals related to housing access, equity, and climate**	• **Expand and coordinate public and private funding** • **Expand and coordinate technical assistance** • **Pursue expansion of benefits and funding** • **Develop communications and marketing collateral introducing range of TA offerings available and program requirements** • **Explore potential models for a statewide TA network**

4. ACCESSIBLE INFO & PROMOTION

Effective communication and information are cornerstones of any successful program. Stakeholders shared challenges with understanding the Designation Programs, accessing information, and sharing or describing them to others. Lack of clear and accessible information can limit program awareness, access to benefits, equitable participation, and alignment between program and local goals. Effective communication is particularly challenging for designation and related programs, given their complexity and the diversity of users. Some stake-holders shared that they can't begin to understand the benefits matrix. Some agency staff members could not name all the programs or describe the overall purpose.

Stakeholder input revealed key priorities for improvements:

- Appealing program name, brand, language, and messages
- More regular communications and announcements
- Simple and consistent messages and information on program basics
- Clearer and more accessible information and resources
- Proactive outreach and publicity

RECOMMENDATIONS			
Establish a new brand identity and messaging	Develop clear, cohesive resources, and information	Adopt accessibility standards and practices	Expand proactive communication and outreach

ESTABLISH A NEW BRAND IDENTITY AND MESSAGING

Effective promotion starts with a name. The word "designation" means little to many Vermonters—even those who use and benefit from programs. It does little to spark interest or explain what the programs are and do. Program materials explain more, but technical language can discourage and exclude people. Improved branding and messaging will increase program awareness, interest, and access.

Create a New Brand Identity

A brand "identity" for the Designation Program includes several components. DHCD should work with a branding and communications specialist to design an appealing and inclusive identity. The process should prioritize accessibility (colors, fonts, icons readable for people with vision impair-ments) and inclusion (words, icons, colors, and symbols that resonate with stakeholders). Brand identity elements include:

- Brand position, personality, values, and tone
- Program name and tagline
- Logo, color palette and font system

Develop Tools and Training

Branding and messaging are only effective if they are used consistently. Simple tools can help DHCD staff members, agencies, and other partners all adopt and use new branding and messages. Public communication tools, templates and collateral can also help local leaders effectively communicate about the programs. DHCD and partners should consider:

- Basic messaging tools like message boxes and elevator pitches
- Design, style, and language usage guidelines for DHCD staff and partners
- Training for staff and partners on implementing messaging and identity
- Staff capacity to manage communications

WHAT'S IN A NAME?

A new name for the Designation Program can increase appeal and help people understand what they do. Some stakeholders suggested names and taglines already, from plain to poetic:

- Vibrant Vermont Places
- VibrantVT: Empowering Civic Centers, Healthy People & Local Economies
- DesignationVT: Investing in Vermont's Vibrant Communities
- Designated Places

DHCD will want to consider new names while developing a new identity overall. Best practices include:

- **Short: few words, short words, simple words**
- **Sweet: words and ideas that people use**
- **Descriptive: clearly conveys what the program is and does**
- **Memorable: unique and easy to learn, repeat, and remember**

DEVELOP CLEAR, COHESIVE RESOURCES AND INFORMATION

Current program information and promotional materials are often complex, technical, and hard to understand. Program users want more resources in simple to use formats that provide a better understanding of the program, benefits, requirements, and processes. Consistent messages and checklists and simple reporting forms are top concepts to pursue.

Develop "Sticky" Messages and Language

Thousands of stakeholder comments reveal values, priorities and wishes—and the language that people use and prefer. These insights can help shape new program messages and terminology. Keywords, phrases, ideas, and messages all impact how well people understand program vision and details, how interested and attached they feel, and what actions they take. Messages and language are strongest when they are "sticky" (appealing, unique, and easy to remember). Using simple, common words and audiences' own vocabulary can increase understanding and relat-ability—even when a more technical word is most accurate.

DHCD should develop:

- Powerful core messages about what the Program is, why it matters, what it offers, and how to engage
- Consistent vocabulary and preferred language, prioritizing

plain language that stakeholders use

- "Boilerplate" language to use in all formal materials
- Customized messages and language for different groups and purposes (planners vs. business owners, enrolling in the program vs. applying for grants)

DEVELOP ENGAGING INFORMATION, RESOURCES, AND OUTREACH MATERIALS

The engagement process that informed these recommendations has provided ample material on core community values and priorities as well as ideas for messaging that may resonate. Current program materials largely focus on the designation and structure of the program; future materials should show how program structure and offerings seek to meet key values and priorities.

ADOPT ACCESSIBILITY STANDARDS AND PRACTICES

Communications, resources, events, assistance, and all program offerings must be accessible to everyone, regardless of race, age, disability, ancestry, sexual orientation, and many other factors. Barriers to accessibility include language and English proficiency, reading level, disabilities, technology skills or digital access. The State of Vermont has a nondiscrimination policy and all federally funded programs must provide language access services such as translation and American Sign Language Interpretation. Some state agencies have made major improvements, but others (including ACCD) do not yet offer comprehensive language access or accessibility services.

STATEWIDE LANGUAGE ACCESS

The Vermont Office of Racial Equity's 2023 Language Access Report studies current language access and makes statewide recommendations. The Agency of Natural Resources has a language access plan and is implementing solutions.

Both offer resources and models for improving access.

Develop Language Access and Accessibility Plans and Services

Increasing equity in designation programs requires equitable access to program resources and information. DHCD should develop and implement a language access plan and an accessibility plan (or work with ACCD to do so).

Language access plans identify steps to ensure access for people with "limited English proficiency" (including speakers of other languages or people with disabilities).[1] Actions may include:

- Providing and publicizing language translation, ASL interpretation and other services
- Translating documents and materials and offering digital translator services
- Training staff and partners on best practices

Accessibility plans identify and plan for a larger range of accessibility barriers, including mobility, chronic disease, and neurodiversity. Actions may include:

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1   Vermont Office of Racial Equity, "2023 Language Access Report," 2023, racialequity.vermont.gov/sites/reap/files/doc_library/Office%20of%20Racial%20Equity%20Language%20Access%20Report%202023_0.pdf.

- Implementing accessibility improvements and universal design policies
- Making accessibility upgrades to buildings, websites, and other services
- Identifying specific stakeholders with accessibility barriers, and addressing them

EXPAND PROACTIVE COMMUNICATION AND OUTREACH

Proactive and intentional communications and outreach strategy can increase program awareness, access to information, and local action. Integrating storytelling and showcasing success stories can inspire and motivate communities, ensuring that they see the program not just as a set of guidelines but as a tool for sustaining historic assets, evolving civic centers, and transforming communities.

Develop an Outreach and Communications Strategy

A comprehensive outreach and communications strategy can help identify stakeholders and audiences, inventory resources, and strengthen communication channels. DHCD should create a plan to reach diverse stakeholders.

See More Recommendations

3. BETTER BENEFITS & SUPPORT
Connect and Expand Statewide Technical Assistance

SYSTEMIC SOLUTIONS

APPENDIX 5: SYSTEMIC CHALLENGES

Expand Outreach and Communications

To support active engagement and alignment of local efforts, the "hub" or one-stop-shop model of a potential technical assistance network could serve as a centralized communication system, ensuring that municipalities, especially smaller ones, receive consistent and timely information. This channel should offer communications such as a newsletter highlighting new technical assistance offerings or synthesizing information about new funding opportunities. DHCD staff and/or technical assistance partners will need dedicated time for proactive outreach and to generate content and opportunities to regularly share information.

NEXT STEPS	FUTURE WORK
• **Make simple access improvements** • **Develop new program brand, messages** • **Identify needs and resources**	• **Establish accessibility services and policies** • **Expand promotion, outreach, and content**

5. MONITORING & SHARING

This project represents the first full program evaluation since the launch, nearly 25 years ago. Many aspects of evaluation were challenging or limited, due to lack of consistent data and monitoring processes for the programs themselves and for the many related benefits. It's now essential to design a thorough but practical system for monitoring progress and evaluating the next phase.

Reform recommendations include ambitious new goals and calls to significantly increase program benefits and investments. Performance monitoring, data capture, and sharing are all critical to program success.

Purposes include:

- Tracking alignment of program activities and goals
- Responding to emerging needs, opportunities, and input from stakeholders
- Measuring impact and return on investments
- Increasing transparency around program access and use of state resources

Thorough performance monitoring requires collaboration with other agencies, private sector partners, and local communities. DHCD should work with partners and stakeholders to design practical methods that don't increase burdens. Other state partners may be able to increase access to data or support monitoring, such as the Vermont State Data Center at the University of Vermont and the Vermont Center for Geographic Information.

RECOMMENDATIONS			
Develop an evaluation plan and process	Establish impact measures	Monitor program progress and effectiveness	Expand sharing, listening, and reporting

DEVELOP AN EVALUATION PLAN AND PROCESS

By regularly reviewing metrics regarding program engagement, communications, and feedback, DHCD and partners can identify bottlenecks, areas for improvement, and whether reforms are reaching a broad range of communities and achieving their intended goals. Metrics can track the effectiveness of interagency collaboration, a key element of the reformed program. While DHCD regularly collects infor-

mation and produces annual reports, the current Designation Programs lack clearly defined goals, metrics, and success criteria.

Monitoring and evaluation require up-front and ongoing investment. Evaluating some components also requires data that may not yet exist and may be costly or challenging to source. DHCD staff can identify and begin tracking easily accessible metrics in the short-term, while creating longer-term goals and plans.

WHAT'S WORTH MEASURING?

Performance monitoring includes identifying quantifiable goals, measuring indicators of those goals, collating feedback, and proposing adjustments for continuous improvement. Key areas to capture, track and monitor include:

- **Program use and performance**: administrative efficiency, statewide participation, equitable access, use of benefits, funding sources, and partnership support.

- **Stakeholder input**: satisfaction and input on program impact, ease of use, access to benefits, local awareness, and other factors

- **Local impacts**: type and number of local projects implemented, use of benefits and resources, community-level outcomes, funding leveraged

- **Statewide results**: long-term impact on statewide goals such as housing development and affordability, climate resilience, livability, sustainable transportation, equity, and economic development

- **Stories and lessons**: project examples and models, lessons learned, best practices, and stories from stakeholders and residents

See More Recommendations

2. COORDINATED ADMINISTRATION & GOVERNANCE
Reform the Downtown Development Board

Establish Methods and Roles

DHCD and partners should scope efficient, low-effort methods for collecting information in the short term and as a reformed program is launched. In the longer term, reporting efforts should be expanded to include methods for collecting more detailed or qualitative information. DHCD and a reformed Board should assign roles and responsibilities for reporting on program progress and needs, specifically how to collect and report to program leadership and the Legislature for reform needed commensurate with a performance monitoring program. This includes success stories, administrative hurdles, needs, and barriers to program and project success, and on-the-ground impact.

Consider Partnerships or a Formal Performance Monitoring Team

Establishing a performance monitoring system will require capacity and may take time especially if it involves forging new partnerships. Steps to begin building a team and new processes include:

- Consider partnership with the University of Vermont to support data collection and performance monitoring, as well as the technical assistance network or other partners, like the Vermont Center for Geographic Information

- Scope short term metrics options versus longer term efforts for this partnership

- Build a team within state government and with partners

- Establish procedures for continuous measuring.

ESTABLISH IMPACT METRICS

Tracking specific developmental outcomes, such as increased economic activity, enhanced historic preservation, improved

quality of life, and climate resilience in designated areas will help to evaluate the impact of the reformed program. This should be an ongoing system with periodic reviews. Qualitative assessments, such as case studies and success stories, should be conducted to understand the program's impact on individual communities. These assessments should be made easily accessible to the public online to showcase the program's success and inform future improvements.

Many metrics can serve as the long-term tracking of statewide goals, and how the designation program fits into them. For most measures, where possible, metrics should be tracked within the designated areas as compared to the rest of the state. Data collection challenges exist (i.e. data collection in smaller communities and rural locations, or lack of data at the designation level). Partnerships with the State Data Center at the University of Vermont or VCGI could help expand data.

DHCD could also establish more strategies to measure the effectiveness of program administration, such as measuring the time it takes municipalities to complete the process, from initial engagement with RPCs to approval. Establishing official vehicles for feedback on the program such as surveys and informal complaint queries can also offer more data on program user experience.

MONITOR PROGRAM PROGRESS AND EFFECTIVENESS

Ensuring that the benefits of the program are effective and distributed equitably is another critical goal for reform. Reform success should be tracked and made publicly available in an accessible manner (on a public website) to promote transparency and accountability. Information on distribution and benefits accessed is currently tracked, though may not be easily accessed or understood. There are opportunities to

prioritize quantitative data *and* qualitative information and share impact more directly.

Future program equity and success rely on capturing and evaluating varied data. Topics of equity and equitable distribution of resources in Vermont's communities are essential to all state initiatives, not just the designation program. The metrics below could be incorporated into data analytics efforts led by other agencies or partners like UVM. If participating in a larger initiative, DHCD program staff could work with partners to ensure that data points relevant to the designation program are incorporated, so the designation program can learn from findings and continue improvement.

EXPAND SHARING, LISTENING, AND REPORTING

Continuing to collect information regularly on the progress of access, implementation, and reach into a broad range of communities will support DHCD, RPCs, and a reformed Board's ability to monitor success of a reformed program. Regularly reporting should use formats that are simple and straightforward to collect a variety of information from communities without creating more administrative burden.

SUGGESTED METRICS FOR FUTURE DESIGNATION PROGRAM MONITORING

Short-term Metrics on Designation Impact	Long-term Metrics on Designation Impact
• Real estate and housing inventory in designations • Percent of land in flood zones, special flood hazard areas, and/or river corridors • Census, Bureau of Labor Statistics, and Bureau of Economic Analysis profiles (Population, employment, unemployment) • Home sales volume, median sale price, median rents • Historic designation inventory	• Assessed real estate values • Vehicle Miles Traveled (VMT) and commute patterns • Number of transit trips and non-auto mode share • Number of affordable housing subsidies • Income distribution (Gini index) • Resident quality of life surveys • Spatial analysis (amenities available to average residents)
Short-term Metrics on Program Impact	**Short-term Metrics on Program Impact**
• Designation distribution and reach (individuals and businesses in different designation communities) • Geographic distribution of designations across the state • Demographics of participating communities, including major environmental justice categories like poverty rate, number of seniors, and racial minorities • Stakeholder input on program satisfaction and equity • Incorporation of reformed designation program into agency and partner funding programs	• Geographic distribution of benefits, or the communities and geographic range of awarded benefits • Statewide racial gap in homeownership rates • Demographics: environmental justice categories • Geographic distribution of program benefits (dollars and other)

NEXT STEPS	FUTURE WORK
• **Identify data sources and gaps** • **Identify priority metrics** • **Explore formats for simple information collection** • **Explore partnerships**	• **Set roles and responsibilities for additional data monitoring and story collection** • **Create and implement monitoring plan** • **Expand statewide data access and sharing**

SYSTEMIC SOLUTIONS

The Evaluation Chapter identified several systemic challenges and opportunities: improving equity and access, addressing local capacity gaps, and improving livability and public services in growing communities. Each of those areas involves many interrelated needs, issues, and potential solutions. The three areas also relate to and impact each other.

The consulting team held additional focus groups and conversations to better understand these issues from multiple perspectives and identify priority action recommendations. Many of these conversations highlighted the complexity of these problems, and the need to address root causes and change other systems.

This section highlights the key *designation program recommendations* that can address these issues. **Appendix 5: Systemic Challenges** captures detailed thinking on these major themes and connections, potential resources and approaches, and actions for other state leaders and local communities.

EQUITY, DIVERSITY AND ACCESS

Improving equity in designation programs, communities, and Vermont overall will require intentional, long-term work and serious investments. That includes practical actions to improve accessibility and equity of specific programs and practices. It also includes coordinated, large-scale efforts to increase statewide diversity, change systems, and address root causes of inequity.

Top recommendations include ways to increase equity within the Reformed Designation Program *and* ways that the Designation Program can support equity and access statewide.

Priority Recommendations

ENSURE EQUITABLE ACCESS TO DESIGNATION PROGRAM AND BENEFITS

- Create flexible designation programs and benefits to fit the needs of diverse communities and program users

- Expand capacity building and technical assistance for local projects, including training, design help, dedicated project support

- Offer language access and accessibility services to all program users, participants, and designation stakeholders

- Design inclusive language, materials and communications that celebrate and show diversity and are easy to read and understand

Priority Recommendations

DESIGN DESIGNATION BENEFITS AND INVESTMENTS TO INCREASE EQUITY

- Create flexible designation programs and benefits to fit the needs of diverse communities and program users

- Expand capacity building and technical assistance for local projects, including training, design help, dedicated project support

- Offer language access and accessibility services to all program users, participants, and designation stakeholders

- Design inclusive language, materials and communications that celebrate and show diversity and are easy to read and understand

LOCAL CAPACITY

Limited local capacity is one of the biggest barriers to implementing designation programs and most other state and local goals. Capacity is a barrier for more rural and underserved communities, but it is still an issue for larger communities with more staff and resources. It limits everything from small, grassroots placemaking efforts to major infrastructure projects.

Designation reform recommendations include ambitious goals for progress on the ground. Vermont must address systemic local capacity barriers to make that happen. That can include three general approaches: reducing capacity needs and burdens, increasing local capacity, and increasing technical assistance resources and access. State leaders and organizations identified top priority reform recommendations to address local capacity needs.

Priority Recommendations **REDUCE BURDENS AND CAPACITY NEEDS**	Priority Recommendations **INCREASE CAPACITY AND LOCAL RESOURCES**	Priority Recommendations **EXPAND SUPPORT, TECHNICAL ASSISTANCE, AND ACCESS**
• Simplify designation programs and reduce requirements to lower the burden of applying for and managing programs • Improve digital systems and workflows to share data across state agencies and reduce administrative work • Capture and share information and resources for local action like case studies, design ideas, templates, model policies and projects	• Expand designation benefits for local coordination including support for organizations like downtown groups and operations/staff funding in grants • Increase DHCD staff outreach and direct support to promote designation, convene local stakeholders, and offer training or coaching • Develop comprehensive support teams and programs to support cradle-to-grave project needs and build local systems for ongoing action	• Formalize a state technical assistance network to coordinate offerings, inventory existing offerings and improve access • Identify gaps and explore a state TA or design center to centralize access such as a network of TA hubs or centralized design center and/or provide comprehensive assistance • Improve accessible communications and information by developing agency policies and resources for accessibility services, plain language, and language access • Expand designation benefits and funding resources by increasing state investment; identify creative revenue sources or public-private partnerships

Go Deeper on Systemic Challenges and Solutions

Learn more about stakeholder and partner ideas, needs, and resources.

APPENDIX 5: SYSTEMIC CHALLENGES

LIVABILITY AND SOCIAL SERVICE NEEDS

From energy efficiency to climate resilience, economic development to smart growth, many different state priorities and goals see compact community centers as a key solution. The Reformed Designation Program and many other state policies encourage growth in downtowns and village centers: economic development, siting of state facilities and services, cultural activities and more. Many stakeholders and leaders emphasized the urgency and need for "housing first."

It's also urgent to identify and plan for needs that come with housing and growth. Social and public service needs are growing, from mental health and public safety to accessible streets and gathering places. Municipalities cannot meet and fund these growing needs alone. Unmet needs threaten the appeal, safety, and livability of these very centers. Solutions require coordinated action to reduce needs, increase access to existing services, and expand resources.

Leaders and local stakeholders from many perspectives identified several ways that designation programs can help, with a focus on strategic and high-impact investments and creative, collaborative solutions.

Priority Recommendations **REDUCE NEEDS/DEMAND FOR LOCAL SERVICES**	Priority Recommendations **INCREASE ACCESS TO EXISTING RESOURCES**	Priority Recommendations **EXPAND PUBLIC AND SOCIAL SERVICES**
• Expand benefits and support for projects that build health and wealth, improving well-being and reducing social service needs (such as public spaces, housing options, trail access) • Fast-track infrastructure development (water/sewer, transportation, and complete streets) to speed housing growth, by accessing federal funds, providing dedicated support, and loosening regulations • Expand housing programs and incentives to quickly add diverse housing units (including transitional housing, assisted living, residential treatment)	• Create a state agency leadership group to coordinate and leverage dollars, resources, and actions from multiple agencies • Offer benefits and support for inclusive design that reduces barriers to people accessing local resources (such as "first and final mile" transportation projects or accessibility training for town staff) • Formalize a state technical assistance network to coordinate offerings, inventory existing offerings and improve access	• Support local revenue generation models that can increase local funding and capacity to provide services • Support or lead regional investments and projects to increase efficiency and speed, such as regional transit or housing projects • Expand designation benefits and funding resources for local coordinating organizations and creative partnerships (such as downtown organizations or community coordinators)

DESIGNATION 2050

CASE STUDIES

Community development and revitalization strategies from Delaware, Maine, Maryland, Michigan, and Utah

Vibrant, livable, compact centers are common goals for states and communities all across the country. Many states have programs and ideas to strengthen them. This section provides an overview of different approaches to land use investment and support from other states.

The consulting team developed these case studies while considering recommendations and potential recommendations for designation reform in Vermont. Each case study provides an overview of strengths and weaknesses, key strategies, program details, and takeaways for Vermont.

Delaware

Delaware may be the smallest state, but it's a national leader in land use policy and community development. The state provides a great deal of infrastructure and services and plays a larger role in statewide land use planning than other state governments. A coordinated statewide land use planning process ensures that state, county, and local governments are working together. It also provides the governor with recommendations to resolve inconsistencies.

- **The Cabinet Committee on State Planning Issues (CCSPI**, stateplanning.delaware.gov/ccspi/) recommends a general pattern of land use within the state, considering topography, climate, economic trends, and population shifts.

- **The Delaware Code** (delcode.delaware.gov/title22/c007) requires that all local jurisdictions prepare comprehensive land use plans and that these plans articulate the goals and vision for each community.

- **The Office of State Planning Coordination** (stateplanning.delaware.gov) reviews plans and the governor certifies them based on the Strategies for State Policies and Spending. This process supports intergovernmental coordination, elevating inconsistencies and recommendations to the governor.

TAKEAWAYS AND POLICY IDEAS FOR VERMONT

1. A matrix assigns roles and responsibilities for each state agency and designated investment level.

2. A District Administrator is the chief point of contact for each Downtown Development District (DDD) and is responsible for all required record keeping and reporting.

3. DDDs must identify a Key Priority Project— a potential catalyst for other redevelopment activity, or a project that offers superior urban design or other benefits to the district.

4. The Office of State Planning Coordination shares examples of outstanding applications for all benefit programs to reduce confusion and provide templates for quality applications.

5. A smaller-scale Main Street program (Commercial District Affiliate Communities) serves smaller communities that want to plan for strategic growth and economic development, but aren't yet ready for the full Main Street program.

Photos: Flickr CC / Jimmy Emerson DVM
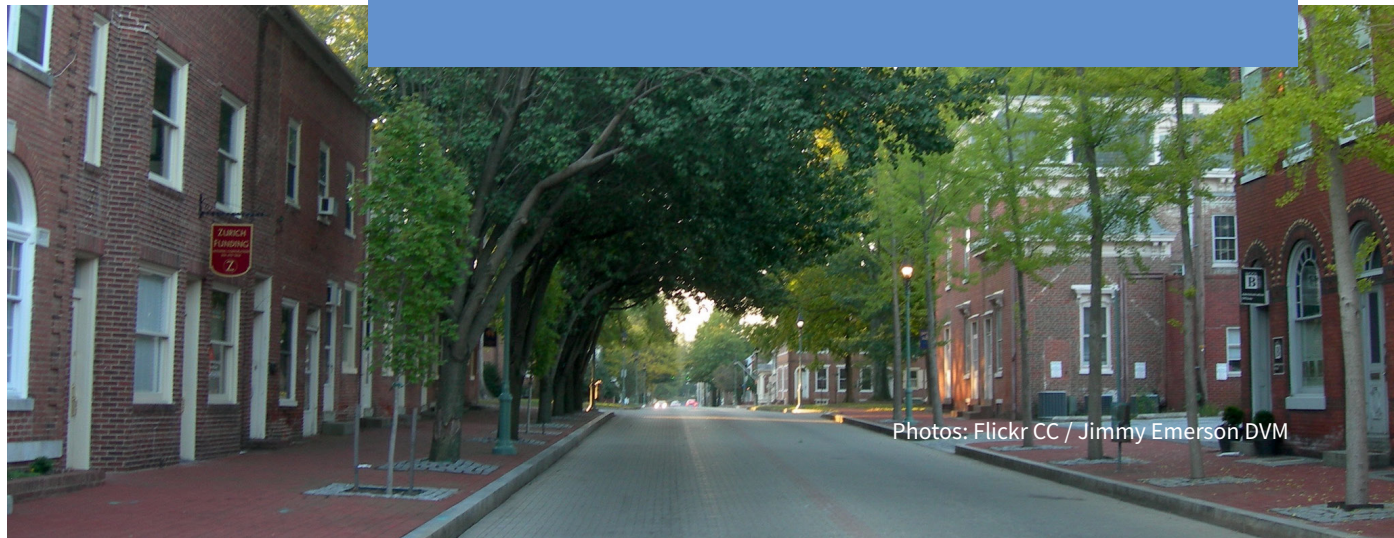
COMPARING DELAWARE AND VERMONT

What's Similar

- Similarly complex process of state DDD approval, in accordance with both state and local planning initiatives.

- Many smaller towns and few large cities across the state, presenting complex agricultural and developable land issues.

- Designation programs build capacity, even if that wasn't the original intent.

What's Different in Delaware

- More coordinated effort between all state agencies; assigned roles in strategic growth programs for every agency, laid out in state planning documents.

- Active role for state government in local land use planning, allowing for more coordinated growth management.

- Downtown Delaware housed at the Delaware Economic Development Office, in partnership with the United States Department of Agriculture, allowing access to more funds.

GRANT PROGRAMS

Downtown Development Districts (DDDs)

stateplanning.delaware.gov/about/ddd.shtml

The DDD program provides designated downtown districts with significant incentives and other benefits that spur investment and development. The governor proposed legislation to create the DDD program in 2015. The primary state-level incentive is the rebate program, which offsets up to 20% of construction and redevelopment costs. Participating municipalities implement local incentives such as expedited permits, lower zoning barriers, and small storefront grants.

Downtown Delaware

delawaremainstreet.com

Downtown Delaware is a Main Street America coordinating program. It serves as a downtown revitalization resource center with a focus on supporting businesses and planning for the location of retail and services. A component of the program is the Neighborhood Building Blocks Fund, which focuses on neighborhood revitalization and economic development programs in and around DDDs.

TECHNICAL ASSISTANCE PROGRAMS

Preliminary Land Use Service (PLUS)

plus.stateplanning.delaware.gov/pages/about-plus

PLUS provides state agency review of major land use change proposals prior to local submission. All applicable state agencies review proposals at the start of the land development process. This adds insight and streamlines review without limiting local government decision-making authority.

REGULATORY RELIEF AND PLANNING SUPPORT

Complete Community Enterprise Districts (CCED)

CCEDs are a tool to help local and state governments align their land use and transportation policies. This helps catalyze the development of compact, walkable, transit accessible, and mixed-use neighborhoods. Local governments plan for mixed-uses and higher density development in designated CCEDs while reducing counterproductive and burdensome parking regulations.

Delaware Commercial District Affiliate (CDA) Communities

delawaremainstreet.com/affiliates

The CDA designation supports revitalization work similar to Main Street programs but on a smaller scale. CDA communities work with Downtown Delaware representatives to build strategies that develop partnerships, increase funding, and grow small businesses. An "aspiring" tier allows communities early in their revitalization efforts to explore the Main Street Approach™ without committing to becoming affiliates.

Delaware Strategies for State Policies and Spending

stateplanning.delaware.gov/strategies

The document and data map series delineate "investment levels" for areas across the state to focus and direct priorities and investments. It ranks areas with Investment Levels from 1-4 and "Out-of-Play." State policies support growth and economic development activities in Levels 1 - 3, with Levels 1 and 2 being the primary focus. Out-of-Play areas are not available for development investments. They include public lands, as well as private lands with some form of permanent conservation, open space protection, or other legal development constraints.

EVALUATION

Delaware is unique in many aspects, but its *Strategies for State Policies and Spending* is an admirable feat of statewide growth management and planning. Although the document isn't legislation, it provides a baseline for the state to guide investments and development in a coordinated manner. It also aids in supporting coordination between multiple state agencies to produce outcomes that provide the most benefits to the widest range of communities.

Similarly, Delaware's innovative approach to assigning different investment levels for designated areas is a great way to simplify a complex designation program, and something that Vermont may want to consider implementing. The DDD program is a kind of revamped Main Street program with a similar mission of historic preservation and downtown development, but it also brings affordable housing into the equation.

Maine

Maine's existing lattice of state, quasi-governmental, and local growth-management policies may undergo important changes in the coming months. A bill introduced in the legislature in the 2023 session, LD 1976, seeks to encourage traditional urban development patterns while diversifying the state's existing framework of growth areas and rural areas.

The new program would resemble Vermont's, with designation categories that target state development incentives, grants, investments, and technical assistance. Maine uses two distinct designation-type programs to target state resources and incentives at downtown districts and infill development: its Downtown Revitalization Grant Program (DRGP) and its Growth Management Program (GMP).

GRANT PROGRAMS

Downtown Revitalization Grant Program (DRGP)

maine.gov/decd/community-development/cdbg-program/grant-categories/downtown-revitalization-grant-program

The DRGP is a competitive, formula-based grant program that provides grants to spur investment in downtowns and business districts. Grants are administered as a subset of Maine's Community Development Block Grant (CDBG) allocation and have a range of eligibility requirements. Projects are reviewed for compliance with state and federal environmental regulations and can receive bonus points if their community has received a Downtown Center Designation. The state's Office of Community Development provides technical assistance and training to communities interested in applying for funding.

TAKEAWAYS AND POLICY IDEAS FOR VERMONT

1. Maine created a "map" of current conditions, policies, and regulations attached to the problems they create; a series of intermediate steps shows how places will get to where they want to be (not just a problem-solution diagram).

2. Various checklists for planning procedures ensure that local planning aligns with state planning and policy objectives.

3. The state offers a Downtown Affiliate program for communities in the early stages of downtown revitalization and for those working toward a Main Street designation.

– Photo: ©Community Workshop LLC

COMPARING MAINE AND VERMONT

What's Similar

- Easier to develop on undeveloped land; rural land base promotes sprawl and fringe development.

- Capacity and communication issues in the local-state governance pipeline.

- Limited housing stock options and general need for more housing.

- Development constraints due to environmental regulation in both rural and urban areas.

- Required set of criteria for communities to apply for assistance.

What's Different in Maine

- Technical assistance and financial investment are focused in places identified as ready for development, rather than being available to a variety of designation types.

- State government acts as a pseudo-financial institution that consolidates funding sources into one lump sum fund that applicants can access if approved; it doesn't pull from state resources and makes accessing funding easier.

- Identifies "Priority Development Areas" rather than designations; includes most areas equivalent to Vermont designations, but frames problems and solutions differently.

- Requires a resilience plan in order to apply for funding, and a detailed review of applicants' situations, including checklists.

TECHNICAL ASSISTANCE PROGRAMS

Maine Downtown Center | Main Street Maine

mdf.org/program-partnerships/maine-downtown-center/
mainstreetmaine.org/

The Maine Downtown Center (MDC) Program, operated by the Maine Downtown Foundation (mdf.org), is a Main Street America coordinating program. Though it is not funded by the state, designation as a Main Street Maine Community or Maine Downtown Network Community gives applicants bonus points for DRGP scoring. Main Street Maine is a collaborative tourism marketing project of Maine's designated Main Street organizations, focused on community programming, placemaking, and small business support.

Growth Management Program

legislature.maine.gov/statutes/30-A/title30-Asec4326.html

Maine's 1998 Comprehensive Planning and Land Use Act ("Growth Management Act") is a planning-enabling act. It gives municipalities authority and encourages them to adopt growth management goals as part of their comprehensive planning processes. State law requires agencies to prioritize growth areas when selecting locations for compatible capital investments, state facilities, and other state grants. Some state-level environmental review processes exempt development in Growth Areas. A new smart growth bill, LD 1976, would revise Maine's existing Growth Management program to encourage and adjust incentives for more context-sensitive planning.

Photo: ©Community Workshop LLC

EVALUATION

The effort to improve Maine's Growth Management program with statewide legislation is commendable and needed, given the program's ambiguity and disparate development outcomes. These issues have been particularly potent for smaller, more rural towns in Maine that don't have the capacity to incorporate a complex growth management program into their comprehensive plans.

A similarity between Maine and Vermont programs is the focus on environmental and open land conservation. A major benefit of both programs is incentivizing compact development to preserve limited natural resources while also supporting economic growth.

A unique element of Maine's Main Street programs is that they are not funded by the state, but by an independent authority (Maine Downtown Foundation).

This provides the program with additional capacity and flexibility that state-funded Main Street programs don't have. However, this also means that designated communities don't have access to as many state benefits, opting instead for capacity-building technical assistance (such as marketing support).

Maryland

Long considered a leader in smart growth incentive programs, Maryland has three major designation-type programs designed to foster compact development, Main Street vitality, and historic preservation:

- **Priority Funding Areas (PFAs)**

- **2010 Sustainable Communities Act**

- **Rural Legacy Program (RLP)**

Additionally, the Maryland Governor's Executive Council Subcabinet on Smart Growth provides high-level monitoring and reporting and is empowered to make determinations on Sustainable Communities applications.

GRANT PROGRAMS

Priority Funding Areas (PFA)

planning.maryland.gov/Pages/OurProducts/pfamap.aspx

Adopted in 1997, PFA is a place-type growth management designation program. It links local planning with state investments to guide physical development. Local governments designate PFAs through their comprehensive planning processes. Four areas qualify as PFAs by default: municipalities as existed in 1997, areas inside the Beltway and the Baltimore Highway, existing industrial land, and areas already designated as enterprise zones, neighborhood revitalization areas, or heritage areas.

TAKEAWAYS AND POLICY IDEAS FOR VERMONT

1. A place-based designation program offers a comprehensive package of resources that support holistic strategies for community development, revitalization, and sustainability instead of just offering financial benefits or regulatory relief.

2. Statewide legislation (Sustainable Communities Act) coordinates targeted state grant, loan, and tax credit investment tools to revitalize Maryland communities.

3. Several funding opportunities support local businesses in Sustainable Communities through capacity building and maintenance grants. This contrasts with general, long-term access to funding or regulatory relief for new development (more long-term support like the Rural Legacy Program).
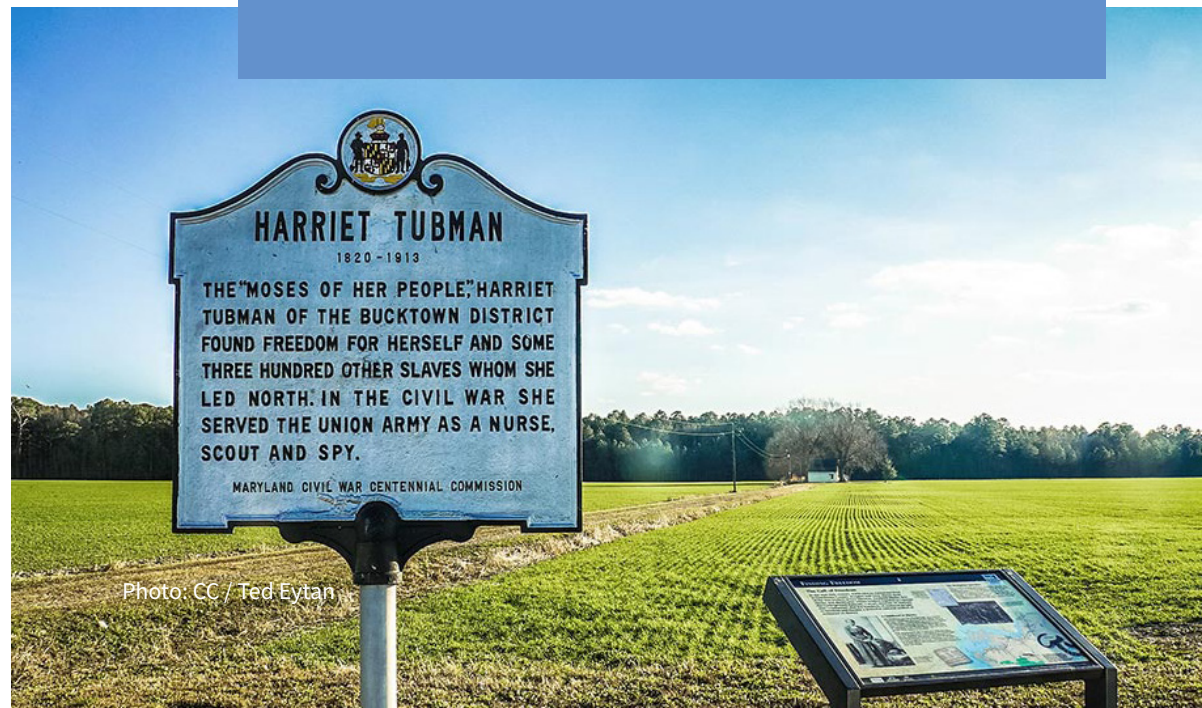
Photo: CC / Ted Eytan

COMPARING MARYLAND AND VERMONT

What's Similar

1. One governmental body charged with managing state designations—Governor's Smart Growth Subcabinet (different from Vermont: not a state agency).

2. Application for sustainable communities requires a defined geographic boundary; must also prove alignment with comprehensive plan and goals for PFAs.

3. PFAs similar to Vermont's Designation Programs; both aimed at controlling growth and supporting historic downtowns.

What's Different About Maryland

1. Sustainable Communities designation requires local government resolution approving the area boundaries.

2. Designation gives access to technical assistance provided by the Main Street Maryland Program.

3. Sustainable Communities designation places emphasis on infrastructure improvement, multimodal transportation, and development that strengthens existing communities; more comprehensive than the existing Vermont designation program.

Rural Legacy Program

dnr.maryland.gov/land/Pages/RuralLegacy/home.aspx

The RLP is a relatively limited state program that provides funds for local governments and land trusts to purchase development rights on properties in rural areas with growth pressure. It complements the PFA program, working to preserve contiguous blocks, corridors, and greenways of agricultural and natural lands.

TECHNICAL ASSISTANCE PROGRAMS

Main Street Maryland

dhcd.maryland.gov/Communities/pages/programs/mainstreet.aspx

Maryland's Main Street program is a Main Street America affiliate focused on community-driven development and historic preservation. The state's 33 designated Main Streets must be downtowns with a significant number of historic commercial buildings; in places with a population of more than 1,000; and within Sustainable Communities boundaries.

TAX INCENTIVE PROGRAMS

Sustainable Communities

dhcd.maryland.gov/Communities/Pages/dn/default.aspx

Established by the Sustainable Communities Act of 2010, the Maryland Department of Housing and Community Development's Sustainable Communities program is a place-based designation offering a package of grants, loans, and tax credit investment tools to encourage community development, revitalization, and sustainable development. Sustainable Community geographies are fully nested within the boundaries of PFAs and generally include older developed areas. Incentive programs in Sustainable Communities provide grants and loans for business retention and attraction, demolition and land assembly, the construction of anchor institutions, and housing development.

EVALUATION

Despite their strengths, research into the effectiveness of PFAs and the RLP has shown mixed results. A 2011 report from the National Center for Smart Growth examined program indicators like population, economy, housing, and natural resources. It found an inconclusive impact of the programs on the communities where they were established.

An interesting difference between Main Street Maryland and Vermont's Downtown Program is that Maryland requires communities be designated as Sustainable Communities prior to applying for a Main Street designation. Many other states do the reverse, but this allows Maryland to apply its own sustainability and development standards to filter for communities that would be best fits for and would most benefit from the program.

Overall, strategic growth governance across the state of Maryland has a strong focus on sustainability rather than compact development. This allows the state to address a comprehensive set of overarching elements that impact community development, stringing together investment in historic downtowns, strategic growth, and climate resilience.

Photo: Library of Congress / Carol Highsmith

Michigan

Like Vermont, Michigan has a range of place-based funding and incentive programs that direct investment to commercial centers and established neighborhoods. However, while Vermont's Designation Programs promote a range of goals, Michigan's programs more narrowly target economic development and revitalization. Though Michigan's various programs are complex and often overlapping, a key strength is that the Michigan Economic Development Corporation (MEDC, michiganbusiness.org) manages them all. This public-private partnership offers extensive technical assistance and resources to promote economic development.

GRANT PROGRAMS

Build MI Community Grant Program

miplace.org/developers/build-mi-community/

This grant program is a competitive real estate development-gap financing program that targets traditional commercial districts. It is intended to support small, incremental redevelopment projects led by developers with limited real estate experience. Developers can apply for grants of $50,000-$250,000 to cover up to 50% of project costs. Technical assistance and real estate development classes from MEDC increase their capacity to undertake more complex projects.

MI Community Revitalization Program (MCRP)

miplace.org/programs/michigan-community-revitalization-program/

MCRP is a similar program aimed at larger private investments, also administered by MEDC. It focuses on areas of historical disinvestment through the redevelopment of blighted, obsolete, and historic properties. Performance-based funding can be structured as grants, direct loans, or other assistance like loan participation or equity investment.

TAKEAWAYS AND POLICY IDEAS FOR VERMONT

1. Michigan offers a Developer Toolkit (   ), a package of helpful information providing the ins and outs of designation processes in an easily accessible online format.

2. A sliding scale for grant matching requirements is based on population.

3. A focus on the wider ripple effects of a designation helps not only with that particular municipality, but also the wider region.

4. MEDC offers a voluntary, free technical assistance (TA) initiative to aid communities in building a strong foundation of planning, zoning, and economic development best practices; the program offers a certification and seal of approval so developers can trust that the area is easy to develop in.

Photo: Flickr CC / Michigan Municipal League

COMPARING MICHIGAN AND VERMONT

What's Similar

- Larger grants like Public Spaces Community Places (PSCP) focus on traditional downtowns and needs-based funding.

- Development-focused programs that aim to control growth through brownfield redevelopment, support for existing neighborhoods, and property rehabilitation.

- Downtown organizations to coordinate local work (in Michigan: Downtown Development Authorities or DDAs).

- Resident-led placemaking crowdfunding programs (Michigan's PSCP shaped Vermont's Better Places program).

What's Different in Michigan

- Focus is more on Main Street development and less on downtown redevelopment—a "connector" rather than a "center" approach.

- Communities are grouped into two main categories: Traditional Downtowns and Geographically Disadvantaged Areas. GDAs have priority in applications.

- Community Revitalization program is based on jobs and workforce development, not new construction, downtown revitalization, or holistic approach to community revitalization.

Public Spaces Community Places (PSCP)

miplace.org/programs/public-spaces-community-places/

A limited matching grant program with loose place-based requirements, MEDC's PSCP is intended to support community-driven placemaking projects. Nonprofits, municipalities, and communities are eligible to receive up to $50,000 in matching funds for placemaking projects that are primarily funded through campaigns on the crowdfunding platform Patronicity.

TAX INCENTIVE PROGRAMS

Core Communities

miplace.org/495921/globalassets/documents/fact-sheets/core_communities.pdf

Core Communities is a designation-based tax abatement program aimed at spurring private development in the core of older urban communities and centers of commerce. Criteria

for inclusion target communities with relatively low household incomes and higher-than-average portfolios of vacant and distressed properties. Three programs are available to designated communities: brownfield redevelopment incentives, neighborhood enterprise zone property tax incentives, and obsolete property rehabilitation tax incentives.

Downtown Development Authorities

miplace.org/4949f6/globalassets/documents/fact-sheets/downtown-development-authority-pa-197.pdf

DDAs are state-authorized tax increment financing bodies designed to finance public improvements and spur private development in downtown districts. Any city, township, or village with a downtown "zoned and used principally for business" is eligible to establish a DDA through a process that includes public input but not a direct vote from property owners within the district boundaries.

Corridor Improvement Authorities (CIAs)

miplace.org/4a73d8/globalassets/documents/fact-sheets/corridor-improvement-authority-pa-280.pdf

CIAs are similarly structured to TIF (Tax Increment Financing) districts, intended to spur revitalization on commercial corridors on larger roads. Criteria for CIAs include requirements that the corridor must have mixed-use and high-density residential zoning, first floor commercial space, access to municipal water and sewer, and master plan improvements for bike and pedestrian connections along the corridor.

Neighborhood Development Authorities (NDAs)

miplace.org/4a73da/globalassets/documents/fact-sheets/neighborhood-improvement-authority-pa-61.pdf

State law also authorizes places to set up TIF districts in residential areas. NDAs have a similar organizational structure and revenue-generating authority as CIAs, and they can be used to make improvements to a neighborhood's housing, streets, pedestrian areas, and related public facilities.

TECHNICAL ASSISTANCE PROGRAMS

Redevelopment Ready Communities (RRC)

miplace.org/programs/redevelopment-ready-communities/

RRC is an MEDC-run technical assistance program that prepares communities to offer transparent, predictable, and efficient development experiences. The voluntary, free program walks through a six-phase process to modernize zoning, streamline development reviews, and plan for economic development. Then it gives them access ongoing assistance from MEDC staff. RRC is particularly noteworthy because it is a capacity-building program and a marketing service that supports MEDC's business attraction efforts.

Michigan Main Street Program

miplace.org/programs/michigan-main-street/

Michigan Main Streets is the state's Main Street America affiliate program, called MiPlace. Participating communities receive intensive technical assistance from program staff at MEDC. A unique element of MiPlace's program is the Optimize Main Street Program (miplace.org/small-business/optimize-main-street), which provides technology-related technical assistance and grant funding. It directs Main Street Program dollars to small businesses that might not otherwise have access due to small size or limited capacity.

EVALUATION

A recent report from MEDC evaluates the investment impacts of Michigan's place-based investment programs. According to the report, MEDC invested more than $1 billion in 542 projects over the study period, spurring more than $4 billion in related private development. It also finds that the programs collectively raised nearby property values by at least $1.1 billion. However, an analysis by the Citizens Research Council of Michigan identifies the state's local tax structure as a key limitation on its downtown-focused revitalization strategies. The report recommends property tax changes and enhanced state revenue sharing to municipalities to enhance program effectiveness and make it into a tool for other smart growth goals, like for compact development, sprawl management, and environmental goals.

Utah

Since the 1990s, the nonprofit Envision Utah (envisionutah.org) and its coalition have guided growth and worked to ensure the state's air, water, transportation, and land use policies meet states growing needs, all while maintaining quality of life. This led to the creation of the Quality Growth Strategy in 1997. After experiencing one of the highest growth rates in the country in the 2000s, Utah developed a new 30-year vision for growth and growth management strategy grounded in statewide investment guidelines. It focuses on five key areas to ensure that Utah retains its character and quality of land through continued growth.

GRANT PROGRAMS

Private Activity Bonds (PABs)

jobs.utah.gov/housing/community/pab/faq.html

Tax-exempt bonds (PABs) are issued to private individuals or entities to enable higher levels of borrowing and investment. PABs are attractive for numerous reasons but have the biggest impact for developers: they provide lower interest rates than conventional loans, allow for higher loan amounts, provide for access to a greater variety of financing tools, and facilitate access to equity from 4% low-income housing tax credits.

McAllister Fund

ag.utah.gov/leray-mcallister-working-farm-and-ranch-fund/

The LeRay McAllister Working Farm and Ranch Fund provides grants to preserve and restore

TAKEAWAYS AND POLICY IDEAS FOR VERMONT

1. Utah's intentional statewide growth strategy guides local plans and provides a framework for future investments and developments.

2. Applicants to the Utah Main Street Program have access to an introductory informational webinar.

3. If a community cannot meet Quality Growth Community Program requirements by itself, it may collaborate with neighboring communities to complete the application and share the benefits of the designation.
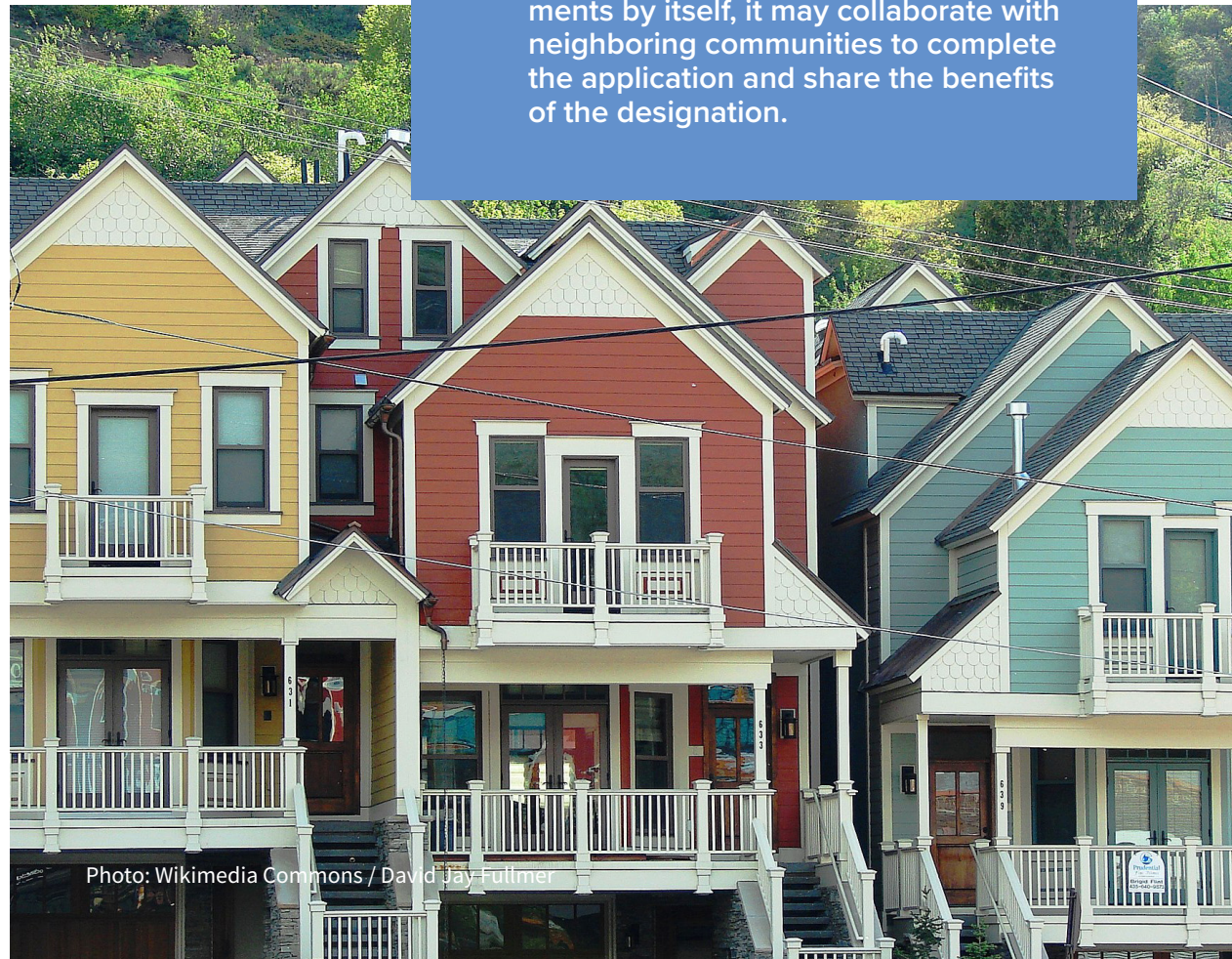
Photo: Wikimedia Commons / David Jay Fullmer

working agricultural land in Utah, also benefiting open space and wildlife. State agencies have used the McAllister Fund as a tool to draw attention to the relationship between preservation and economic opportunity—a relationship that has potential to be complementary or adverse.

Quality Growth Communities (no longer in effect)

slideserve.com/guido/quality-growth-communities-power-point-ppt-presentation

While the latest available information is from 2004, the intention of Quality Growth Communities was to direct state infrastructure funds to communities that are planning for future growth and to encourage local governments to deliver services efficiently. The voluntary, incentive-based program provided priority funding and technical assistance to participating communities.

TECHNICAL ASSISTANCE PROGRAMS

Utah Main Street Program

community.utah.gov/umps/

The Utah Main Street Program, part of the Main Street America program, offers training, consultation, and grant funding for communities with a Main Street designation. The program provides an introductory webinar and easy application access through the Community Designation Application Portal.

Regional Planning Program and Rural Coordinating Council

jobs.utah.gov/housing/community/planning/programs.html

The Regional Planning Program provides direct assistance to communities in coordination with the Community Development Office and regional planners in each Association of Government. The Utah Community Development Office (jobs.

COMPARING UTAH AND VERMONT

What's Similar

- Vacation states, where seasonal tourism influences the availability of housing and business activity at certain times of year.

- Focus on preserving natural resources through encouraging compact development.

- Dedicated state-allocated fund specifically for growth management and land conservation (McAllister Fund in Utah) that is re-allocated annually.

- Highly technical requirements and long application processes to gain access to funding programs.

What's Different in Utah

- Limited concern about climate change influencing growth management programs.

- Encourages regional coordination on applications for funding and state programs as well as implementation of development or conservation solutions.

- Specific planning and development incentive program for rural communities (Rural Coordinating Council) prepares rural areas to balance growth and character.

utah.gov/housing/community/planning) is a resource for rural Utah, with funding from the Permanent Community Impact Fund Board (**jobs.utah.gov/housing/community/cib**).

TAX CREDIT PROGRAMS

Enterprise Zones

gis.utah.gov/data/economy/enterprise-zones/

The Utah governor's Office of Economic Development created Enterprise Zones to encourage economic growth and development in specified areas. It provides tax breaks to development projects within these boundaries. An Enterprise Zone designation is based on the need for development and other economic distress factors, and local elected officials define the zone designation area.

EVALUATION

Like Vermont, Utah's growth management and development incentive programs are somewhat siloed and muddled, leading to confusion from program administrators and users. Much of Utah's community development and town revitalization has focused on rural job growth, rather than general economic development. Another unique element of Utah's growth management programs is the vast amount of Indigenous land, which requires a different management strategy—one that respects the needs of those groups. Nearly all of Utah's programs are housed under the Governor's Office of Economic Opportunity, which provides some coordination. Unfortunately, various committees, working groups, and advisory boards can sometimes work against one another by providing conflicting language and guidance.

CONCLUSION

Work is already underway to refine, adopt, and implement reform recommendations. It will take a village (or hundreds) to make the transition happen.

Vermont is a leader in state-level efforts to promote smart, sustainable growth. To date, Vermont's Designation Programs have supported a wider range of places and goals, sparking success stories and leveraging millions in funding for local community development work.

But more work is needed, and in more places. The next 25 years of designation have the potential to dramatically scale up progress and investment in Vermont communities—with smart, strategic reform.

What Comes Next

Designing simpler and more impactful programs for communities with diverse needs is challenging. The large number of state partners and related efforts increases the opportunity for collaboration, but it also makes reform more complex. Successfully navigating complexity and building partnerships takes time and resources, and capacity is one of the greatest challenges the team identified.

Based on the evaluation, this report put forth a set of actionable recommendations that aim to modernize, streamline, and better align the program with Vermont's current and future challenges—notably, housing access, equity, and climate action. The report serves as a roadmap for legislative and administrative reforms to the Designation Programs. It also shares insight on a broader array of topics shared during engagement with Vermont's community development and planning stakeholders and leaders.

The Designation 2050 project covered significant ground and established a strong framework and critical next steps for reform—and there is more work to be done.

- A **legislative proposal** is currently under development based on this effort along with aligned studies on land use planning and development review.
- A **Climate Resilience & Designations companion report** will follow to delve deeper into other climate risks and climate adaptation opportunities that could be integrated into the designation program.
- State agencies must **continue and deepen their coordination on programs and investments**. DHCD, RPCs, and the Natural Resources Board must work together to establish new processes, guidelines, and support for transition to a reformed program.
- State and local leaders must **address the limitations of current funding and capacity** structures to support impactful, sustainable change on the ground.
- Stakeholders can continue to **weigh in on the direction of a reformed program** via the legislative process.

About the Consulting Team

Smart Growth America (SGA) is a leading national nonprofit advancing sustainable, equitable development. SGA's work envisions a country where no matter who you are or where you live, you can enjoy living in a place that is healthy, prosperous, and resilient. SGA's work entails both supporting vibrant, inclusive new development, and supporting communities to safeguard affordability and local culture and heritage.
smartgrowthamerica.org

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Sharon Murray, FAICP, is the principal of Front Porch Community Planning & Design. She provides professional planning services to Vermont communities, regional and state agencies, and nonprofits.

Christopher Zimmerman, an economist by training, spent eight years leading Smart Growth America's quantitative analysis team, providing data-driven policy recommendations. Chris served as an elected official in Arlington County, Virginia.

Community Workshop (CW) is an award-winning, Vermont-based consulting firm specializing in creative engagement, planning, placemaking, and effective communications for towns, cities and nonprofit organizations across North America. Community Workshop helps people come together, envision bright futures, and make it happen.
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Lisa Churchill, founder of Climate Advisory, is an expert in climate change with 25 years of experience in the design field and a lifelong passion for the natural world. Her training as a paleontologist, with a focus on mass extinctions, has given her a unique perspective on resilience.

Jim Tischler served as an advisor on this project and currently serves as Development Director for the State of Michigan Land Bank Authority. He has more than 35 years of experience in the fields of urban planning, real estate, and community/economic development, including two years in Vermont as a planner in St. Albans City.

"THERE IS IMMENSE POWER WHEN A GROUP OF PEOPLE WITH SIMILAR INTERESTS GETS TOGETHER TO WORK TOWARD THE SAME GOALS."

Idowu Koyenikan

DESIGNATION 2050

APPENDICES

Acronyms and definitions, evaluation and engagement methods, in-depth findings, resources, references cited. Get all the details.

This project involved hundreds of hours of research, conversations, document review, stakeholder outreach, planning, and brainstorming. It involves many complex topics and technical ideas, and it generated many ideas and resources to guide future work.

The six appendices included here offer a record of in-depth project activities and findings, as well as resources to help readers better understand and take action to strengthen designation programs and community development.

Appendix 1
Acronyms and Definitions

REPORT ACRONYMS

ACCD: Agency of Commerce and Community Development

ANR: Agency of Natural Resources

BIPOC: Black, Indigenous, People of Color

CEP: Comprehensive Energy Plan

CW: Community Workshop (project consultant)

DHCD: Vermont Department of Housing and Community Development

FEMA : Federal Emergency Management Agency

GC: Growth Center (designation type)

GIS: Geographic Information Systems

IDEA: Inclusion, Diversity, Equity, Accessibility work

MPG: Municipal Planning Grant

NDA: Neighborhood Development Area (designation type)

NOAA: The National Oceanic and Atmospheric Administration

NRB: Vermont National Resources Board

NTC: New Town Center (designation type)

RDC: Regional Development Corp.

RPC: Regional Planning Commissions

SGA: Smart Growth America (project consultant)

SHMP: State Hazard Mitigation Plan

SWOC: Strengths, Weaknesses, Opportunities, Challenges (evaluation framework).

TA: Technical Assistance

TIF: Tax Increment Financing

USGS: United States Geological Survey

UVM: University of Vermont

VAPDA: Vermont Association of Planning and Development Agencies (RPCs and RDCs)

VC: Village Center (designation type)

VCGI: Vermont Center for Geographic Information

VDH: Department of Health

VEM: Vermont Emergency Management

VHFA: Vermont Housing Finance Agency

VMT: Vehicle Miles Traveled (common measure of car travel)

VPA: Vermont Planners Association

VSA: Vermont Statutes Annotated

VTrans: Agency of Transportation

DEFINITIONS

Act 250: Vermont's state land use and development law.

Affordable housing: Housing that costs no more than 30% of household income; often specifically for households with less than median income.

Climate action: General term for activities that address climate change. Includes both **climate mitigation** (actions to reduce or slow climate change, like reducing emissions) and **climate adaptation** (actions to help communities prepare and adapt to a changing climate (like addressing invasive species or flood risks).

Community development: Activities to build stronger and more resilient communities. May address needs such as infrastructure, economic development, public facilities, community centers, housing, public services, microenterprise, code enforcement, homeowner assistance, etc.

Designation: A defined geographic area in a municipality participating in the Vermont State Designation Programs; often a downtown or village center. Designated areas are eligible for growth and revitalization benefits and support.

Designation 2050: The project resulting in this report, authorized by the Vermont General Assembly. It is a statewide effort to evaluate Vermont's designation programs are working and develop recommendations for strengthening, streamlining, and modernizing them.

Equity: Fairness or justice, or ability for all people to access the resources and opportunities they need; distinct from **equality**, or the same treatment for all.

Hazard mitigation: Actions that reduce the impacts or damages caused by hazards, such as floodproofing buildings or restoring wetlands.

HOME Act: A 2023 law that amends the planning and development statute, Act 250, and other laws to increase opportunities and remove barriers to housing development.

Land bank: Organizations that acquire, rehabilitate, manage, and develop land for housing or community development.

Main Street America: A community revitalization program begun by the National Trust for Historic Preservation in 1980, relaunched in 2015.

Missing middle: An informal phrase that refers to multifamily and cost-effective housing types generally geared toward middle income people.

Regional Development Corporations: "Satellite" arms of the Vermont Agency of Commerce and Community Development, providing local knowledge and facilitating technical assistance in regions across Vermont.

Regional Planning Commissions: Regional organizations created by member municipalities that provide technical assistance, regional planning coordination, and act as a link between municipal affairs and state government

Smart growth: A holistic approach to developing livable communities. A smart growth approach helps make communities that are economically prosperous, socially equitable, environmentally sustainable, and well-connected to essential destinations, no matter how you choose to get around.

STORM Act: A 2021 Federal Law which provides capitalization grants to States to establish revolving funds to provide hazard mitigation assistance to reduce risks from disasters and natural hazards.

Appendix 2
Evaluation Framework and Research Methods

EVALUATION FRAMEWORK

The consulting team developed the following core research questions from the project scope of work, initial meetings with DHCD, and synthesis of project needs. Stakeholder input and numeric survey responses added critical local perspective on every research question.

CATEGORY	RESEARCH QUESTIONS	METHODS, DATA, AND APPROACH
Access and Adoption	• How many communities participate in the programs? Which ones? • What other entities are using programs and benefiting?	• State data on designations and users • GIS analysis of community characteristics
Vision, Purpose, and Goals	• What does Designation Program success look like at the local, regional and state levels? • What do stakeholders envision for the future of Vermont communities? Designation programs?	• Stakeholder input (via interviews, survey responses, and events)
Designation Structure and Process	• Is the current structure (five programs) efficient and effective? • Which programs or elements are successful or helpful? Where are there barriers to access or success?	• Comparison of Designation Program metrics and adoption*

Administration and Governance	• How well do designations align with state and local land use, community development and smart growth policies and goals? • How is program management, decision-making and staffing working for different stakeholders?	• Policy review of administration, governance, requirements, management, and related plans/initiatives (local and state)
Benefits, Support and Impact	• What benefits and incentives do communities use and value? • What gets in the way of accessing benefits and using programs? What are the conditions for success? • How are designations impacting current and emerging priorities (climate resilience, housing, equity, multi-modal transportation, livability, revitalization, historic preservation)?	• Analysis of agency data on use of benefits and incentives* • Analysis of federal and state data on priority trends (population, housing, climate, etc.)*
Information, Awareness and Communications	• What do Vermonters know and think about Vermont Designation Programs? • What are the barriers to accessing information and communications?	• Stakeholder input • Language analysis of stakeholder comments
Monitoring and Evaluation	• What existing data and metrics can support long-term evaluation? • What data, metrics, stories and info is captured now? What could be added?	• Review of existing data and monitoring practices • Models and Ideas
Models and Ideas	• What models or programs are other states using to support community development? • What successful models exist in Vermont?	
* Limitations in available data prevented full analysis or comparison. See data limitations for more information.		

DATA AND ANALYSIS

Quantitative methods included statistical analysis of various state and federal datasets and GIS analysis of characteristics in designated areas. It also included a review of program and designation data from DHCD and agency partners.

Key Quantitative Datasets

- Vermont municipal boundaries and designation boundaries (GIS data, Vermont Center for Geographic Information [VCGI])

- U.S. Census and American Community Survey and Census block group data (U.S. Census Bureau)

- Other data from U.S. Geological Survey, Federal Emergency Management Agency (FEMA), Federal Highway Administration and other federal agencies

- DHCD records and past publications on designation program growth and participants

- Agency and program data on benefits such as grant applications and tax credits

POPULATION DATA

The census block group based data shows that about 67% of Vermont's population (approximately 442,000 people) live within a census block group that includes a designation. To validate this figure, the consulting team used satellite based population estimates from Oak Ridge National Laboratory,[1] which provides estimates down to the 1 km sq resolution. Specifically, the team used estimates of the nighttime population, which serve as a reasonable proxy for the residential population.

Based on these numbers, about 13% of Vermont's population is estimated to live inside a designated area. However, as designated areas serve a larger community, the team also measured population in close proximity to designated places. By this concept, about 49% of the state's population lives in or within a 1/2 mile of a Designated area; and 65% live in or within 1 mile of a designated area.

LIMITATIONS AND CHALLENGES

Strong quantitative analysis requires strong data. In this study, several major data challenges limited the potential to analyze and compare designated areas. Recommendations for future monitoring and evaluation include improvements to data.

- **Lack of existing data at the designation level.** Federal and state datasets on population, housing, land use, environment and other factors are available by census tract, block group, or other common scales. There is no data for designated areas alone.

- **Sample sizes and timelines.** Several designation programs have very few participating communities. The small sample size makes it hard to draw conclusions across designation types. Different program launch dates and participation growth make it hard to consider trends over time.

- **Inconsistent program and benefit data.** Multiple Vermont agencies offer benefits and incentives, but each records and tracks information in different ways. Some have robust data on past grants or awards. Others do not track or compile complete information.

Key Qualitative Methods

The consulting team gathered stakeholder experiences and input in multiple ways: semi-structured interviews, focus groups, public conversations and other events, surveys and

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1 Oak Ridge National Laboratory, "LandScan USA" data, last modified 2021, accessed 15 December 2023, landscan.ornl.gov/.

vision activities, and document review. The team transcribed and coded interviews and recordings and used a general interpretive approach to identify key themes.

LIMITATIONS AND CHALLENGES

Qualitative research is part art, part science, and part sociology. This study faced common challenges in gathering and using stakeholder input.

- **Participation and response bias.** Stakeholder engagement typically attracts people who have the time, ability, and interest to participate. That often means higher rates of professionals or retired people; wealthier and able-bodied people; and people with strong opinions on the topic. The consulting team did not quantify bias, but did use strategic interviews and events to include a wide range of voices.

- **Limitations in perspective and experience.** Many local and state stakeholders did not have a full perspective on designation programs. Newer staff or officials aren't aware of program history or trends. Many stakeholders have personal perceptions of needs and challenges but do not have wider perspectives.

- **Timeline and budget barriers.** Common strategies for increasing equity and diversity in participation include taking time to build relationships and trust and compensating people for time, travel, and other costs. The six-month project timeline and priority on direct program stakeholders limited opportunities to reach indirect stakeholders (such as residents, or non-participating communities). Agency policies limited options for fully compensating participants or providing robust incentives.

Appendix 3

Stakeholder Engagement Details

Designation 2050 stakeholder engagement focused on going both broad and deep, creating opportunities for hundreds of interested Vermonters to learn more and participate while also working closely with a set of core leaders and key stakeholders. The **Introduction** offers an infographic and longer overview of the stakeholder engagement process: core stakeholder groups, goals, methods and techniques, timeline, activities, and statistics on reach. This section provides more information to document the engagement process, including details on interviews, focus groups, listening sessions, and an overview of who engaged in the process.

STAKEHOLDERS AND REACH

Engagement goals included reaching a vast array of current, former, and potential Designation Program stakeholders, with an eye to many types of diversity and perspectives:

- **Geographic and community diversity**. Municipalities of all sizes and all parts of the state, all capacity levels, and at all stages of community development and planning.

- **All Designation Program experiences.** Communities and local leaders representing all five current Designation Programs, as well as different stages (current programs, past programs, non-designated communities, municipalities considering or applying for designation).

- **Traditional and non-traditional stakeholders.** Leaders, partners, and stakeholders who are actively involved in Designation Programs and regular participants in planning conversations. Also business and property owners, developers, legislators and state leaders, funders and partners, special interest groups and advocates, grassroots leaders, volunteers, and residents.

- **Diverse, underrepresented, and frontline Vermonters.** BIPOC and low-income Vermonters; new and longtime residents; renters and people in varied housing situations; people in rural and remote communities; and people of different ages, genders, sexualities, political views, and backgrounds.

Who Participated and Engaged

Through all project activities (events, surveys, interviews, online input, focus groups, and more), the Designation 2050 process reached hundreds of unique stakeholders representing nearly half of Vermont's municipalities and 250 organizations and entities.

The consulting team aimed to make engagement as easy, inclusive, and equitable as possible, so did not require participants to share personal or contact info or demographics. This limits the team's ability to share conclusive statistics on participation. Most survey respondents and event registrants (nearly 700 total interactions) did share geographic and organizational info in some form, allowing a basic analysis. Some people registered but did not attend; the data does not allow the team

to identify who did and did not participate.

GEOGRAPHIC REACH

Designation 2050 reached people in *at least* 120 different communities or municipalities; all Vermont counties and Regional Planning Commission regions; and four states. Participants in most activities shared their town or location, and Community Workshop analyzed other info sources (emails, responses, or partner data) to identify others.

The word cloud to the right lists all communities represented by a Designation 2050 participant. The size of the name is proportional to the number of engagements from a person in that community. That could include multiple people from one place, and/or the same person participating in multiple activities. Some participants also listed work addresses rather than home. As expected, Vermont's largest communities and downtowns are represented most heavily. But participants joined in and weighed in from some of Vermont's smallest and most remote communities as well.

ORGANIZATION AND SECTOR

Most stakeholders shared organizations and/or roles through event registration or survey info. Community Workshop gathered additional data from stakeholder databases, interview and event notes and chat records. Many stakeholders wear multiple hats or participated with several perspectives in mind, such as work or jobs, volunteer roles, local committee service, and small businesses or enterprises.

Designation 2050 reached people from more than 250 distinct organizations and entities, from state and local government, schools, funders, RPCs and RDCs, grassroots organizations and community boards, businesses and more.

DESIGNATION 2050 PARTICIPANT ORGANIZATIONS

AARP Vermont
Abt Associates
Addison County Economic Development Corporation
Addison County Regional Planning Commission
Altework Inventor
American Council for Technolgy
Artist
Authorpods
Barre Partnership
BCM Environmental & Land Law
Bellows Falls Downtown Development Alliance
Bennington County Regional Commission
Berkshire Hathaway Homeservices Vermont Realty Group
Better Bennington Corporation
Better not Bigger Vermont
Big Heavy World
BnBVT
Bradford Planning Commission
Brattleboro Development Credit Corporation
Bridgeside Books
British American Business Council of New England
Brookfield Community Partnership
Burlington Business Association
Central Vermont Chamber of Commerce
Central Vermont Regional Planning Commission
Champlain Fleet Club
Champlain Housing Trust
Champlain Valley Office of

Economic Opportunity
Chester Community Greenhouse & Gardens
Chittenden County Regional Commission
City of Burlington
City of Essex Junction
City of Montpelier
City of South Burlington
City of St. Albans
City of Williston
City of Winooski
Coldwell Banker Hickok & Boardman Realty
Communications Virtual Services
Community Resilience Organizations
Community Workshop LLC
Conservation Law Foundation Consultant
Delta by Marriott Burlington
Discover St. Johnsbury
Donahue & Associates
Downs Rachlin Martin
Downstreet Housing and Community Development
Downtown Brattleboro Alliance
Downtown Rutland Partnership
Ellis Strategy
Environmental Mediation Center
Etkind Consulting LLC
Evernorth
Experience Middlebury
Friends of the Mad River
Front Porch Community Planning & Design
GNAT-TV
Goddard College
Greater Brothers Industrial Corporation
Green Mountain Economic Development Corporation
Greene Mountain Nutrition & Smoothies

Hale Resources
Help Kids India, Inc.
J.L. Davis Realty
JCH Hotels
Lake Champlain Basin Program
Lake Champlain Chamber
Lake Champlain Islands Economic Development Corporation
Lake Champlain Sea Grant
Lake Morey Protective Association
Lake Point Property Management
Lamoille County Planning Commission
Lamoille Economic Development Corporation
LN Consulting
Local Motion
Loftin-Davis Consulting
Lt. Governor, State of Vermont
Mad River Valley Planning District
Marijke's Perennial Gardens Plus
Middlebury College
Montpelier Alive
Moon and Stars Vermont
Mount Ascutney Regional Commission
Mountain Glow Massage, Art Studio
NAACP
NEK Broadband
New York Life Insurance
Newport City Downtown Development
NOFA Vermont
Northeast Kingdom Country Store
Northeastern Vermont Development Association
Northwest Regional Planning Commission
Northwest Vermont Realtor Association
Norwich Conservation Commission
Norwich Energy Committee
Office of U.S. Congresswoman

Becca Balint
Office of U.S. Senator Bernie Sanders
Office of U.S. Senator Peter Welch
Okemo Valley Regional Chamber of Commerce
Open Space Institute
Opportunities Credit Union
Park Architecture
Park Street Community Solutions
Porter Medical Center
Preservation Trust of Vermont
Randolph Area Community Development Corporation
RE/MAX North Professionals
Real Estate project management
Resident
Revitalizing Waterbury
Ridgeline Real Estate
Rights and Democracy
Ripton Conservation Commission
Rutland NAACP
Rutland Regional Planning Commission
Shelburne Alliance for the Environment
Shelburne Historic Preservation & Design Review Commission
Sierra Club
Ski Vermont (Vermont Ski Areas Association)
Smart Growth America
Smith & Salmon, Inc.
South Burlington Land Trust
Southeastern Vermont Community Action
Springfield on the Move
Springfield Regional Development Corporation
Steinmetz Real Estate
Stuart Consulting
Summit Properties
SUNY Plattsburgh

TD Bank
The Barre Partnership
The Nature Conservancy
The Space on Main
The Udder Guys
Third Culture
Town of Albany Planning Commission
Town of Brattleboro
Town of Brighton
Town of Chester
Town of Colchester
Town of Dover
Town of Essex
Town of Fairfax
Town of Fairlee Planning Commission
Town of Fayston Conservation Commission
Town of Hardwick
Town of Hartford
Town of Hartland Energy Committee
Town of Hinesburg
Town of Hyde Park
Town of Jericho
Town of Jericho Planning Commission
Town of Marshfield
Town of Newbury Conservation Committee
Town of Northfield
Town of Poultney
Town of Randolph
Town of Ripton
Town of Salisbury Planning Commission
Town of Shelburne
Town of South Hero Planning Commission
Town of Stowe
Town of Stowe Conservation Commission
Town of Vernon

Town of Waitsfield Planning & Zoning
Town of Waitsfield Planning Commission
Town of West Rutland
Town of Wheelock
Town of Wheelock Board of Civil Authority
Town of Wheelock Cemeteries Committee
Town of Wheelock Planning Commission
Town of Wheelock Selectboard
Town of Williston
Twincraft
Two Rivers-Ottauquechee Regional Commission
Unitarian Universalist Association
University of Vermont
University of Vermont Office of Engagement
Upper Valley Services
US Committee for Refugees and Immigrants (USCRI)
UVM Health Network
Vergennes Partnership
Vermont Agency of Commerce & Community Development
Vermont Agency of Natural Resources
Vermont Agency of Transportation
Vermont Arts Council
Vermont Association of Realtors
Vermont BIPOC Advisory Council
Vermont Bond Bank
Vermont Buisnesses for Social Responsibility
Vermont Chamber of Commerce
Vermont Ciimate Council
Vermont Clean Water State Revolving Fund
Vermont Climate Action Office
Vermont Commission on Native American Affairs (VCNAA)

Vermont Community Foundation
Vermont Conservation Voters
Vermont Council on Rural Development
Vermont Department of Economic Development
Vermont Department of Environmental Conservation
Vermont Department of Health
Vermont Department of Health - Springfield Office
Vermont Department of Housing & Community Development
Vermont Developmental Disabilities Council
Vermont Division for Historic Preservation
Vermont Downtown Board
Vermont Emergency Management
Vermont Environmental Justice Advisory Council
Vermont Every Town Project
Vermont Farmers' Market Association
Vermont Futures Project
Vermont General Assembly
Vermont Health Access
Vermont Housing & Conservation Board
Vermont Housing Finance Agency
Vermont Law and Graduate School
Vermont League of Cities and Towns
Vermont Natural Resource Council
Vermont Natural Resources Board
Vermont Office of Historic Preservation
Vermont Office of Racial Equity
Vermont Planners Association
Vermont Public
Vermont Public Interest Research Group
Vermont Racial Justice Alliance
Vermont Releaf Collective

Vermont Retail & Grocers Association
Vermont Short Term Rental Alliance (VTSTRA)
Vermont Sierra Club Transportation Team
Vermont Small Business Development Center
Vermont State Housing Authority
Vermont State Senate
Vermont State Senate Education Committee
Vermont State Senate Health & Welfare Committee
Vermont Trails & Greenways Council
Vital Communities
VT Digger
Walmart
Waterbury Land Initiative
Weathersfield Historical Society
Weathersfield Proctor Library
WGDR WGDR /Woman Stirred Radio
White + Burke Real Estate Advisors
WholeHeart Inc.
Willoughvale Inn Corp
Wilmington Works
Windham & Windsor Housing Trust
Windham Regional Commission
Hickok and Boardman
Vermont State University

EVENTS AND CONVERSATIONS

In addition to public events, surveys, and online input opportunities listed in the Introduction, the consulting team used several different types of events to reach different stakeholders, gather different input, and create flexible opportunities for participation. In many cases, Advisory Group members or key partners convened or co-hosted events, helping to engage their networks and audiences and ensure that Designation 2050 included robust conversations with core stakeholder groups.

12 Focus Groups and Core Stakeholder Group Conversations

- Climate Resilience Leaders and Advisors
- Designation 2050 Advisory Group
- DHCD Program Leaders
  - Administrators
  - Longtime Staff Program Managers
  - New Staff Program Managers
- Downtown Organizations
- Equity, Diversity and Inclusion Stakeholders Regional Planning Commission Leaders and Planners
- Lake Champlain Area Chamber of Commerce
- Local Capacity and TA Partners
- Housing, Local Livability and Social Service Leaders and Advisors
- Statewide Engagement Leaders and Advisors

23 Interviews (Individual and Small Group) and Informal Chats

- State agency partners, including Agency of Natural Resources, VTrans, Vermont Department of Health, Natural Resources Board, Downtown Board, Climate Action Office, Office of Racial Equity, and State Historic Preservation Office
- State nonprofit, regional, and local partners and stakeholders, including legislators, AARP Vermont, Vermont Arts Council, Vermont Chamber of Commerce, Vermont Natural Resources Council, Preservation Trust of Vermont, Vermont Futures Project, Vermont Council on Rural Development, Vermont Community Foundation, Vermont Planners Association, Rights and Democracy, Capstone Community Action, Vermont League of Cities and Towns, Regional Planning Commissions and VAPDA
- Individual local stakeholders including property and business owners, developers, community volunteers and elected officials, developers, and consultants

10 Listening Sessions and Event/Meeting Attendance

Land Access and Opportunity Board; Vermont Community Leadership (sessions on housing, climate and energy resilience, local capacity); Vermont Planners Association, Forest Health and Integrity Cohort leaders, Flood Recovery Forums; Senator Becca Balint's Housing Town Hall; Act 250 Study Group

Appendix 4

Language Analysis

The Designation 2050 Program Evaluation found that current understanding and awareness of the Designation Programs and benefits is low. This is a significant weakness of the current programs, significantly limiting their reach, impact, success, support, and equity. The complex program structure and technical nature of planning and community development are major challenges; these currently carry over into program language and messaging.

Key reform actions include updating the project brand and identity, name, and messaging. Essential steps include using plainer and simpler language, but extensive research also shows that simply "mirroring" an audience's preferred language, values, priorities, and communication styles can significantly improve buy-in, resonance, support, and attention.

Community Workshop conducted an informal language analysis of stakeholder engagement input and current Designation Program language before drafting a new vision and priorities. DHCD, partners, planners, and local program managers may all benefit from using this info to help shape future messaging, program collateral, and communications.

WHY LANGUAGE ANALYSIS?

Much like search engine optimization, intentionally using (or avoiding) specific key words can boost connection with an audience and ensure that they understand the relevance of programs or opportunities to their personal needs. Here's why.

- **Building connection.** The word "municipality," for example, is technically accurate when referring to the entities that apply for designation. But most Vermont stakeholders talk about their "communities," or "towns," "villages," and "cities." Using "municipality" may turn people off—or at least fail to resonate.

- **Capturing attention.** An annual study by Litmus found

that in 2022, people spent an average of just nine seconds looking at a single email.[2] With such a short window to capture attention, using a word that doesn't engage may mean losing out on critical stakeholders altogether. The term "designation" itself is not widely used or immediately understood and it conveys nothing about the "why" or impact of the program. Including it in a program name is a missed opportunity to capture people's attention and interest and convey something powerful about the program purpose.

- **Boosting persuasion**. A recent study on linguistic mirroring found that the chance of winning a case was more than doubled when lawyers wrote documents in a way that closely resembles judges' writing in form,

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2 Ayaz Nanji, "How Much Time Do People Typically Spend Looking at an Email?", MarketingProfs Blog, n.d., accessed October 18, 2023, marketingprofs.com/charts/2023/48537/how-much-time-do-people-typically-spend-looking-at-an-email.

sentiment, emotion, tone, logic, and style.[3] Different Designation 2050 stakeholders have different communication styles (legislators and state leaders, funders, local volunteers, business owners and developers). Customizing language and messaging for each is essential.

- **Increasing accessibility.** A 2022 study found that 54% of Americans aged 16-74 read below a sixth-grade reading level. Vermont literacy rates are among the highest in the nation, but program materials written at high reading levels may still exclude tens of thousands of Vermonters. Using short, simple, plain words in program titles and core messaging can dramatically increase readability.

- **Evolving understanding**. Language preferences and interpretations can vary substantially among different groups, and over time. Some commonly used words mean one thing to certain groups and entirely different things to others. For example, many Designation 2050 stakeholders viewed "preservation" and "conservation" as positive goals for communities, while the same words signaled exclusion and even potential racism to others.

- **Word frequency counts**: number of times that different words appear in text. Community Workshop used written survey comments to analyze word choice and frequency in stakeholder input and sample DHCD web page and annual report text to analyze program communications.

- **Theme identification:** "coding" of open-ended survey, focus group, and interview comments to identify top themes, priorities, and issues for stakeholders.

- **Direct input**: direct comments from stakeholders about language, communications, and messaging.

- **Reading level and accessibility scores**: text analysis scores including Flesch-Kincaide grade level and reach, from Readable.

LANGUAGE AND THEME ANALYSIS METHODS

The Designation 2050 engagement process included thousands of written comments, plus hours of audio recordings of meetings, focus groups, and interviews. There are hundreds of pages of documents and digital text available on the DHCD website and in program materials. Community Workshop used three methods to generate the basic language analysis below. It is not a formal or statistically significant study, but it does identify overarching trends and themes.

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3 Maxim Sytch and Yong H. Kim, "Quo Vadis? From the Schoolyard to the Courtroom," Administrative Science Quarterly 66 (1), June 9, 2020, journals.sagepub.com/doi/10.1177/0001839220922133.

DESIGNATION PROGRAM LANGUAGE ACCESSIBILITY

A basic scan of sample Designation Program web pages, reports and documents shows a very high reading level, low reading ease, and low reach. Metrics are calculated by the common digital accessibility websites Readable and WebFX.

ACCESSIBILITY SCORES FOR CURRENT DESIGNATION PROGRAM TEXT			
Source	Reading Grade Level (Flesch-Kincaide, Readable and WebFX)	Estimated Reach, % of general public (Readable)	% Complex Words (WebFX)
Downtown Designation web page[4]	16.0-23.5	34%	30.56%
"Why Designation"[5]	17.9-18.1	25%	23.44%
Case Study: South Burlington[6]	12.6-17.1	56%	19.22%
2023 Annual Report – Program Overview[7]	20.7-20.9	25%	30.77%

4 Vermont Agency of Commerce and Community Development website, "Downtowns," accessed 30 October 2023, accd.vermont.gov/community-development/designation-programs/downtowns.
5 Vermont Agency of Commerce and Community Development, *Vermont State Planning Manual, Module 2: State Designation Programs*, p. 3, November 2018, outside.vermont.gov/agency/ACCD/ACCD_Web_Docs/CD/CPR/State-Designation-Programs/DHCD-Planning-Manual-Module2.pdf.
6 Ibid, p. 11
7 Vermont Department of Housing and Community Development, "State Designation Programs 2023" (annual report), 2023, outside.vermont.gov/agency/ACCD/ACCD_Web_Docs/CD/CPR/State-Designation-Programs/CPR-Designation-Programs-Annual-Report.pdf.

STAKEHOLDER LANGUAGE ANALYSIS

The tables below include an informal analysis of stakeholder phrasing, language, and theme preferences. For each key element of program design or communications, there are two lists of words, phrases and ideas.

COMMON/PRIORITY LANGUAGE AND THEMES

These are phrases, words and ideas that were supported by and used frequently across diverse stakeholder groups. This language tends to be plain, simple, clear, and used often in informal conversation and writing.

LESS COMMON/MIXED LANGUAGE

These are words and phrases that are used less often and likely to resonate less across diverse stakeholder groups. It tends to include technical and professional terms, as well as words that have critically different meanings or associations to different groups. **Less common language** includes words/phrases that most stakeholders don't typically use when they talk about their communities, goals, or vision. **Flashpoint language** includes words, phrases or concepts that have very different meanings to different stakeholder groups, and/or have the potential to be divisive and actively exclude or turn off some stakeholders.

LOCAL PLACES AND PRIORITIES: STAKEHOLDER WORDS AND THEMES

Common/Priority Language and Themes		Less Common/Mixed Language and Themes	
• Community centers • Communities, places • Downtowns, towns, villages • Healthy rural land • Restoration, revitalization • Climate change • Sustainability, resilience • Economic development • Social connections • Public spaces, third places • Smart growth	• Redevelopment • Small business • New residents • Housing • Multigenerational • Livability • Transportation options • Water/sewer • Walkable, bikeable places • Opportunity	• Hamlets, cities • Municipalities • Cores • Agricultural • Sprawl, rural sprawl • Density • Character • Preservation, protection • Conservation • Climate crisis • Infill	• Flood resilience • Development • Industry • Business • Population growth • Migration • Aging (in place) • Infrastructure • Multimodal • Transit

ACTIONS AND ADJECTIVES: STAKEHOLDER WORDS AND THEMES

Common/Priority Language and Themes	Less Common/Mixed Language and Themes

Common/Priority Language and Themes

- Thriving
- Vibrant
- Active
- Welcoming
- "For all" / inclusive
- Resilient
- Sustainable
- Safe
- Livable
- Affordable
- Beautiful
- Healthy
- Thoughtful
- People-centered
- Connected
- Pride/loving
- Diverse
- Equitable
- Well-planned
- Balanced
- Strong
- Sound
- Strategic
- Smart

- Simple
- Proactive
- Flexible
- Historic
- Green
- Accessible
- Future
- Common
- Better
- Unique
- Creative
- Local, regional
- Planned
- Priority, focus

- Evolve
- Connect
- Create, activate
- Offer
- Help
- Nurture, support
- Plan, design
- Meet needs
- Restore, revitalize

Less Common/Mixed Language and Themes

- Human-scale
- Equitable, equal
- Vital
- Attractive
- Natural
- Environmental
- Urban
- Traditional
- Just
- Quaint
- Data-informed
- Statewide
- Designated

- Preserve
- Protect
- Change
- Control
- Limit
- Restrict
- Incentivize
- Promote
- Target
- Build
- Grow

INFORMED MESSAGING

These lists offer a general comparison of words and phrases that may "land" or resonate most broadly with Designation 2050 stake-holders, vs. others that may not. **Three ways to use them:**

- Review documents, names, and messaging and consider replacing less common words with more common ones.

- Take away general themes: the most common and resonant words tend to be shorter, plainer, clearer, and hopeful.

- Use these lists as a starting point for more conversation and thoughtful messaging. Pay attention to language that different stakeholder groups use. Ask for opinions.

Appendix 5
Systemic Challenges

As described in the Evaluation and Recommendations chapters, the designation programs operate in much larger systems. Their success is deeply intertwined with the actions and investments of many other organizations, partners, stakeholders, and entities. There are also many conditions for success, from foundational aspects of community health and well-being to the state of local democracy and decision-making to equity and inclusion, climate resilience, economic vitality and more.

The Designation 2050 project identified three core areas that stakeholders lifted up as essential to address in holistic and systemic ways: Local Capacity and Technical Assistance, Livability and Social Service Needs, and Equity, Diversity and Access. Within each area, there are many layers of distinct issues, factors, needs, players, and opportunities. Some challenges and opportunities go beyond the scope of the designation programs but are still essential to the future of Vermont. Some issues are critically linked to designation reform and must inform design, investments, planning, and partnerships).

During the Recommendations development phase, the consulting team hosted additional focus groups and conversations with key state leaders and partners representing different perspectives on these issues. Together, they deeply explored these issues, identified what's underway, and prioritized actions and investments.

Top recommendations for each of these systemic areas are presented in the **Recommendations Chapter.** This section shares more detail on each of the three areas, including summaries of the key stakeholder input, recommendations for partners and local communities that go beyond designation programs, and information on existing initiatives and resources.

LOCAL CAPACITY AND TECHNICAL ASSISTANCE

"Capacity" is one of the single biggest needs that emerged in the Designation Program evaluation and in engaging with stakeholders. Capacity includes many different elements, but stakeholders were clear that a successful future for the designation programs will require substantial work to build capacity and address barriers. Key designation program capacity considerations include:

- Capacity within local communities, state agencies, consultants and service providers, contractors and builders, funders, and partner organizations

- Time, money, skills, knowledge, staff, and more

- Internal capacity (in a town, agency, organization) vs.

supplemental capacity and resources (technical assistance, training, consulting, or outside help, etc.)

- Building or providing supplemental capacity, vs. reducing demands on capacity

Local community capacity emerged as one of the most essential areas for focused reform and investment. Vermont towns and cities are stretched thin and do not have the resources or staff to manage and successfully implement programs. Many Vermont organizations recognize the urgency of this gap and are already offering or expanding technical assistance (TA) or capacity building, particularly with a focus on rural areas and equity. Many others are considering how best to expand, work together, and address issues systemically. One core idea that came up repeatedly is the idea of a statewide "Design Center" or "Technical Assistance Center" to provide direct support, connect people with resources, and/or coordinate available assistance.

CAPACITY NEEDS: WHAT WE HEARD

Designation 2050 plan recommendations focus on *local* capacity to move forward *local community development actions*.

Local capacity is capacity within communities or small regional organizations, to support community development projects and activities. Activities might include planning, community engagement, designation program management, grant writing or fundraising, project or site design, communications, project management, volunteer coordination, evaluation and reporting, and partnership development.

Local community development projects include a range of actions needed to advance thriving, compact centers. Action areas include housing, transportation, climate resilience, public spaces and placemaking, revitalization and economic development, and livability.
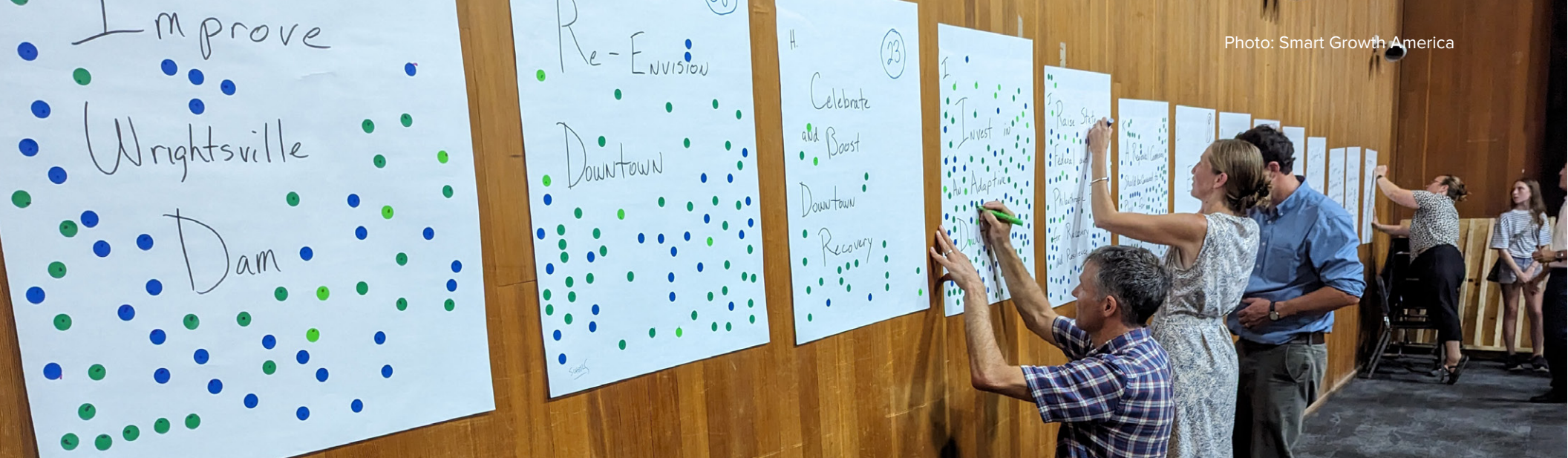
STAKEHOLDER INPUT TAKEAWAYS

Who Needs Assistance

- Municipal staff (and municipalities without staff)
- Elected and appointed officials
- Volunteers and grassroots leaders
- Local organizations (nonprofit, informal, committees)
- Business and property owners
- Local project developers

Conditions for Success

- Free, low-cost, or scaled to local budget
- Quick and easy to access (fast timeline, few barriers)
- Inclusive and accessible (language translation, accessible materials, trusted staff/portals)
- Abundant (substantial, repeated support rather than one-time offers or assistance)
- Committed and customized (commitment and direct help to work with communities to get specific help they need)

Photo: Smart Growth America

TOP STAKEHOLDER CAPACITY NEEDS AND REQUESTS

Education and Skill Building	Services and Staffing	Resources and Coordination
• Project development (scope and budget, grantwriting, management, evaluation) • Topic-specific (small-scale development, resilient building and green infrastructure, complete streets) • Inclusion and Leadership (DEI work, accessibility, facilitation, engagement, communications) • Project and program design (potential strategies and ideas for things like housing, conservation, complete streets, historic preservation)	• Planning services / plan development (area- or topic-specific plans) • Technical services (site or building design, engineering, mapping, hazard mitigation, illustration, policy, research, or studies) • Supplemental staff (people/hours for project management, grant reporting/writing, engagement work) • 1-1 support and coaching (dedicated person to assist and advise through life of project, ensure success) • Designation program application, management, and benefits navigation support	• Partner coordination (direct coordination of involved agencies, resources) • One-stop-shop (comprehensive listing or access to resources, grants) • Data dashboards (easy access to baseline state data, impacts, metrics) • Coordinated team support or "strike team" (team of agency partners, subject matter experts to work together on moving project forward) • Holistic planning and facilitation (support to bring all partners together at start of process)

RECOMMENDATIONS AND ACTION IDEAS FOR STATE GOVERNMENT, PARTNERS, AND COMMUNITIES

Many organizations and entities are already working to address local capacity barriers, but there is a need and opportunity for far more collaborative and aligned work. Leaders and stakeholders shared top action ideas that go beyond what designation programs can control or address or involve other entities but may be critical in helping them succeed. Organizations and leaders at any level can explore these actions to help grow local capacity statewide.

State Government	Partners and Organizations	Local Communities
• Reform municipal funding models and increase local revenue generation models • Evaluate existing capacity building and technical assistance programs to identify best practices • Expand resources and authorization for participation stipends and to reduce barriers to equitable participation • Develop policy changes to authorize more shared or inter-municipal services and staff solutions	• Develop partnerships and collaborative approaches for training and technical assistance • Support or host staff or providers offering support to multiple communities • Evaluate effectiveness of current TA and capacity programs and improve design • Offer fiscal sponsorship for grassroots leaders and projects	• Increase municipal budget investments in capacity, including staff support and training • Explore additional revenue sources including TIF, options taxes, and public-private partnerships • Coordinate with neighboring communities and private sector partners to explore shared staffing, services, or capacity

EXISTING AND DEVELOPING OFFERINGS

There are many technical assistance opportunities underway or under development. This listing is not comprehensive but includes a range of models and top resources that stakeholders identified. A key next step could be a more complete and updated inventory and gap analysis.

See Main Recommendations

3. BETTER BENEFITS & SUPPORT

Grow multiagency investment and collaboration

Connect and Expand Statewide Technical Assistance

Scale up support for priority actions and projects

Program/ Organization	Offerings
AARP Vermont Livable Communities	Program offering dedicated state resources and capacity building for livability initiatives and access to national AARP resources. Offerings include funding and grants, staff coaching and advice, facilitation of walk audits and local planning initiatives, resources, and guides.
Better Connections Program (VTrans, VCRD, ANR, VDH)	Funding and technical assistance program that supports local planning initiatives linking multi-modal transportation, economic development, and stormwater management. Program awards grants to three communities per cycle, funding robust consultant planning services. VTrans, DHCD, and ANR provide some staff support and advising.
Better Places Program (DHCD)	Placemaking and crowdfunding program from DHCD, in partnership with crowdfunding platform Patronicity. Offers 2:1 state matching grants to supplement crowdfunding for community place-making projects. Patronicity offers training and technical support on crowdfunding campaigns.
Climate Economy Initiative (VCRD)	Integrated initiative with programs that build climate capacity and leadership. Resilient Communities supports engagement and strategic planning in communities. Climate Catalysts offers a year of training to a cohort of local leaders. Climate Catalysts Innovation Fund offers grants.
Community Leadership Network (VCRD)	Statewide network geared toward local leaders, offering webinars and trainings, guides, and statewide leadership conferences. Focuses on both skill building (leadership, engagement, etc.) and key project or topic areas (housing, broadband, climate, etc.).
Community Planning Toolbox and Resources (VNRC)	Educational website with a variety of tools to support local smart growth planning. Offerings include basic educational resources, briefs on key planning issues, case studies of successful projects, tools like model bylaws or plans. VNRC also offers grants, training, and more.
Community Visit Program (VCRD)	Community engagement and planning process that offers professional facilitation and support to help communities engage residents, identify priority action areas, and develop action steps.
Federal Funding Assistance Program (VLCT)	New program offering added capacity and assistance to help municipalities access major federal funding sources and grants. Offerings include funding listings, a training manual, 30 minute "Consults on Call," and online resources.
Funders' Collaborative	Informal network of community development funders working to coordinate and align resources.
Municipal Assistance Center (VLCT)	Variety of free and low-cost services and supports available to municipal governments; professional staff offer advice and 1-1 guidance, training, research, policy drafting, referrals, and more.
Preservation Trust of Vermont services (PTVT)	Offers a variety of programs and services to support local historic preservation and restoration projects. Offerings include professional staff to offer direct guidance and assistance, trainings and retreats, a revolving fund, and support for developing promising models.

Regional Planning Commissions and Development Corps.	Variety of services and supports offered by RPCs and RDCs around the state; resources offered by individual RPCs or RDCs might include training, mapping, planning, staff capacity, grant-writing or management, small grants and in-kind support, coaching and 1-1 project support.
Rural Economic Devel. Initiative (REDI - VHCB)	Program offering grantwriting, studies, project design, and technical services that help municipalities apply for major grants. Provides funding for technical services and support finding service providers.
USDA Rural Development Programs	Numerous rural development and capacity building programs offer training, technical assistance, funding, support accessing federal resources, and more.
UVM Institute for Rural Partnerships	New center at UVM that will bring together diverse university resources to identify solutions to key rural programs. Initiatives may include research, expertise, and services for local community groups, convenings, and incubators or support for new collaborations and projects.
VT Healthy Communities (VDH, DHCD, CDC)	Health Equity and Community Design Technical Assistance Pilot offering training, case studies, professional design and TA, and leadership development for community health equity projects.
Vermont Housing Finance Agency Resources	Variety of resources and supports to advance housing growth and support leaders and developers. Offerings include training and community outreach presentations, state data dashboard, guides to accessing funding and resources, and a Housing-Ready Toolbox.
Vermont Local Roads TA Program Center (LTAP - VTrans)	Technical assistance team within VTrans, offering technical assistance and direct support to municipal governments and highway departments on improving roads. Offerings include training, direct assistance, information exchange, tools, and resources.
Vermont Municipal Technical Assistance Program (MTAP)	Statewide program offering funding and technical assistance to help Vermont's smallest and lowest-capacity communities design major projects (such as housing, water/sewer, hazard mitigation) and access major grants and funding resources.
Vermont Planners Association (VPA)	Association for professional and citizen planners; offers a listserv for peer exchange and support on a variety of planning topics, professional development, conferences, and awards.
Vermont Planning Info Center (VPIC)	Website clearinghouse of resources for planning and community development including manuals and guides, funding sources, TA resources, and service providers.
Vermont State Agency Outreach Teams	Dedicated outreach teams at all agencies, charged with providing direct support to local communities.
Village Trust Initiative (PTVT, VCRD)	New program that will offer comprehensive support to help 20 small towns design and set up a community trust and carry out a priority revitalization project. Program will offer training, coaching, facilitation and engagement, model policies, and substantial project funding.

STATEWIDE TA OR DESIGN CENTER CONCEPT DEVELOPMENT

Stakeholders at many levels were enthusiastic about the idea of a statewide technical assistance or design center, but also had different concepts and models in mind. There are many options for how such an entity could be designed or structured, what it could offer, how it's managed and led, and more. Key leaders recommended beginning by formalizing a state TA provider network (building off of existing informal connections and relationships) and empowering that group to further explore what's needed and what makes sense. Likely steps would include further inventorying existing and planned offerings, evaluating what's working and where there are gaps, and more deeply exploring models from other places. The details below capture existing thinking and ideas and can serve as a resource for any group ready to explore this idea.

Technical Assistance and Design Center Models

There are many potential models for how a center could be structured. Stakeholders shared potential concepts for Vermont, plus examples of centers and resource hubs from other places. Both lists can help inform future thinking.

STATEWIDE DESIGN OR CENTER FUNCTIONS		
Advancing Priority Projects	**Removing Barriers to Action**	**Increased Help, Coordination**
One of the biggest goals for reformed designation programs is to increase major actions and priority projects on the ground. Communities need more direct, robust help to manage large, complex projects than small, existing TA resources can usually provide.	In addition to local capacity gaps, major barriers include complexity in agencies, permits, timelines, funding sources, etc. Communities need dedicated and personal assistance and resources to break through the specific barriers they face.	Some technical assistance is out there, but resources are scattered among agencies and partners and hard to find. Also, existing supports and resources often have eligibility or other restrictions and don't fully meet needs. Vermont needs more technical assistance resources and easier access to them.

POTENTIAL STRUCTURES

TA Partner Network (recommended first step)
Formal network that connects Vermont technical assistance providers (agencies, nonprofits, RPCs, and more). Participants might meet 2-4 times per year to share activities and lessons, identify gaps and critical needs, and pursue major projects and collaboration opportunities (like exploring a statewide center).

Hub-and-Spoke Model
Central TA "hub" (organization or initiative) that coordinates offerings, offers some support or coaching, and serves as a centralized portal and referral service for communities. Statewide TA providers are "spokes" or "nodes," offering services and connecting with different stakeholder groups.

Clearinghouse Model
Statewide website or information portal that lists and aggregates TA offerings from providers statewide. Services and staff are minimal, but may coordinate communication and information sharing.

Central Design/TA Center + Network
Larger statewide organization that becomes a primary TA or design provider, offering core programs and resources (such as training, staff time or expertise, charrettes or engagement programs, project navigation, etc.). May coordinate a network.

Designation Design/TA Center
Program or initiative offering robust design services or technical assistance specifically for designation program participants or projects (likely housed at DHCD), plus referrals to other state resources and providers.

Examples from Other Places

BLDG Memphis | bldgmemphis.org

Coalition of people and organizations working toward regional livability and community development goals; offerings include customized capacity building and peer support, community engagement, advocacy and policy work, events, and MEMFIX tactical urbanism program.

Plan NH | plannh.org

Nonprofit that supports sound planning statewide; offers charrette program that enlists professional volunteers, awards programs, grants, training, and education. Similar examples: Build Maine, Louisiana Center for Planning Excellence.

Tug Hill Commission (New York) | tughill.org

Small agency charged with building local leadership capacity to shape the future of a rural region. Offers traveling, shared municipal staff via a "circuit rider" approach, plus training, convenings, centralized resources (like data and GIS).

Epicenter (Utah) | ruralandproud.org

Nonprofit providing comprehensive local support to advance priority acions (housing, placemaking, economy). Responsive approach involves breaking down any barriers, from 1-1 project leadership to research and policy models.

Community Design Center (Arkansas) | uacdc.uark.edu

Academic center with staff, providing professional design and education services nationwide. Similar examples: Gulf Coast Community Design Studio (Mississippi State), Community Design Lab (Iowa State), Rural Communities Design Initiative (Washington State), Rural Studio and Urban Studio (Auburn).

Civic Design Center (Nashville) | civicdesigncenter.org

Nonprofit supporting community engagement, "civic design,"

and actionable plans; offers engagement, education, and planning process. More examples: Community Design Center Rochester, Baltimore Neighborhood Design Center, Charlotte Urban Design Center, Detroit Collaborative Design Center.

East Tenn. Community Design Center | communitydc.org

Nonprofit that engages professional architects, planners, and other professionals to provide pro bono project design and TA.

Environmental Protection Network | environmentalprotectionnetwork.org

Nonprofit network that matches volunteer coaches with under-resourced organizations to help them navigate federal funding, regulatory processes, policies, and data sources.

LIVABILITY & SOCIAL SERVICE NEEDS

State policies and programs are encouraging even more growth in dense centers: housing, economic development, siting of state facilities and services, cultural activities and more. The urgency of the housing crisis demands fast action to build units and welcome people, but policies and directives don't often consider or help manage the impacts of that growth. The need for services is higher than ever; mental health, addiction and homelessness crises are bringing more people into downtowns, with greater needs for help and few places to go. A rapidly aging population increases the urgency for safe, accessible, and walkable streets and buildings; social connections; emergency response and care. Meanwhile, capacity is lower than ever. Rising costs stretch municipal budgets, while affordable housing and development incentives can reduce revenue further. Nearly all service providers are struggling to hire and retain staff: municipal government, police and EMS, mental health agencies, nonprofits, courts, schools and more. Key factors and considerations include:

- Balancing urgency and need for rapid housing and population growth in centers with limited capacity to provide essential services and support people.

- Variety of livability and service needs: health and mental health care, parks and public spaces, recreation and social connections, maintenance of streets and public spaces, bike and pedestrian access, social services.

- Tension and lack of agreement on approaches and priorities (public safety and policing vs. justice and equity concerns; local control and decision-making roles.

- Lack of capacity and resources at all levels to provide essential services and meet needs, explore creative models, and pilot projects, and develop collaborations.

LOCAL LIVABILITY: WHAT WE HEARD

Focus groups and interviews in the Recommendations phase engaged a diverse mix of state leaders and stakeholders : municipal officials, residents, social service agencies, housing providers and advocates, businesses, chambers e, librarians, nonprofits, planners, developers, racial/social justice organizers. This summary focuses on:

- **Downtowns**, used as shorthand for larger community centers including Designated Downtowns and larger villages that often serve as regional hubs.

- **Community and social services**, or a wide range of services and amenities that people and businesses need to thrive (healthcare, family supports, sanitation, public safety, transportation, recreation, and more).

TOP STAKEHOLDER LIVABILITY AND SOCIAL SERVICE INPUT

Services and Support Needs	Municipal Capacity Factors	Big Picture
• Access to healthcare (traditional, mental, specialized) • Housing (permanent and temporary) and multimodal transit • Public safety, crime reduction, traditional and restorative justice • Accessible buildings; safe/walkable streets; more thorough maintenance • Welcoming public spaces, recreation, gathering places, outreach, support	• Municipal tax base insufficient to provide needed level of service • Public service understaffed (police, maintenance, road crews, EMS/fire) • Municipalities not equipped to offer social services; social service agencies and courts underfunded and -staffed • More housing, public agencies and facilities increase needs but don't cover costs	• State, designation programs call for more housing, residents, investment in downtowns; this will increase needs • Problems compound quickly and need action now (crime, safety issues harm people and business, reduce downtown appeal, threaten progress) • Solutions and results are systemic and slow (i.e., housing first models, policy change, coalitions)

Photo: Community Workshop LLC

RECOMMENDATIONS FOR STATE GOVERNMENT, PARTNERS, AND COMMUNITIES

Key state leaders from different sectors generally agreed on top needs: major funding and regulatory relief to speed development of housing and infrastructure; changes in municipal funding models and creative revenue generation/partnership approaches; and commitment from funders, developers, state agencies, and partners to develop and fund shared solutions and holistic projects and services. Fully addressing livability and social services requires major systems change (such as reforming the healthcare system) and local leadership. Stakeholders lifted up key actions and priorities for different entities.

State Government	Partners and Organizations	Local Communities
• Increase state investments and resources for restorative justice, public safety, mental health and family support, and other resources • Develop policy changes to enable more municipal revenue streams and inter-municipal/shared staffing • Provide high-level state leadership and direction to prioritize agency coordination • Allocate funding for increased municipal service needs that arise from state goals or facilities • Explore a statewide land bank or other solutions to support infill and convert vacant properties	• Explore, share, and support promising models to reduce needs, such as community nurses, embedded social workers, and housing resident services • Increase capacity and support for local action including training, facilitation, design services, and resource development • Increase resources and funding flexibility to expand resident services and support in housing • Develop coordinated systems for sharing data and info among partners	• Increase communication and partnerships among local partners and providers (municipal staff, health and social service organizations, public safety and first responders) • Host dialogues, share information and correct misperceptions around growth, public safety, livability, mental health, addiction, and more • Reform zoning bylaws and policies to allow more housing types, treatment, or care facilities • Increase training and funding for municipal staff in accessibility and complete streets, trauma-informed care, and other areas

EXISTING AND DEVELOPING OFFERINGS

Many organizations, agencies, and initiatives are developing and exploring creative programs or offering some services that address these issues from different perspectives. A key challenge and opportunity is to bring together cross-sector partners and programs and sharing replicable models across communities.

Program/ Organization	Offerings
Community Benefit Agreements	Legal agreements between developers or property owners and municipalities, where developers commit to funding or offering an essential community service or need (childcare center, public spaces, sidewalk access, local hiring, etc.) in exchange for development support or benefits (regulatory relief, density bonuses, strategic support, or partnership).
Community Nurse Programs (various towns)	Pilot and model programs involve creating paid community nurse positions within towns and municipalities to increase resident wellness and reduce emergency and hospital care needs. Nurses provide basic, free nursing care for town residents including preventive care, wellness checks, referrals, and support.
Embedded mental health/ social service workers (various towns)	Mental health and social workers embedded or on staff with police and first responders; embedded workers provide trauma-informed response and increased capacity to support people in crisis who do not require a police or emergency response.
Housing/resident service providers (various housing organizations)	Social workers or advisory staff within housing projects, offering critical support and resources to residents such as health referrals, social connections, and urgent response. Pilot projects are exploring potential to fund positions in initial housing financing work or through Medicaid.
Howard Center Street Outreach Team	Nonprofit outreach staff offer direct support to people in crisis or with special needs in Burlington and other Chittenden County towns. Services include providing supplemental and trauma-informed support to business, police, fire, housing; referrals and networking; and safety and harm reduction approaches.

Landlord Relief Program (Vermont State Housing Authority)	State program offering financial incentives and security to landlords who rent to unhoused people or others on rental assistance, reducing concerns and risk.
Restorative Justice Centers	Regional centers offering restorative approaches to crime, such as diversion programs, restorative processes, support for crime victims and perpetrators.
SASH (Support and Services at Home)	Statewide program offering free home visits and support care for people on Medicare; coordinators and wellness nurses offer basic preventive care, referrals, care coordination, support and connection, and health action plans.
Street Seats and Semi-Public Spaces	Public-private partnerships that encourage private businesses and property owners to maintain and offer public or semi-public spaces like parklets. Property owners often get access to sidewalk or street space or other benefits, while increasing the availability of public space.
Team Two Vermont	Initiative providing statewide training for law enforcement and crisis workers on mental health crisis response.

EQUITY, DIVERSITY AND ACCESS

Stakeholders broadly recognized equity, diversity, and accessibility as critical goals for Vermont (and the designation programs), and also as areas where most programs and communities need to do better. Current equity challenges and barriers are rooted in deep, broad, and historic systems including slavery, discrimination against people with disabilities or gender diversity, rural land use patterns and more. They are also tied to current conditions such as low capacity, poverty, racism and barriers to wealth and education. Key factors and considerations include:

- Equity and fair access to opportunities for different entities and scales: regions and communities, organizations and local governments, and individual people (business owners, leaders, residents, advocates).

- Equity and access to different types of resources and opportunities: land and property, housing and local amenities, education and knowledge, funding and grants, technical services, programs, and resources.

- Importance of many types of diversity and inclusion: racial, gender, political, economic, age, religious, new vs. longtime Vermonters, skills, and backgrounds.

- Different strategies and needs: reducing both systemic and personal discrimination and racism, creating

equitable and inclusive systems, increasing capacity and resources for inclusive and equitable practices, attracting diversity in communities and leadership positions, building inclusive culture and support at all levels.

EQUITY, DIVERSITY, AND ACCESS NEEDS: WHAT WE HEARD

Designation 2050 plan recommendations focus on direct links to the designation programs:

- **Barriers to equitable program access**, such as lack of clear and accessible program information and outreach, local capacity challenges (especially in rural and small communities), and lack of broad accessibility policies and services in designation and benefit programs.

- **Increasing designation programs' impact on equity,** including ways that programs can direct resources to underserved communities and people, policies and investments that address and correct past inequity, and capacity building efforts that increase diverse leadership.

TOP STAKEHOLDER EQUITY NEEDS AND REQUESTS		
Program Accessibility Services	**Program Benefits and Offerings**	**Systemic Statewide Equity Work**
• Plain language and simple program design (program and communications reforms to increase access for all) • Accessibility and language access policies and services (staff training, policies, and resources to offer full language access, translation, accessibility services) • Non-governmental connectors and portals (trusted organizations and leaders to connect with underserved groups) • Investments in equitable engagement (resources, systems, and processes to reach and empower more people)	• IDEA training, facilitation, and support for local communities (resources to help build skills and increase inclusion in local places) • Targeted, equity-focused programs and benefits (support for programs and projects that increase equity, such as home ownership, public space access, BIPOC land ownership), rural and small town projects) • Leadership support (training for non-traditional leaders and community members to gain skills in community leadership, small-scale development, and action)	• Reparations and wealth building (intentional programs to increase generational wealth and opportunity for BIPOC people and address historic inequity) • Recruitment and support for diverse Vermonters (intentional efforts to attract more racial and other diversity while increasing Vermont's population, and build a welcoming culture) • State support for equitable engagement (authorization and funding for participation stipends, robust project timelines and budgets to allow for equitable and deep engagement; standard equity and accessibility services)

RECOMMENDATIONS FOR STATE GOVERNMENT, PARTNERS, AND COMMUNITIES

The root causes of racism, poverty, and other equity challenges run deep. Addressing them requires an all-hands approach, with action and committed work all across the state. Stakeholders offered these recommendations for transformational actions by a range of entities and partners.

State Government	Partners and Organizations	Local Communities
• Authorize and expand state resources for equitable participation (such as participation stipends, childcare or travel assistance, project timelines and budgets that allow for deep engagement) • Develop consistent accessibility and language access policies, resources, and training in all agencies • Recruit and support diverse and representative leaders for state agencies, boards, elected positions • Increase funding and support for technical assistance to rural and under resourced communities	• Offer targeted programs, resources, or funding priorities to advance equity priorities (ex: reducing racial home ownership gaps or home energy burdens for low-income Vermonters • Offer accessibility services and improve accessibility of communications, materials, tools, events, programs, and resources • Recruit and support diverse staff and trusted community connectors • Offer flexible and customized options and resources to fit diverse users and needs	• Adopt the Vermont Declaration of Inclusion and implement actions • Recruit and support diverse local leaders • Offer training for municipal staff, local leaders and officials on accessibility, diversity, and inclusion • Increase accessibility of websites, information, meetings, and communication • Prioritize universal design in new projects, facilities, programs, and events • Find ways to compensate people for labor and reduce reliance of volunteers

EXISTING AND DEVELOPING OFFERINGS

Many organizations and initiatives (including state government) are prioritizing equity, inclusion, diversity, and accessibility. There are dozens of services providers and resource organizations, trainings, guides, resources, and more. The following programs and organizations are top examples and recommendations suggested by stakeholders.

Program/ Organization	Offerings
Chittenden County RPC Equity and Engagement Manager	Dedicated regional planning commission staff member charged with improving equity and racial justice for the county, including developing an Advisory Committee, creating tools and resources, conducting deep and equitable engagement, and supporting communities with equity practices.
Every Town Project	Statewide initiative aiming to ensure that every town in Vermont has at least one parcel of "quality land" held in permanent trust for BIPOC people to use, steward, and benefit from.
First Generation Home Ownership Program (VHFA)	New program to support first-generation home buyers through grants for down payments and assistance with the purchase and closing process; marketed to BIPOC people.
Health Equity Pilot and Ambassadors (Vermont Healthy Communities)	Equitable engagement approach to support the Health Communities pilot program and projects. VDH recruited, paid, trained, and supported local people (often from non-traditional backgrounds) to build bridges to special and underrepresented populations.
Home Ownership Equity Program (Champlain Housing Trust)	New program designed to help address racial and economic home ownership gaps and barriers to owning property. Program offers zero-interest, forgivable loans to help first time Black home buyers
Land Access and Opportunity Board	State board working to increase equitable access to housing and land for diverse Vermonters; activities include reports and policy recommendations, working groups, strategic initiatives, and conversations.
State Agency Model Policies and Practices	Accessibility, language access, and inclusion plans and policies currently enacted by various state agencies. Strong examples include the Agency of Natural Resources and VCGI.
Vermont Declaration of Inclusion	Statewide initiative and toolkit encouraging every town to adopt and promote a statement of inclusion and actively work toward increasing equity and inclusion. As of 2023, 133 towns are participating.
Vermont Office of Racial Equity Resources	Statewide office working to expand statewide equity and social justice by connecting partners, developing, and sharing best practices and resources, assessing state government equity gaps and strengths, advocating for policy change, and educating Vermonters. Resources include reports and toolkits, educational materials, plans, and assessments.

Appendix 6
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accd.vermont.gov/community-development/designation-programs

vtdesignation2050.org