

Act 250's regulatory incentives to enable housing in designated centers

February 1, 2023

Senate Committee on Economic Development, Housing and General Affairs

[DR 23-0091, Draft 5.1, 1-19-2023](#): A bill to increase the supply for affordable housing, promote homeownership, and broader housing opportunities

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Act 250

- Statewide land use & development review law
- Reviews larger-scale and higher-impact development based on statutory thresholds
- District commissions apply criteria
- [Jurisdiction](#) over housing *typically* for the construction of 10+ homes or the subdivision of 10+ lots

Designated Centers

- Five distinct programs
- A place-based platform for coordinated state, regional and local planning, investment, and development best practices
- Rooted in Vermont's Planning & Development [Goals/Principles](#)
- Applications from municipalities awarded by State [Downtown Board](#)

Designated Centers

- **THREE CIVIC & COMMERCIAL 'CORE' DESIGNATIONS**

- [Downtown Centers](#) (24, est. 1998)

- [Village Centers](#) (229, est. 2002)

- [New Town Centers](#) (3, est. 2002)

- **TWO 'ADD-ON' DESIGNATIONS**

- [Growth Centers](#) (6, est. 2006)

- [Neighborhood Development Areas](#) (12, est. 2013)

Designated Centers

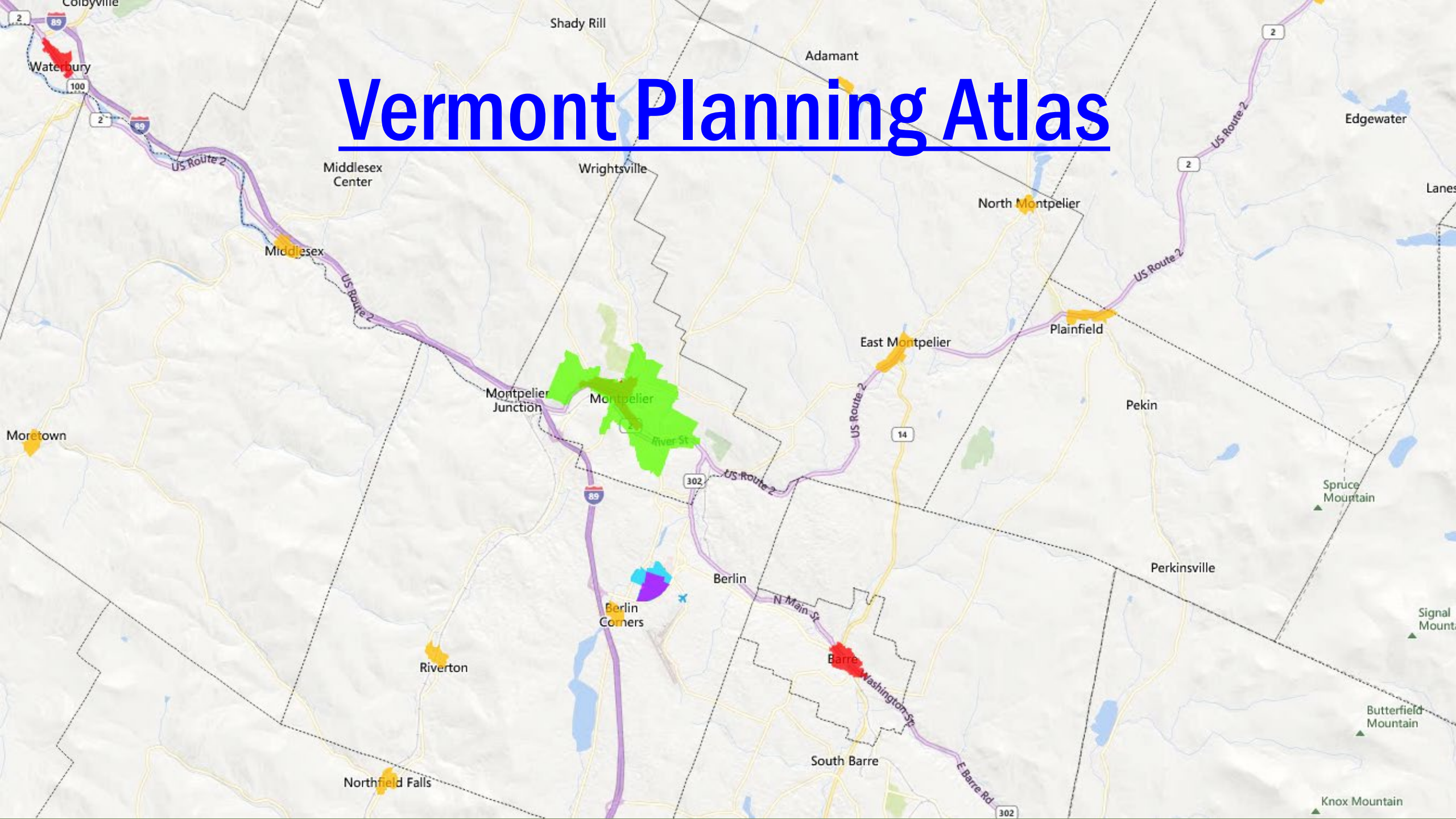
- Statewide policy framework:
 - Reviews municipal conditions and work: plans, budgets, bylaws, resources
 - Consistently maps locations of statewide consensus for re/development
 - Supports prioritized development & public interests; see [annual reports](#)
- Requirements & benefits vary by program: [one pager](#)
- Initial focus on historic preservation and revitalization
- Later focus on regulatory benefits, including Act 250
- Undergoing assessment by consultant in 2023 for modernization

Enabling Better Places

- [Model language](#) to support program access
- State, regional, local zoning analysis
- Rooted in VT-place types
- Identifies key topics of reform important to Vermont



Vermont Planning Atlas



Designated Centers & Act 250

Current Act 250 Benefits

50% Fee Reduction (NDA)

Presumption of Compliance of Compliance for Criterion 9L (ALL)

9L = [compact settlement criterion](#)

Agricultural Soil Mitigation Fee Reduction (DC, NTC, GC & NDA)

Exemption for 'Priority Housing Projects' (DC, NTC, GC & NDA)

Lesser used tools: Downtown Findings (DC) Master Plan Permit (GC)

Priority Housing Projects

- Exemption to Act 250 created in 2013
- Mixed-income housing projects
- For rent or owner occupancy
- At least 20% affordable
- May be mixed-use (40% residential)
- Eligibility limited to projects with less than
 - 75 dwellings in towns with <10k pop.
 - 50 dwellings in towns with <6,000 pop.

Impact

- 2017-2022
- 28+ PHPs, 2,700 dwelling units
- In 250: 70+ residential projects & approx. 3,000 units
(NRB Chair Haskell)
- Avg. dwelling units permitted statewide 2016-2021: 12,531
www.housingdata.org



Winooski Example

233 E. Allen St

45 units

6,000 s.f. non-residential space

76% affordable to 60% of AMI

The Bill: Act 250

- Maintains priority housing project exemption within DC, NTC, NDA & GC, and eliminates dwelling unit caps
- Expands priority housing exemption to designated villages with permanent zoning & subdivision
- Changes jurisdiction from 10-5-5 to 20-5-5, statewide
 - Construction of 20 dwelling units, within 5 miles within 5 years

The Bill: Act 250

- Exempts all housing projects & mixed-used development of 10+ units in neighborhood development area (NDA) designation
 - Currently only accessible to priority housing projects
- Defines subdivision of 10+ lots within an NDA without the 5-year, 5 mile