

January 2025

Vermont League of Cities and Towns 2025 Legislative Priorities



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VLCT 2025 Priorities: Create Housing

- Authorize local governments to use performance-based contracts and extend tax stabilization to support infrastructure and housing development.
- Increase the threshold for permit appeals of projects located in designated areas.
- Allow for local regulations, fees, and taxes that could prevent the proliferation of short-term rentals
- Reform the General Assistance Hotel/Motel program to ensure equitable and proportionate impact on municipalities and require the state to lead homelessness prevention and response efforts.



Governor's Housing Proposal: Pathway to Accelerate and Transform Housing

- Funding & Strategic Projects for Advancing Rural Communities (SPARC) program to help communities fund infrastructure
- Funding to accelerate home building and revitalize properties and buildings
- Further reforms for appeals and Act 250
- Streamlining permitting for municipal water/wastewater connection and modernize wetlands regulation



Why do we need a new municipal authority for funding infrastructure for housing development?

1. To save taxpayers and ratepayers money AND grow the grand list
2. Because you said so! Act 181 of 2024 binds future housing density to municipal water and wastewater service statewide
3. For many municipalities there is capacity “at the plant” but not capacity “on the line”
4. Expanding the number of homes and businesses connected to municipal sewer & water furthers our environmental goals
5. Other public improvements may be necessary to support housing production: streets and intersections, pedestrian improvements, transportation demand services, stormwater



SPARC, HIT, Project Based TIF, Performance Based Contracts

VLCT is generally supportive of these proposals for tax increment funded municipal infrastructure programs for new housing. VLCT asks the legislature to consider these priorities when assessing infrastructure proposals:

- Prioritize housing and consider flood resiliency for program eligibility
- Include opportunities for all municipalities to fund infrastructure and build housing, regardless of Tier 1 status
- Tax increment formula for state and local property tax that supports new development and redevelopment projects
- Stable and immediate contributions to the Education Fund beginning in the fiscal year in which a majority of the project is complete, and the new assessed value is accounted for on the grand list
- Pair appropriate technical support for municipalities



Funding to Accelerate Home Building

The Governor's budget directs millions of dollars in base funding to some of our favorite housing programs:

- Vermont Housing Improvement Program (VHIP)
- Manufactured Home Improvement and Repair Program (MHIR)
- Vermont Housing Finance Agency (VHFA)'s Middle Income Homeownership Development Program and Rental Revolving Loan Fund (one-time funds)
- Downtown and Village Center Tax Credit
- Brownfields Revitalization program

VLCT supports investment for each of these impactful housing programs, and acknowledges that over time, infrastructure investment will realize far more new units of housing



Reform Permit Appeals

Vermont land use law requires that robust, democratic public processes go into decisions about what type of housing can be built and where. Town plans, regional plans, ordinances, zoning changes, and permit approvals all offer numerous opportunities for the public to be heard. A small group of people can hold up any project for almost any reason through appeals.

- VLCT proposes eliminating standing for “any 20” to appeal housing projects in Tier 1/Act 250 exempt areas
- We support the proposal to hold appellants accountable for expenses incurred by permit holders when the permit is upheld
- 90 days is an appropriate timeline to resolve appeals



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Questions???



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