

DESIGNATION 2050

Overview of Reforms & Incentives

State of Vermont
House of Representatives
Committee on Energy & Environment

February 2, 2024 | 10:25 AM

Chris Cochran, Director of Community Planning & Revitalization, State of Vermont
Jacob Hemmerick, Community Planning & Policy Manager, State of Vermont



AGENCY OF COMMERCE
DEPT. HOUSING & COMMUNITY DEVELOPMENT

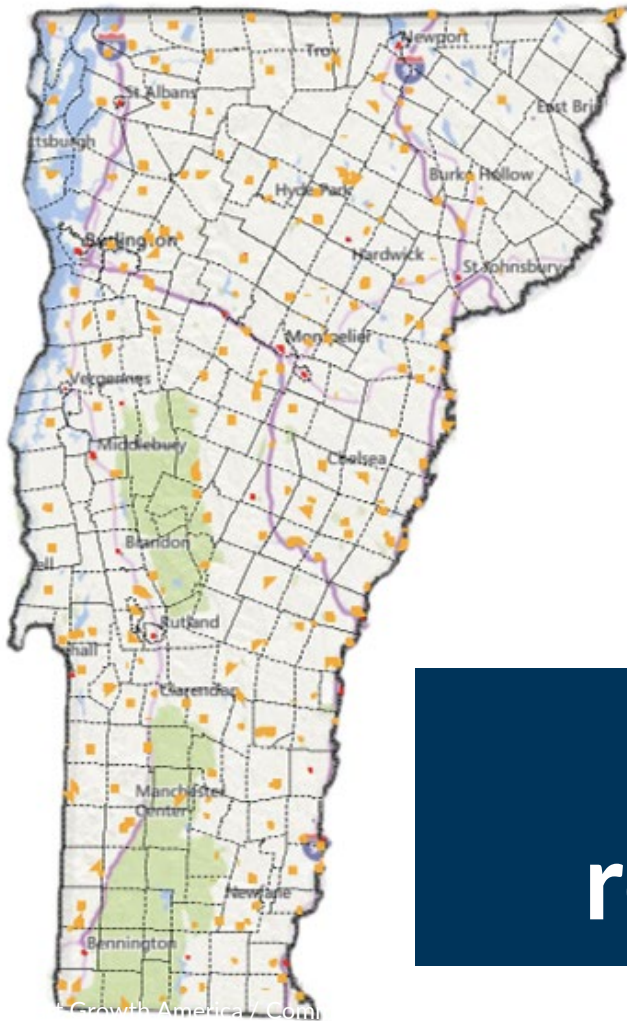
Community Planning + Revitalization Division

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

**To improve is to change; to be
perfect is to change often.**

To improve is to change; to be perfect is to change often.





How it Started

\$150,000 budgeted for DHCD to hire a consultant to independently evaluate and reform Vermont's State Designation Programs

The Process

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

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

DESIGNATION 2050

Designation Reform Structure



Existing Designations

5 Designations

3 Core Designations

Villages

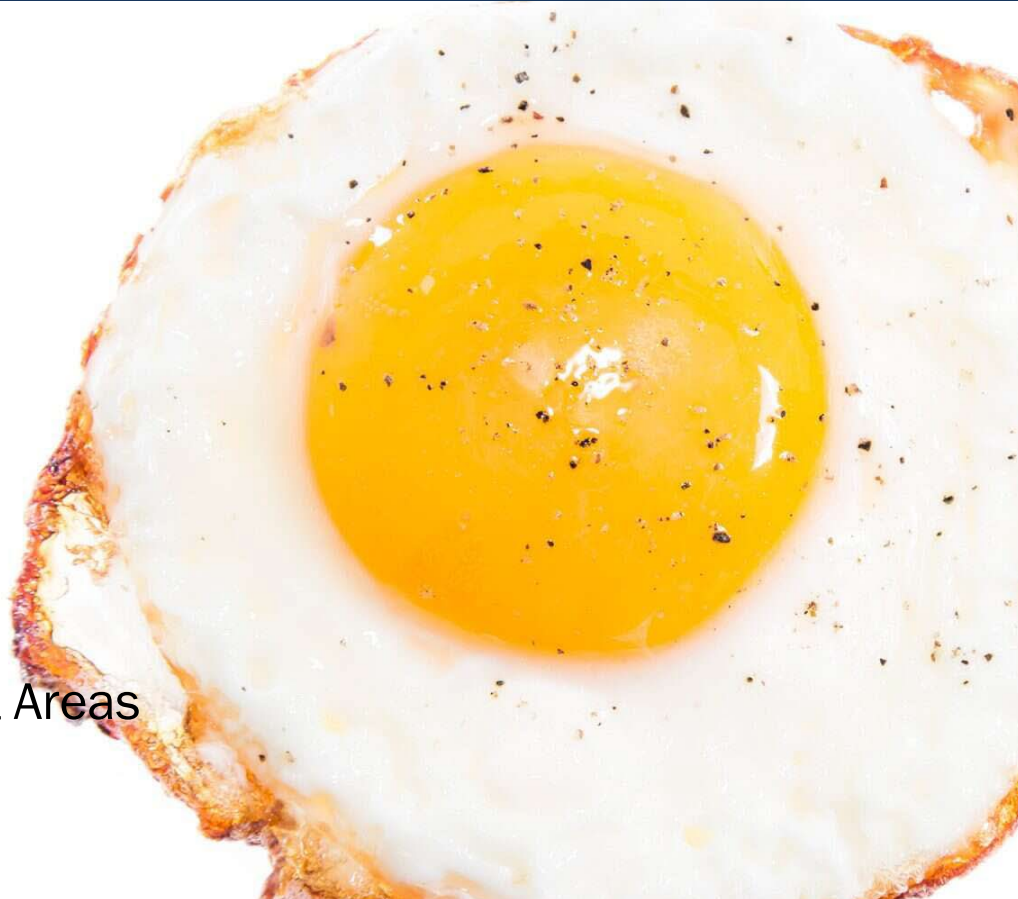
Downtowns

New Towns

2 Add-On Designations

Neighborhood Development Areas

Growth Centers



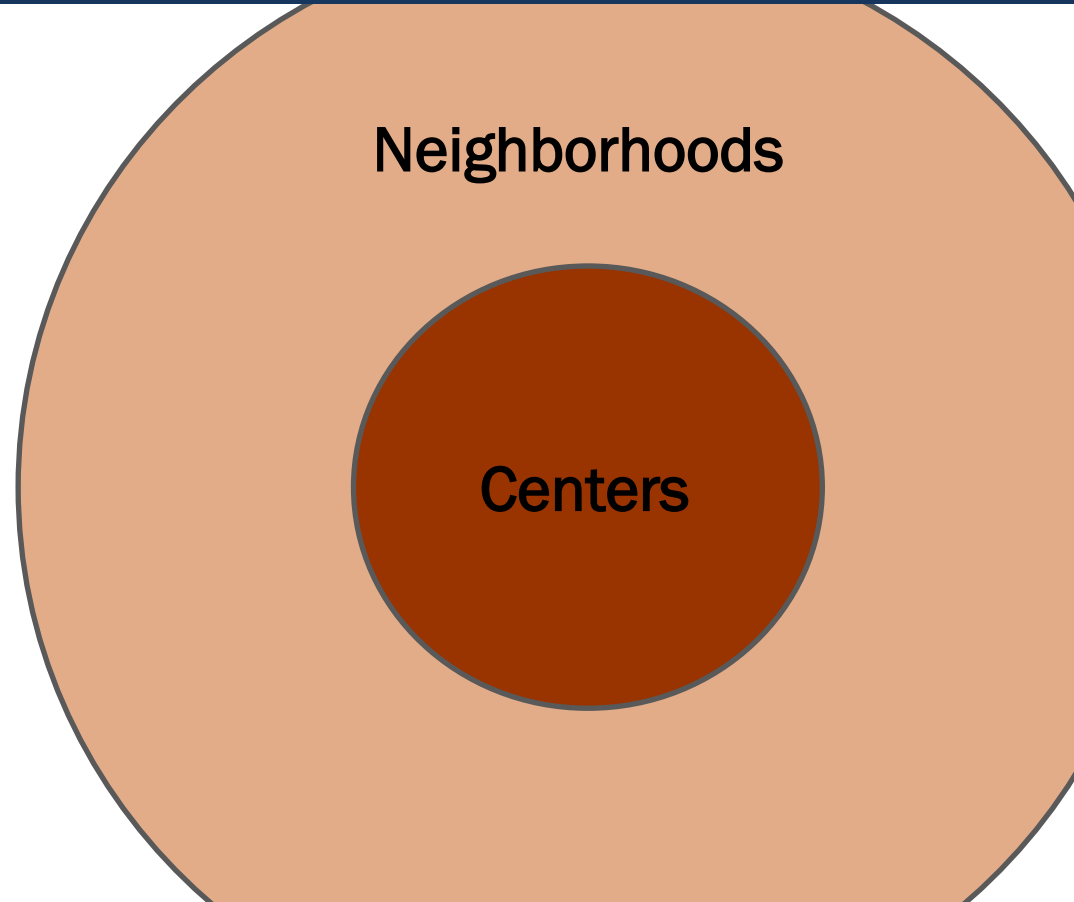
Proposed Designations

3 Designations

2 Base Designations

Centers (downtowns & villages)

Neighborhoods



Proposed Designations

3 Designations

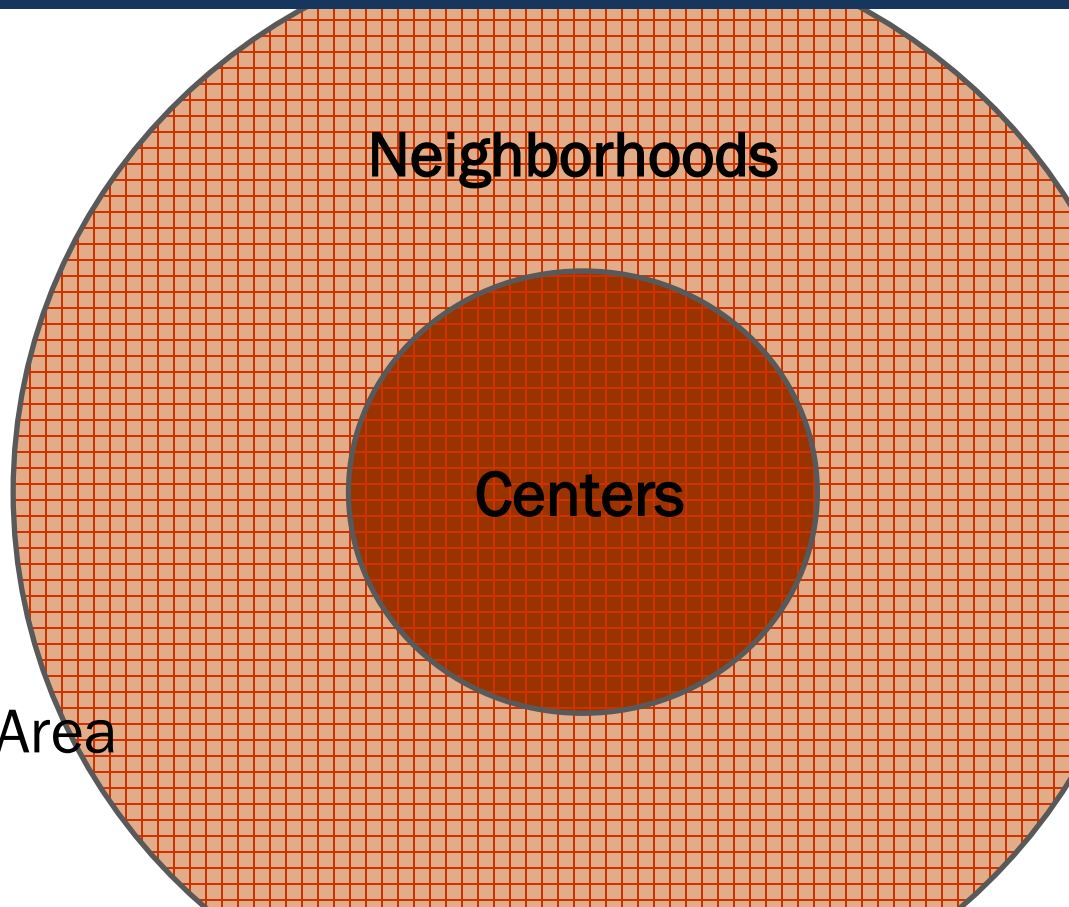
2 Base Designations

Centers (downtowns & villages)

Neighborhoods

1 Add-On

Tier 1 Planned Growth Area



On the Ground

Existing Designations

Count: 281

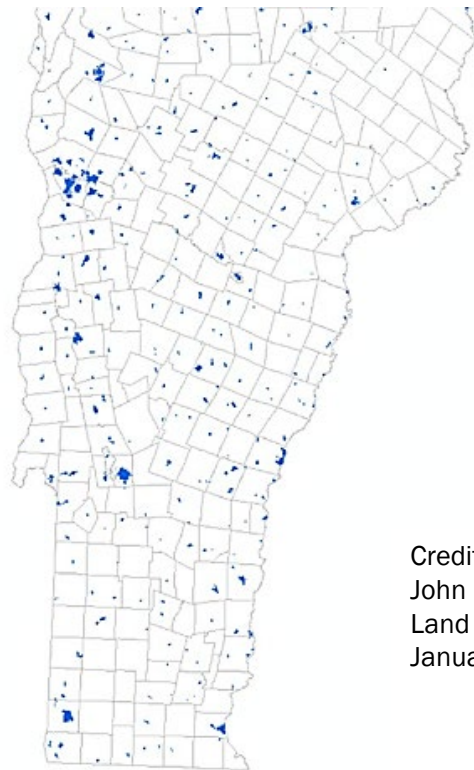
Land Area: 0.03%

Proposed Designations

Count: 322+ (approx. estimate)

Land Area: 6%+ (approx. estimate)

*Estimates based on walkable area map exercise



Credit: Presentation
John E. Adams
Land Use Trends in Vermont
January 31, 2024

Land Use & Development Reports: A Location-Based Framework



Regional Planning Report: Future Land Use

This table represents land use categories, not land area acreage or percentage of land area

Downtown Center	Village Center	Planned Growth Area	Village Area	Transition (optional)	Enterprise	Resource-Based Recreation	Rural
							Hamlet General Ag/Forest Conservation

State Designation 2050

Center		Neighborhood					
Tier 1 Planned Growth Area							

Necessary Updates to Act 250 Report

Tier 1a			Tier 2				
	Tier 1b						Tier 3

DESIGNATION 2050

Existing Incentives



Existing Incentives

Focus on community development

Beneficiaries

Municipalities

Builders/Developers

2 Types of Benefits

Non-Regulatory (Financial)

Regulatory

Complex

State Designation Programs Benefits Overview

	DOWNTOWN CENTER	VILLAGE CENTER	NEW TOWN CENTER	GROWTH CENTER	NEIGHBORHOOD DEVELOPMENT AREA
AUTHORITY					
Statute Section (24 V.S.A. Chapter 76A)	2793	2793a	2793b	2793c	2793e
Date Established	1998	2002	2002	2006	2013
PURPOSE					
Historic Preservation*	✓	✓		✓	✓
Economic Revitalization*	✓	✓		✓	✓
Smart Growth	✓	✓	✓	✓	✓
Economic Development	✓	✓	✓	✓	✓
BENEFITS					
10% State Historic Rehabilitation Tax Credit	✓	✓			✓
25% Façade Improvement Tax Credit	✓	✓			✓
50% Code Improvement Tax Credit	✓	✓			✓
50% Flood Mitigation Credit	✓	✓			✓
Downtown Transportation Fund***	✓	✓			
Sprinkler System Rebate	✓				
Special Assessment District	✓		✓		
Reallocation of Sales Tax on Construction Materials	✓				
Traffic Calming Options	✓				
Signage Options	✓				
No appeal of decision on character of neighborhood for housing	✓			✓	✓
Act 250 Threshold for Mixed-Income Housing & Mixed-Use Projects			✓	✓	✓
Act 250 Limited Review & Criteria - "Downtown Findings"	✓				
Act 250 Findings and Conclusions for Growth Centers				✓	
Act 250 Master Plan Permit Application				✓	
Act 250 Mitigation for Loss of Primary Agricultural Soils**	✓		✓	✓	✓
Act 250 fee reduction	✓				✓
Act 250 Existing Settlement under criterion 9(L)	✓	✓	✓	✓	✓
Exemption from land gains tax	✓	✓	✓	✓	✓
ANR Wastewater fee capped at \$50/application					✓
Better Places placemaking grants	✓	✓	✓		
PRIORITY CONSIDERATION***					
All State Agencies and Funding Programs - first priority	✓	✓			
Specific State Agencies and Funding Programs:					
Municipal Planning Grants	✓	✓		✓	✓
Bike/Ped and Transportation Alternatives Grants	✓	✓		✓	✓
Property Assessment Fund (Contaminated Sites / Brownfields)	✓	✓		✓	✓
Community Development Block Grants	✓	✓		✓	✓
ANR Wastewater funding	✓	✓		✓	✓
State affordable housing funds	✓	✓		✓	✓
Locating State Buildings	✓	✓	✓	✓	✓

*May not apply to all growth centers.

**Agricultural soil mitigation benefits apply to designated neighborhood development areas only when they are associated with a designated downtown and applies only to new town centers created before 1/1/94.

***Designated Village Centers that have completed a Better Connecticut planning process are eligible for the Downtown Transportation Fund. Statute establishes that designated downtowns and village centers should have greater priority for state funding and programs than new town centers and growth centers. (24 V.S.A. §2793(i)(2)(A))

For more information, please contact
Chris Cochran: chris.cochran@vermont.gov or 802.595.5410
Website: <http://acct.vermont.gov/community-development/designation-programs>

Non-regulatory Incentives

TAXATION

- Land Gains Tax Exemption
- Special Assessment District Authority
- Tax Increment Finance District Location

PROGRAM ELIGIBILITY

- Tax Credits: Historic, Façade, Code, Flood
- Sales Tax Reallocation
- Better Connections Funding
- Neighborhood Partnership
- Downtown Organization Funding
- Downtown Transportation Funding

TECHNICAL ASSISTANCE

- National Main Street Center
- Downtown Coalition
- Downtown & Village Conference

PROGRAM PRIORITY

- DHCD Community Development Funding
- DHCD Municipal Planning Grants
- DHCD Bylaw Modernization Grants
- VHFA Affordable Housing Funding
- VHCB Affordable Housing Funding
- AOT Bike/Ped Funding
- ACCD Brownfields Funding
- ANR Water/Wastewater Funding
- BGS State Office Building Location
- Electric Vehicle Supply Equipment Funding

Regulatory Incentives

REGULATORY OPTIONS

River Corridor & Flood Hazard Bylaws

- NDA inclusion (w/good bylaws)

- Allowances for flood-safe infill

Billboard Law - certain off-site signage

Reduced downtown speed limits

Limitations on character-based appeals

FEE REDUCTIONS

\$50 ANR Wastewater Permit

Act 250 Agricultural Soils

SPECIFIC REVIEWS

Act 250 9L Presumptions of Compliance

Act 250 Local Municipal Impact

Act 250 Master Plan Permit

Act 250 Downtown Findings

ACT 250 JURISDICTION

Project-type recognition (PHP)

Pilot jurisdictional relief for housing

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

Vibrant places need action —and support.

Grants for flood resilience and public spaces.

Tax benefits to restore historic buildings.

Faster approval for downtown housing.

Support to design safer streets and sidewalks.

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

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

Better Incentives + Support

**Vermont
wants...**

More dollars for
action

Direct program
assistance

Local capacity
solutions

for...

Housing Growth & Access

Climate Resilience

Infrastructure

Livability & Amenities

Capacity & Equity

Community & Economic Vibrancy

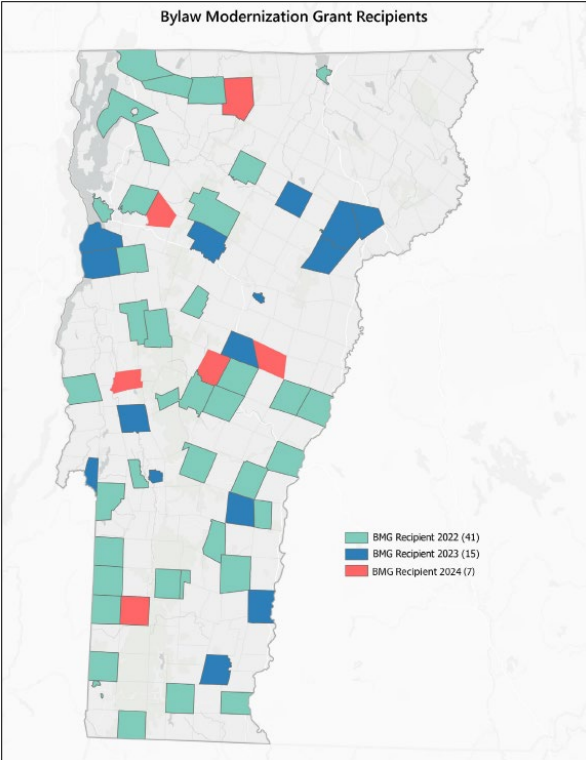
Housing Growth + Access

Bylaw Modernization Grants

63

Participating Communities

Three Funding Rounds



Housing Growth + Access + Equity

Community Partnership for Neighborhood Development

By the Numbers [2023]



\$900,000
available funding



\$2,484,733
total request



9
applications
received



7
applications fully or
partially funded



1,341
dwelling units
created



Housing Growth + Access + Equity

Homes For All - Toolkit Trainer Summit

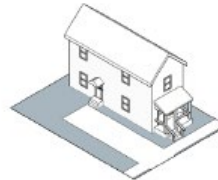
3/14, Old Labor Hall - Barre

Co-Sponsors

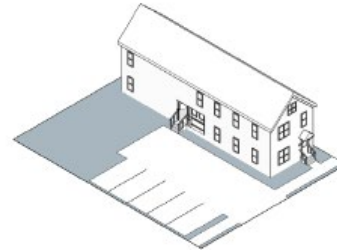
AARP – Vermont
Vermont Housing Finance Agency
Preservation Trust of Vermont
Evernorth
Vermont Bankers Association
Vermont Community Foundation
Vermont League of Cities and Towns
Vermont Natural Resources Council
Vermont Housing and Conservation Board
Vermont Chamber of Commerce
American Institute of Architects – Vermont
Greater Burlington Industrial Authority
Bennington Regional Commission
Downs Rachlin and Martin, PLLC
Green Mountain Development Corporation
Vermont Association of Planning and Development Agencies



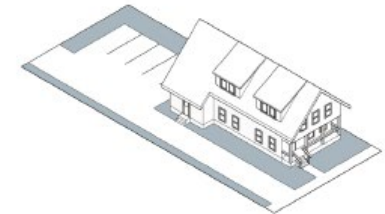
Typology 1



Typology 2



Typology 3



Infrastructure + Resilience + Equity

Electric Vehicle Supply Equipment

By the Numbers [2014-2023]



\$3.5 m

Grants awarded for public EV charging at **59** Public Locations



\$1 m

Pilot program grants awarded for charging at **37** Multiunit affordable housing projects



\$7 m

For multiunit, workplaces, and community attractions awarded through partner organizations



Capacity + Equity + Resilience



Brandon Overflow Culvert

Capacity + Equity + Livability + Amenities

By the Numbers [2015-2023]

 **\$3.7 m**
in grant funds
requested

 **\$1.6 m**
in grant funds
awarded


 **\$199,500**
in local match
funds

 **21**
Better
Connections
grants awarded



Capacity + Equity + Livability + Amenities

Better Places



MAD RIVER VALLEY

WARREN, VT


Help Us Bring a Dog Park to Mad River Valley!

We are creating a welcoming park where dogs (and their people) can socialize, recreate, have fun, and safely play.

\$12,305 of \$12,000 **6** days left

★ Matching Grant: Vermont Department of Housing and Community Development

VIEW SUPPORT



MIDDLEBURY BIKE PUMP TRACK PROJECT

MIDDLEBURY, VT

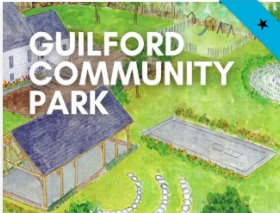
Middlebury Bike Pump Track Project

Building a bike pump track in town that is free, fun, and accessible for bicyclists of all ages.

\$6,068 of \$6,000 **27** days left

★ Matching Grant: Vermont Department of Housing and Community Development

VIEW SUPPORT



GUILFORD COMMUNITY PARK

GUILFORD, VT

Guilford Community Park needs YOUR support!

Create and foster community through shared recreational experiences...

\$9,480 of \$20,000 **48** days left

★ Matching Grant: Vermont Department of Housing and Community Development

VIEW SUPPORT



PITTSFORD VILLAGE FARM PAVILION

PITTSFORD, VT

Pittsford Village Farm Pavilion

Help us raise the funds needed to install a pavilion for the community at the Pittsford Village Farm!

\$11,358 of \$11,000 **Project Closed**

★ Matching Grant: Vermont Department of Housing and Community Development

VIEW SUCCESS!



LAMOILLE ART & JUSTICE PROJECT COMMUNITY MURAL

STOWE, VT

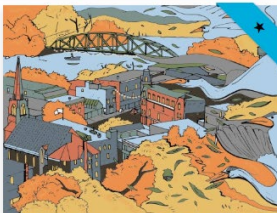
Lamoille Art & Justice Project Community Mural

Join the Lamoille Art & Justice Project in a community-created mural on the Stowe recreation path to highlight local conversations around racial justice.

\$5,400 of \$5,000 **Project Closed**

★ Matching Grant: Vermont Department of Housing and Community Development

VIEW SUCCESS!



HIGH STREET MURAL

BRATTLEBORO, VT

High Street Mural

Revitalizing Downtown Brattleboro Together

\$8,411 of \$8,000 **Project Closed**

★ Matching Grant: Vermont Department of Housing and Community Development

VIEW SUCCESS!

Community + Economic Vibrancy + Equity

Downtown and Village Tax Credits

By the Numbers [2020-2024]



175
projects awarded



77
communities served



\$14.75 m
awarded tax credits



\$298 m
in private investment



Designation Programs can deliver. But they need reform.



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

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

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

But more work is needed, and in more places.

DESIGNATION 2050

Proposed Reforms & Incentives

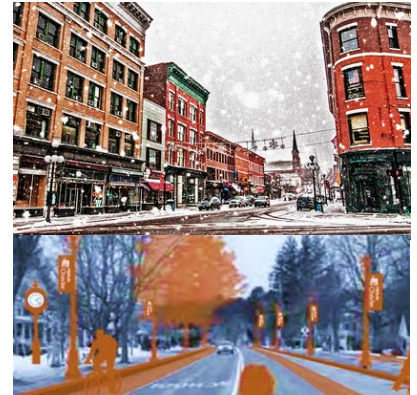


Smooth Transition of Existing Incentives

No loss of existing incentives

Existing designations transfer into new framework upon approval of regional plan

Villages	Centers
Downtowns	
New Town Centers	
Neighborhood Development Areas	Neighborhoods
Growth Centers	



Both designations can pursue Tier 1 Planned Growth Area

Incremental Steps for Centers

Graduated incentives to support communities' goals, growth, and progress



Proposed Incentives

CENTERS (downtowns & villages)

STEP 1

New, lower-barrier entry point

- \$/support for site/building based projects (i.e. tax credits)
- \$/support for municipal plans, visioning, assessments

STEP 2

Like prior village center

- Step 1+
- \$/support for bylaws, special purpose plans, housing, infrastructure
- Fee/tax incentives

STEP 3

Like prior downtowns

- Steps 1+2+
- Downtown org. funding
- Main St. America accreditation
- TIF location
- State office siting
- Sales tax re-allocation

Proposed Incentives

NEIGHBORHOODS

- \$/support for site/building based projects (i.e. tax credits)
- \$/support for bylaws, municipal plans, special purpose plans, housing, infrastructure
- Fee/tax incentives
- Limits on character-based appeals
- Traffic calming/speed authority

Proposed Incentives

TIER 1 PLANNED GROWTH AREA

- *Underlying Center & Neighborhood Benefits +*
- Outside Act 250 Jurisdiction/Exempt Area

Priorities in Action

Housing Growth & Access

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

Infrastructure

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

Capacity & Equity

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

Climate Resilience

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

Livability & Amenities

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

Community & Economic Vibrancy

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

Capacity + Equity + Resilience



Smart Growth America

Improving lives by improving communities

Climate Resilience

Increase base funding from \$3 million to \$5 million annually.

Increase cap for code credit to \$100,000 to account for rising costs.

Consolidation of designations from 5 to 3 will make expansion of program to Neighborhoods permanent.

Technical adjustments to flood mitigation credit to allow



Proposed Incentives

TECHNICAL ASSISTANCE NEEDS

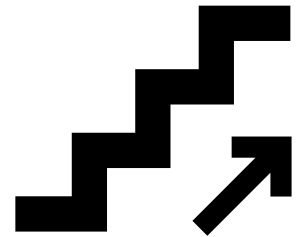
- General project advising/scoping services
- Physical improvement design services
- Regulatory and policy-making project services
- Programmatic and project management services
- Training infrastructure for local capacity
- More integrated state 'customer' interface for municipalities

Especially in lower-capacity and lower-resourced communities

Proposed Incentives

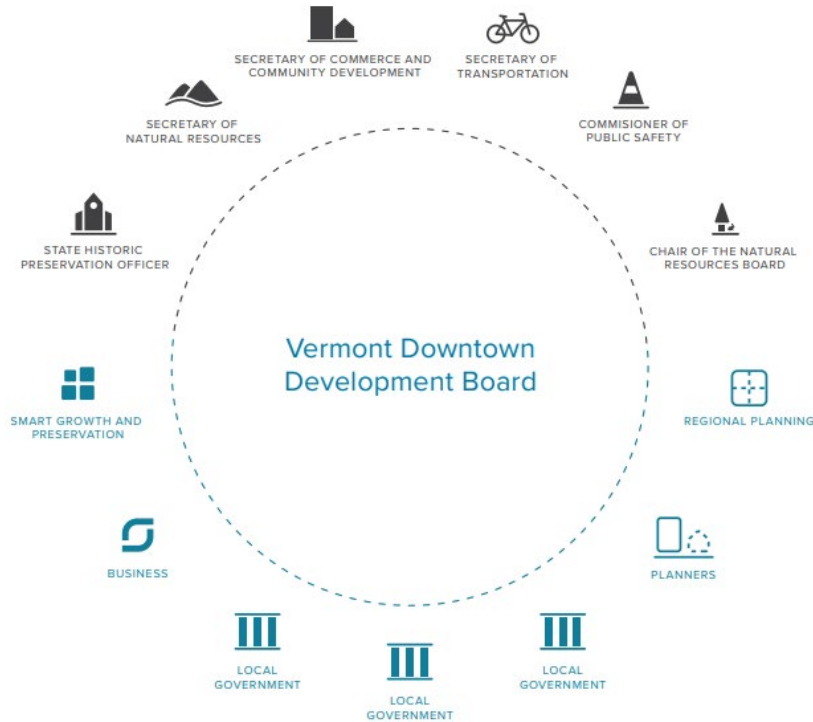
TECHNICAL ASSISTANCE

- More contracting on retainer to reduce municipal burdens
- Improved support for grant & project implementation
- Better sequenced funding streams: plan, scope, design, build
- More cross-agency coordination
- Expanded role for regional organizations and services



-Report on improvements for place-based, cross-agency coordination

Expanded Board



Vermont Bond Bank
State Treasurer
Office of Racial Equity

DESIGNATION 2050

Sustain Vermont's Historic Settlement Pattern

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

Promote Vibrant Economic Activity and Livability

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

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

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

Build Capacity & Increase Coordination

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



Vermont Designation 2050

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

vtdesignation2050.org