

# Rural Housing Enablement Package: A Comprehensive Legislative Framework to Unlock Housing in Rural Vermont

**Purpose:** To remove structural barriers that prevent rural towns from contributing to Vermont's housing goals by aligning policy, capital, permitting, and workforce systems with rural scale, capacity, and economics.

## 1) Rural Act 250 Modernization Act

**Goal:** Make Act 250 predictable, proportional, and workable for rural housing.

### Key Provisions

- Raise Act 250 jurisdictional thresholds for housing in designated rural towns and village centers
- Establish firm statutory review timelines with limited extensions
- Limit standing for appeals on village-scale housing projects
- Expand exemptions for infill, conversion, and mixed-use housing in village centers

## 2) Rural Infrastructure Access & Incentives Act

**Goal:** Ensure CHIP, TIF, and infrastructure tools function in rural contexts.

### Key Provisions

- Allow eligibility based on **public benefit**, not public ownership
- Explicit eligibility for shared septic, decentralized wastewater, and private road systems
- Adjust TIF thresholds, match requirements, and timelines for rural project economics

## 3) Small Developer Capital & Tax Stabilization Act

**Goal:** Support local housing producers with patient, predictable capital.

### Key Provisions

- Create/extend property tax stabilization for rural housing from 7 to 10–12 years
- Create a **Rural Predevelopment Revolving Loan Fund** (planning, engineering, permitting)
- Establish state-backed loan guarantees for projects under a defined unit threshold

## 4) Rural Zoning & Permit Streamlining Act

**Goal:** Remove zoning and review barriers where housing logically belongs.

### Key Provisions

- Zoning-exempt or administratively approved housing in mapped village centers
- Concurrent (not sequential) state permit review
- “Deemed approval” if statutory timelines are missed

## 5) Rural Housing Workforce & CTE Pipeline Act

**Goal:** Address the labor shortage limiting housing production.

### Key Provisions

- Flexibility in CTE and trades training regulations
- Funding for rural housing-specific apprenticeships
- Formal alignment between housing demand, contractors, and education pipelines

Vermont cannot build housing without builders—and rural pipelines are underbuilt and overregulated.

## 6) Automatic Rural Downtown & Village Housing Designation Act

**Goal:** Remove administrative barriers to accessing housing tools.

### Key Provisions

- Automatic designation for rural towns meeting basic criteria
- Immediate access to Act 250 relief, CHIP, TIF, and zoning flexibility
- State-led mapping using existing data
- Opt-out model with non-appealable designation

Downtown designation currently rewards *capacity*, not suitability. Rural towns are locked out by process.

## 7) Rural Housing Loan Fund & Credit Enhancement Act

**Goal:** Create a permanent, scalable rural housing finance tool.

### Key Provisions

- Establish a **state-enabled rural revolving loan fund** capitalized with public and philanthropic dollars
- Offer:
  - Low-interest construction loans
  - Gap financing
  - Subordinate debt
- Pair with credit enhancement to unlock private bank lending

Rural projects fail not on demand—but on access to early, flexible capital. This is the missing keystone.

## 8) Rural Housing Rehab & Conversion Acceleration Act

**Goal:** Unlock existing buildings as the fastest housing supply.

### Key Provisions

- By-right conversion of upper stories, barns, schools, and commercial buildings in village centers
- Streamlined code compliance for rehab (life-safety focused, not new-build standards)
- Dedicated rehab grant/loan pool for rural properties

## 9) Municipal Capacity & Shared Services Act

**Goal:** Support towns that lack staff, planners, and technical expertise.

### Key Provisions

- Regional permitting and planning assistance hubs
- State-funded shared services for zoning administration and inspections
- On-call technical assistance for rural selectboards and developers

Policy reform without administrative capacity still fails in practice.

## 10) Rural Housing Risk Mitigation & Insurance Act

**Goal:** Reduce perceived and real risk in rural housing development.

### Key Provisions

- State-backed insurance or reserve fund for environmental and infrastructure risk
- Brownfield and legacy site liability protections
- Floodplain and climate adaptation guidance tailored to rural projects

Risk premiums quietly kill rural deals—especially for small developers.

- **Bills 1–4** remove regulatory friction
- **Bills 5 & 9** rebuild workforce and capacity
- **Bills 3, 7, and 10** fix capital and risk
- **Bills 6 & 8** unlock villages and existing assets

Together, they allow rural Vermont to produce housing at the scale, speed, and character that makes sense—without sprawl and without waiting for urban solutions to trickle outward.

## Bottom Line

If Vermont is serious about statewide housing production, rural communities must be equipped—not expected—to contribute. This package replaces urban-scaled assumptions with rural reality: smaller projects, local developers, existing buildings, limited staff, and tight margins.

These bills do not lower standards.

They right-size them.