

DESIGNATION 2050

Overview

State of Vermont

House of Representatives

Committee on Commerce & Economic Development

March 1, 2024

Chris Cochran, Director of Community Planning & Revitalization, State of Vermont

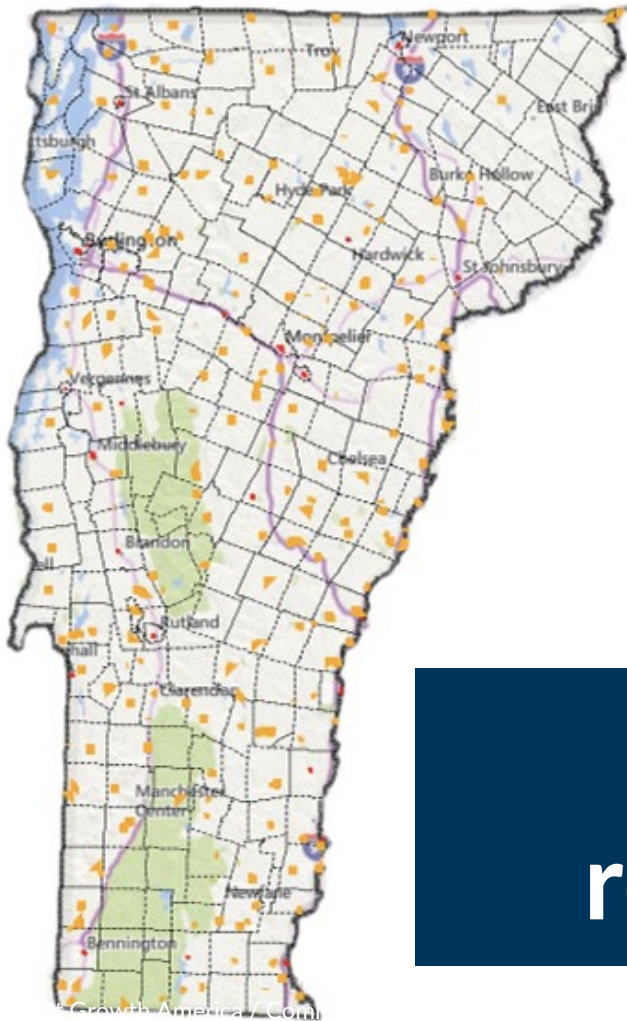
Jacob Hemmerick, Community Planning & Policy Manager, State of Vermont



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.



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.**

Grounded in Stakeholder Voices



We aimed to reach...



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

Public Outreach



We aimed to reach...



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

We created and used...

1 website 

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

planned and held...

1 statewide summit 

5 virtual conversations

9 strategic focus groups 

20+ chats & interviews

and gathered input from...

4 targeted surveys 

plus special events,
emails, and other sources

Public Outreach



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6
core stakeholder groups

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We asked...

What's working?
What's not?

Are these the right designations?

Do they achieve our goals?

Do they offer the right benefits?

Who's left out? Who faces barriers?

What's our new vision?

What should we change & improve?

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

500+
event registrations

[Sign Up!](#)

359 
survey & poll responses

229
6-word visions

With participation from ...



and representation from organizations and interests like...

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

Public Outreach



Public Outreach

"So easy!" 6-year old completes designation application for village. **A&J Review:** Ben & Jerry's new honorary designation have "dazzle this Vermont's oldest dairy producer" #4

Vermont Designation Daily

Monday, September 12, 2050 | Anniversary Summit Edition Free (and worth every penny!)

PROGRAMS EXCEED ALL DESIGNATION 2050 EXPECTATIONS ON CLIMATE RESILIENCE & ADAPTATION

1,000-Year Flood Briefly Disrupts Lunch Hour

Leaders agree on top five state and local impacts and outcomes

Each stakeholder presented this week for the 7th annual Designation Summit to review and prioritize projects. The following were agreed upon:

- local food for all no hunger
- DR: Organized and resilient non governmentally sponsored community resilience plan
- UT: All businesses and services will have a digital backup
- Community tax issues to help low and middle income
- Community tax issues to help low and middle income

Legend

- DR: Designation Review
- UT: Update
- UT: Update

Reformed programs DO support in Reformed programs DON'T support in

REIGNITION CLASSIFIERS	HELP WANTED	AVAILABLE NOW
Community Planning and Implementation	✓	✓
...

Visit [www.vermont.gov](#) for more information about Vermont's legacy designation programs. Some may have been updated.

April Page Photo © 2022 Community Resilience



The Big Picture



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

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

Designation Programs can deliver. But they need reform.

Key Areas of Reform

Simpler Designations

Accessible & Coordinated Administration

Better Benefits & Support for Focused Priorities

Accessible Information & Promotion

Robust Monitoring & Sharing

What Vermont Understands



**Vibrant places need action
— and support.**

VT Priorities for Action & Support

Housing Growth & Access

Infrastructure

Capacity & Equity

Livability & Amenities

Community & Economic Vibrancy

Climate Resilience

DESIGNATION 2050

Designation Reform Structure



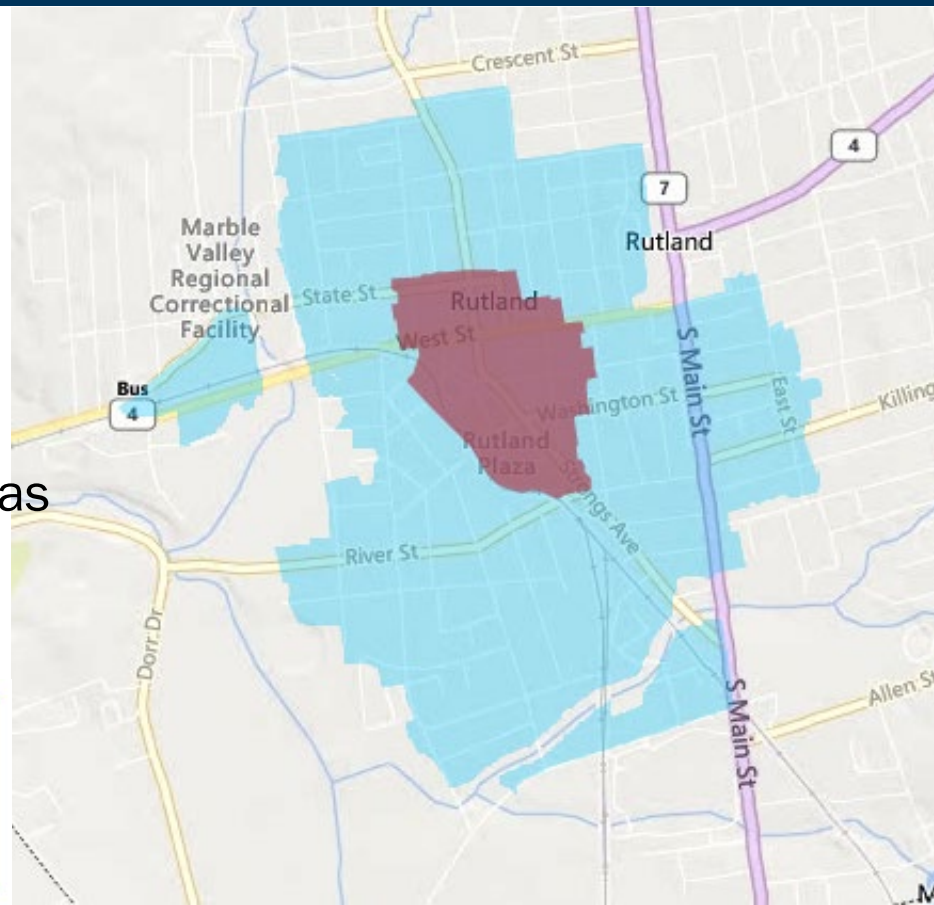
Today: 5 Designations

3 Core Designations

Villages
Downtowns
New Towns

2 Add-On Designations

Neighborhood Development Areas
Growth Centers



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

5 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



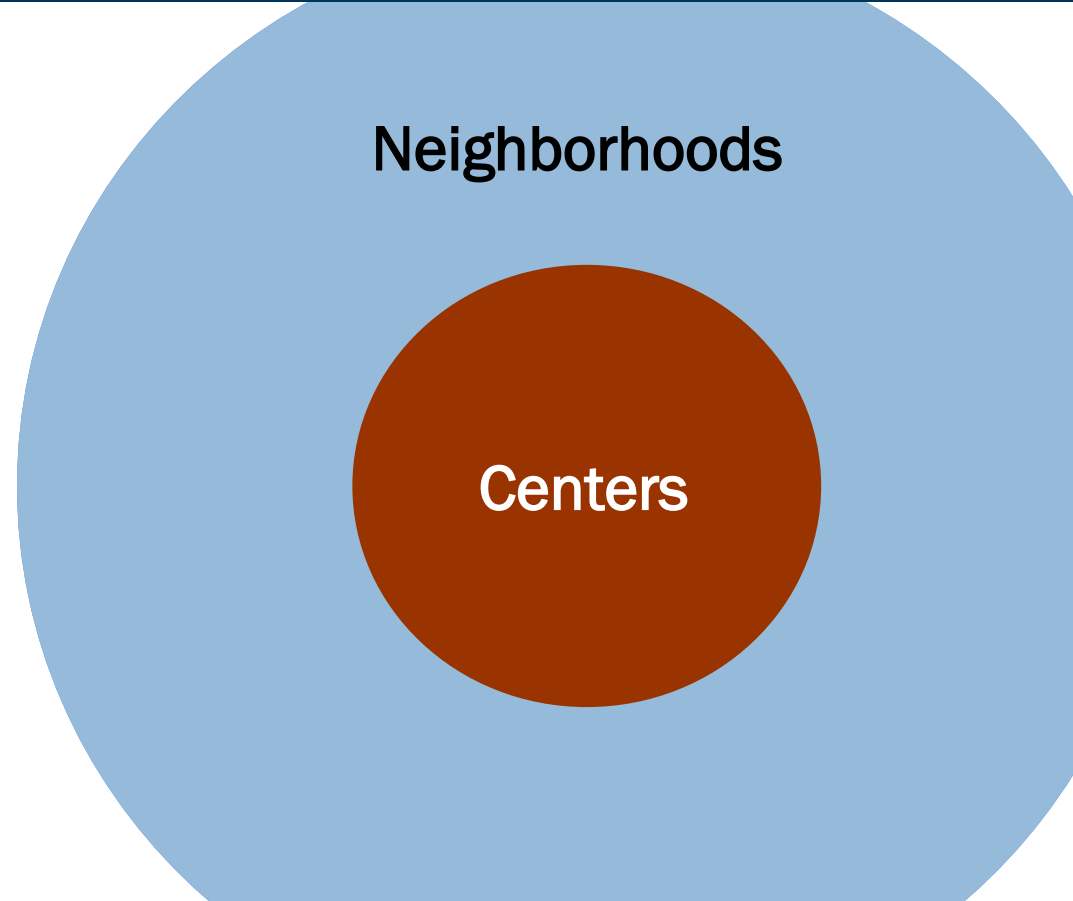
Larger growth
areas within or
near centers

Proposed Designation Program

2 Designations

Centers

Neighborhoods



Streamlined by Regional Plans



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						
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One regional map approval process to guide community investment/revitalization (designation) and Act 250 location-based jurisdiction

Real Change Grounded in VT Voices

Existing Designations

Count: 281

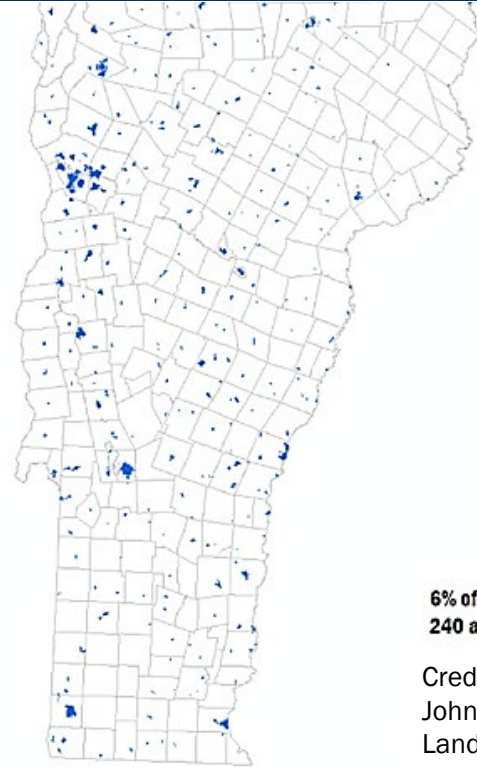
Land Area: 30,291 acres

Proposed Designations

Count: 322+ (approx. estimate)

Land Area: 6%+ (approx. estimate)

*Estimates based on walkable area map exercise



6% of Vermont
240 acre mean

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

More designations
Larger designations

DESIGNATION 2050

Existing Incentives



Existing Incentives

Place-based community and economic development

Beneficiaries

Municipalities

Builders/Developers

Types

Non-Regulatory (Financial)

Regulatory

Complexity

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 1/1/04.

***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(e) and 24 V.S.A. §2793(f)(2)(A))

Financial Incentives

TAXATION

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

FUNDING ELIGIBILITY

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

FUNDING 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

FREE TECHNICAL ASSISTANCE

National Main Street Center
Downtown Coalition
Downtown & Village Conference

Regulatory Incentives

REGULATORY OPTIONS

- River Corridor & Flood Hazard Bylaws
 - NDA inclusion (w/good local 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

Incentives Valued by Stakeholders

Vermont
wants...

More dollars for
action

Direct program
assistance

Local capacity
solutions

for...

Housing Growth & Access

Infrastructure

Capacity & Equity

Livability & Amenities

Community & Economic Vibrancy

Climate Resilience

Neighborhood Development Area Pilot

2 year, \$2M increase ends this year

6 new designations; 6 areas expanded

1. Berlin
2. Brattleboro*
3. Burlington*
4. Essex Junction*
5. Hinesburg*
6. Manchester
7. Middlebury
8. Putney
9. Randolph*
10. Rutland City
11. South Burlington*
12. St. Johnsbury
13. Vergennes
14. West Brattleboro
15. Westford
16. Winooski

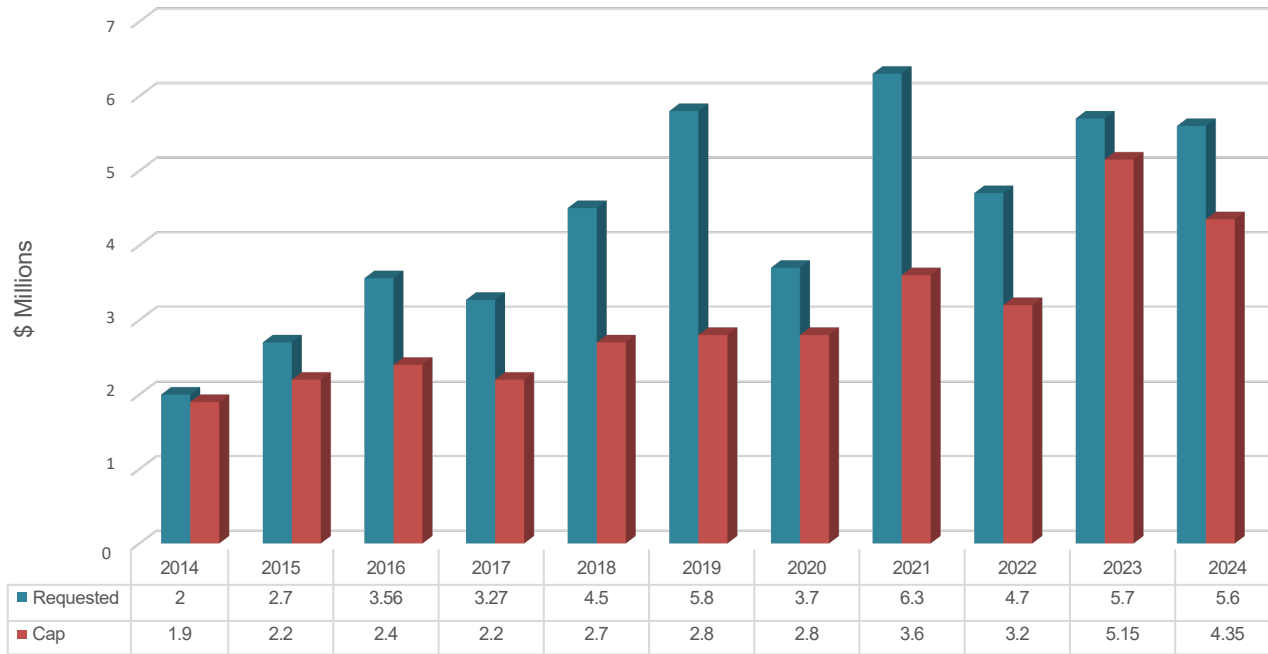
* Expanded boundaries



Tax Credit Program Demand

Oversubscription – Dollars

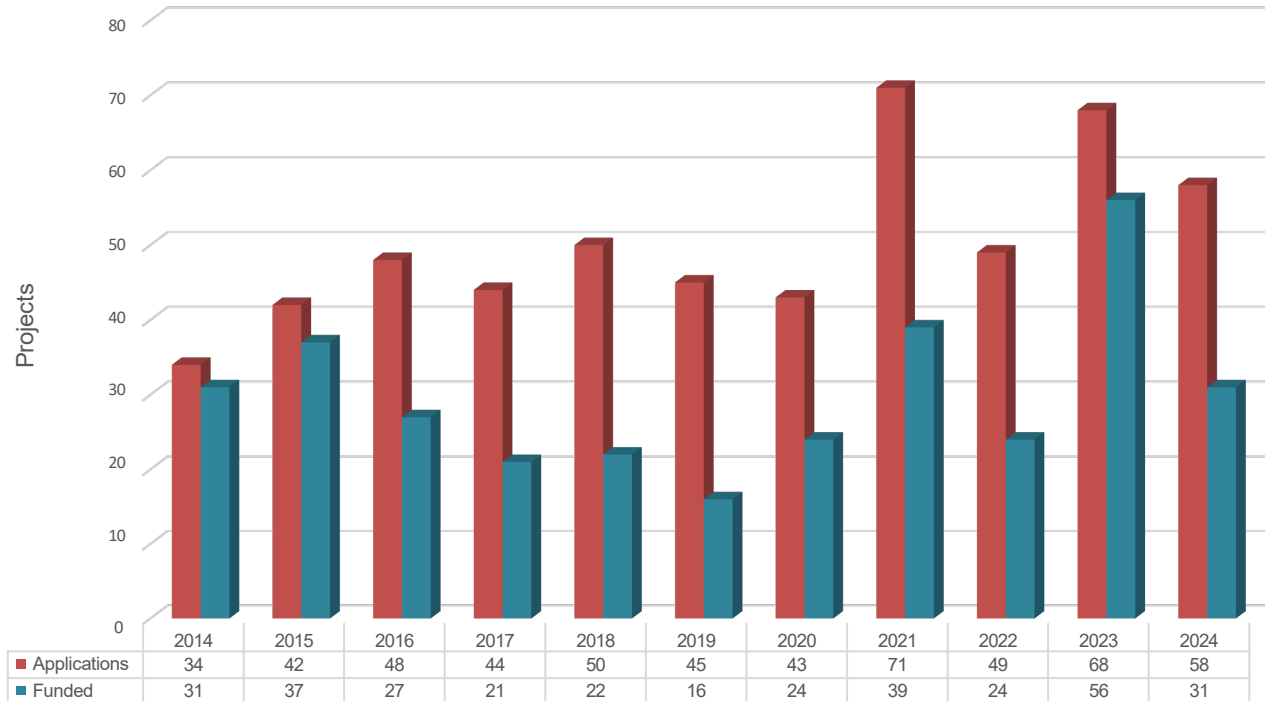
FY2014 – FY 2024



Tax Credit Program Demand

Oversubscription – Projects

FY 2014- FY 2024



New Incentives: 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.

Make expansion of program to Neighborhoods permanent.

Technical adjustments to flood mitigation credit to allow for wider use with better guardrails.

Changes to enable the entire center to qualify for flood mitigation credits – not just the FEMA mapped areas



DESIGNATION 2050

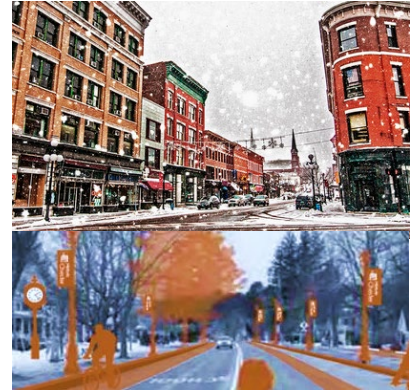
Proposed Changes



A Smooth Transition

- Existing designations transfer into new framework

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



- No loss of existing incentives during transition
- Transition occurs upon approval of a regional plan (dates under consideration)
- Continue with existing framework until regional plan adoption deadline

Easier Access for All Cities & Towns

CENTERS

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

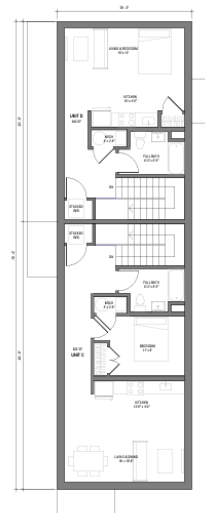


A Supportive Ladder for Centers

STEP 1 <i>New, lower-barrier entry point</i>	STEP 2 <i>Like prior village center</i>	STEP 3 <i>Like prior downtowns</i>
<ul style="list-style-type: none">• \$/support for site and building based projects (i.e. tax credits)• \$/support for municipal plans, visioning, assessments	<ul style="list-style-type: none">• Step 1+• \$/support for bylaws, special purpose plans, housing, infrastructure• Fee/tax incentives	<ul style="list-style-type: none">• Steps 1+2+• Downtown org. funding• Main St. America accreditation• TIF location• State office siting• Sales tax re-allocation

Continued Support for 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



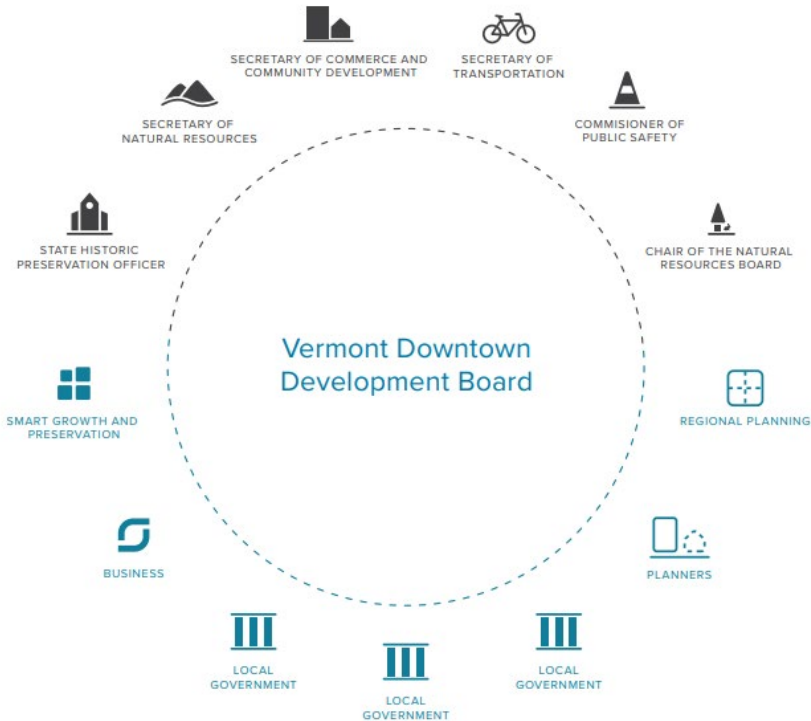
Technical Assistance Supports

DHCD will report back on ways to maximize new framework and grow impact, including things that are working:

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



Expanded Board



- + Vermont Bond Bank
- + State Treasurer
- + Office of Racial Equity
- + Regional Development Corporations
- Natural Resources Board Chair

**Greater focus on
coordinated infrastructure
investment and 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

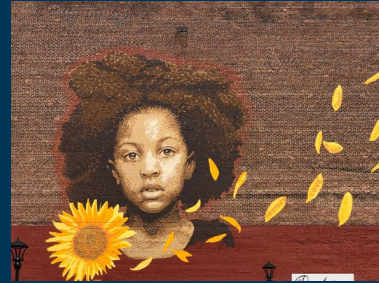
- Encourage vibrant, mixed-use development
- Foster livable communities with quality services, amenities, and inclusive spaces

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