COMMUNITY RECOVERY
DOWNTOWN AND VILLAGE TAX CREDIT EXPANSION

- **WHAT:** Expand the successful downtown and village center tax credit program to support improvements to income-producing properties within existing Neighborhood Development Areas, an ‘add-on’ designation surrounding village centers, downtowns and new town centers.

- **WHY:** The quality and value of Vermont’s commercial and residential buildings declines when it requires more investment than market rents can support, a condition visible in once-vibrant neighborhoods throughout Vermont. When these buildings deteriorate to the point of vacancy, they become a public health and safety risk. When expensive building code repairs for life, health and safety hazards go unaddressed, a property’s value declines, which can also depress surrounding property values. This not only affects the State’s ability to maintain small-scale neighborhood business, recruit employees for available jobs, and meet housing needs of a changing market, but also to sustain the tax base needed to pay for aging public infrastructure and utilities, as well as public services foundational to stronger, more equitable and prosperous communities.

- **WHO:** The program helps small-scale real estate investors, local private and non-profit builders, tenants, community supported enterprises, small businesses and employers.

- **HOW:** Amend the statute to enable income-producing properties within Neighborhood Development Areas to qualify for downtown and village center tax credits. Thins would add a designation benefit to a program that rewards local plans, regulations, and investments designed to grow neighborhood vitality.

- **FUNDING:** The Governor’s proposed budget increases the cap by $1,750,000 to $4,750,000.

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