

The Future State of Land Use Regulation:

Vermont's Land Use Under Act 181

House Housing and General Affairs Committee:
January 21, 2025

Chris Cochran, Director, Vermont Dept of Housing and Community Development

Catherine Dimitruk, Executive Director, Northwest Regional Planning Commission

Peter Gill, Executive Director, Land Use Review Board

Roadmap

- **Overview**- where we've been and where we're going.
- **Here and Now:**
 - Act 250 Interim Housing Exemptions
 - Municipal regulations
- **Jurisdiction** and new **criteria**
- Land Use **Maps and** Regional **Plans**
- Show me the assistance - **Designations**

How we got here?

NRB Report



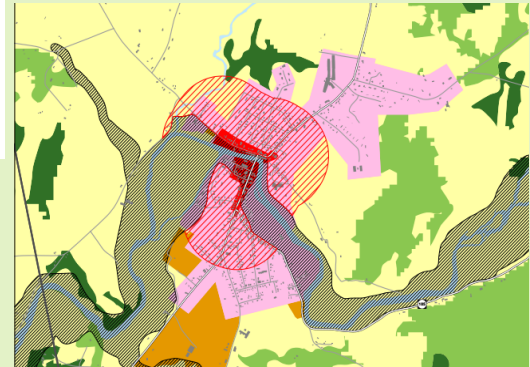
NATURAL RESOURCES BOARD
NECESSARY UPDATES TO ACT 250



DHCD Report



RPC Report



Purpose

Much of the new Purpose statement and Act 181's changes can be distilled into the following theme that has guided Vermont's land use and planning laws since Act 250's inception:

to maintain Vermont's historic settlement pattern of compact village and urban centers separated by rural countryside

The Legislature's longstanding focus on this vision, a form of what is sometimes referred to as "smart growth," helps to explain Act 181's tiered jurisdiction structure and other focus areas of the new law.

The New Framework

Land Use Plans | Designation & Investment | Act 250 Regulation



Tier 3 subject to rulemaking; not derived from regional maps.

This table represents land use, designation, and Act 250 jurisdiction categories, not land area acreage or percentage of land area.

Landmark Legislation

Major Modernization of Existing Framework

Immediate

Act 250 Interim Housing Exemptions
Municipal Bylaw Pre-Emptions for Housing

Next Up

Consistent Regional Planning
State Land Use Review Board Approval of Regional Plans

Then

New Designations & Community Investment Board
Municipal Plan Amendments
New Act 250 Location-Based Jurisdiction
New Exemptions for Centers (Tier 1)
Maintained Jurisdiction + Road Rule (Tier 2)
New Critical Resource Jurisdiction (Tier 3)

Further Out

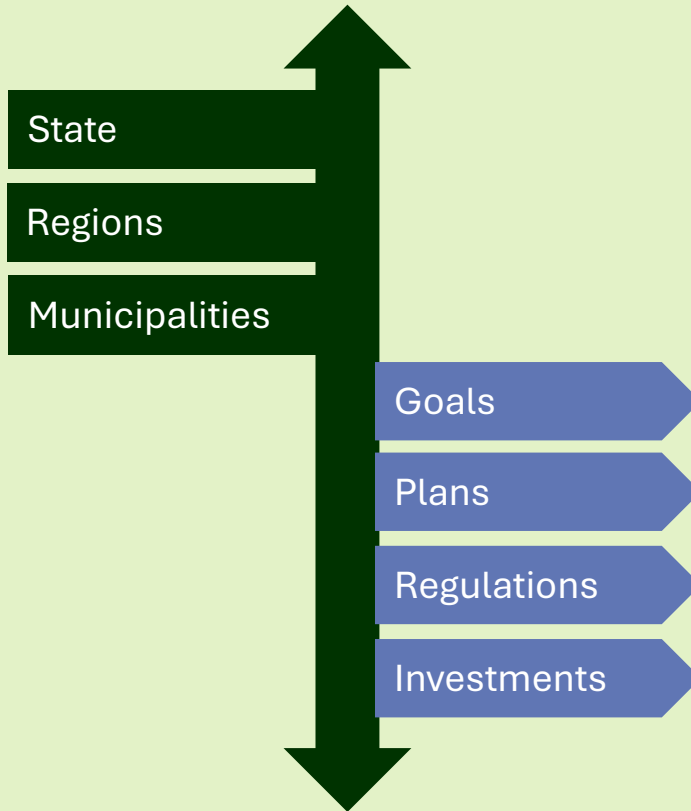
Improved Designation Technical Assistance/Investment
Improved Planning Data Center
Regional Governance Studies

Four planning systems come together

- Act 181 directs all **Regional Planning Commissions** (RPCs) to create new regional plans with consistent future land use maps.
- **Municipalities** are working with the RPCs to implement these changes.
- The State's Downtown Development Board became **the Community Investment Board**. They will implement a phased transition from the current system of development incentives based on 5 state designations to a new system based on 2 designations. Current and new state-designated areas will be integrated into the future land use maps in the new regional plans.
- The **Land Use Review Board** (LRB) will review and approve all regional plans, including new future land use maps, new state designations, and new requests for Tier 1A and Tier 1B status.

Modernized Process & Platform

Approaches that Better Align Best Practices for Good Outcomes



Brandon, Vermont Culvert Installation

Here and Now

- Part 1- Interim Housing Exemptions
- Part 2 - Bylaw Modernization for Housing

Interim Act 250 Exemptions for Housing

- **Purpose:** On ramp to location-based jurisdiction aimed at encouraging housing.
- **Resources:**
 - [Interim Housing Exemptions Guidance](#)
 - [Interim Housing Exemptions Map](#)
 - [Contact District Coordinator](#)



Interim Act 250 Exemptions for Housing

Location-based

- Priority Housing Projects + ½ mile (unlimited units)
- Downtowns (unlimited units)
- New Town, Growth center, and Neighborhood development (75 units)
- Village Center + 1/4 mile (50 units)
- Transit Corridors + 1/4 mile (50 units)

Type-based

- Commercial Conversion (29 units)
- Accessory Dwelling Units (1/ home)
- Hotel/Motel Conversion to affordable (unlimited units)

Guidance



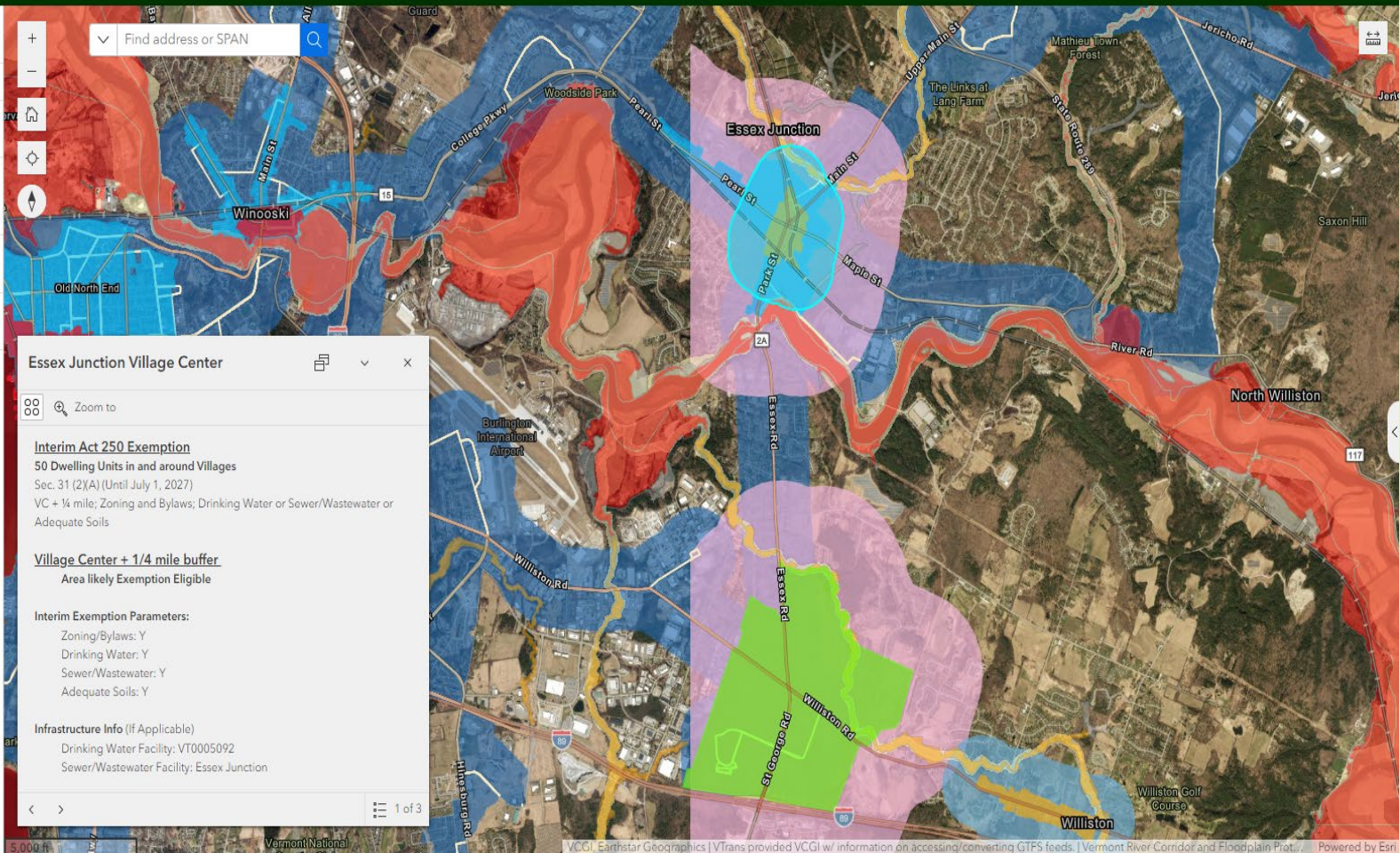
Interim Housing Exemptions: Guidance (Act 181 of 2024) State of Vermont Natural Resources Board

areas suitable for minor development as defined in 25 V.S.A. § 6081(dd)(3) and River Corridor Rule. 10 V.S.A. § 6081(dd)(3).

Requirements checklist:

- Construction of housing project (cooperative, condominiums, dwellings, or mobile homes, etc.)
 - ✓ For the definition of dwelling, see [Act 250 Rule 2\(C\)\(10\)](#).
- Commencement of construction by January 1, 2027.
 - ✓ For the definition of “commencement of construction” see [Act 250 Rule 2\(C\)\(2\)](#).
- Unlimited units created on the tract.
- The housing project and infrastructure incidental to use is located entirely within the designated downtown development district served by public sewer or water or soils adequate for disposal.
 - ✓ Review [Interim Housing Exemption Map](#) for designated downtown areas.
 - ✓ Only the housing project and areas “incidental to the use” as described in [Act 250 Rule 2\(C\)\(5\)\(b\)](#) of the housing project need be within the designated downtown development district, not the entire project tract.
- The municipality has permanent zoning and subdivision bylaws.
 - ✓ Check list on the [Municipal Planning Data Center](#)
 - ✓ Municipal bylaw filings are available on the [Plan & Bylaw Database](#)
 - ✓ Review [Interim Housing Exemption Map](#)

- > Designation Boundaries
- > Reference Layers
- I.) Downtown District Area
- II.) Town and Growth Centers & Development Areas
- III.) Village Center & Buffer
- IV.) Priority Housing Projects within Buffer
- V.) Urbanized Area within Transit Route Buffer



Essex Junction Village Center

Zoom to

Interim Act 250 Exemption
 50 Dwelling Units in and around Villages
 Sec. 31 (2)(A) (Until July 1, 2027)
 VC + ¼ mile; Zoning and Bylaws; Drinking Water or Sewer/Wastewater or Adequate Soils

Village Center + 1/4 mile buffer
 Area likely Exemption Eligible

Interim Exemption Parameters:

- Zoning/Bylaws: Y
- Drinking Water: Y
- Sewer/Wastewater: Y
- Adequate Soils: Y

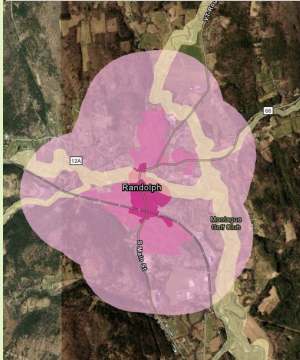
Infrastructure Info (If Applicable)

- Drinking Water Facility: VT0005092
- Sewer/Wastewater Facility: Essex Junction

1 of 3

Priority Housing Projects

Maximum dwelling units	Unlimited
Availability	Through January 1, 2027
Affordability requirements	Must qualify as a mixed-income ' Priority Housing Project '
Qualifying locations	Within designated downtowns, neighborhood development area, or growth center + ½ mile around these areas
Local regulation requirements	Permanent zoning & subdivision
Infrastructure requirements	Served by public water and sewer or soils adequate for wastewater disposal



Designated Downtowns

Maximum dwelling units	Unlimited
Availability	Through January 1, 2027
Qualifying locations	Within designated downtowns
Location exclusions	River corridors and flood hazard areas, unless infill
Local regulation requirements	Permanent zoning & subdivision
Infrastructure requirements	Served by public water and sewer or soils adequate for wastewater disposal



New Town Centers

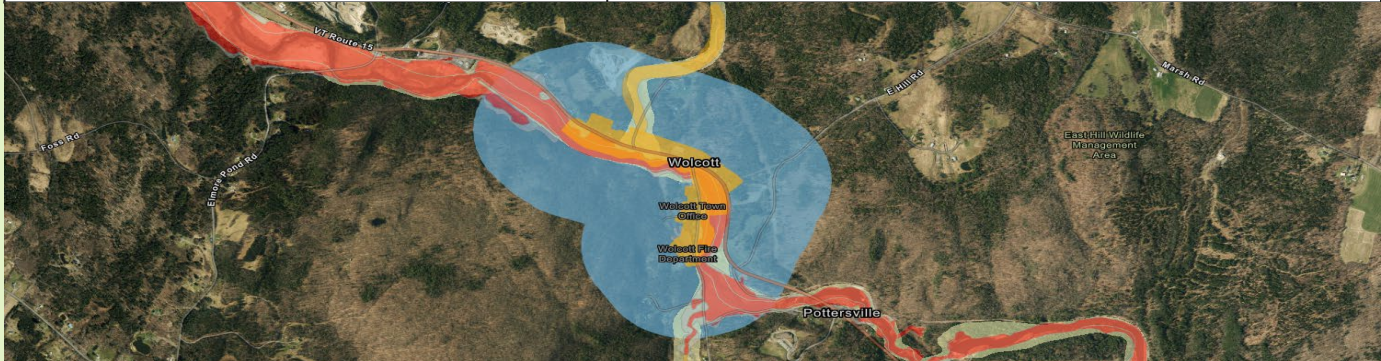
Growth Centers

Neighborhood Development Areas

Maximum dwelling units	75
Availability	Through January 1, 2027
Qualifying locations	Within designated new town centers, growth centers and neighborhood development areas
Location exclusions	River corridors and flood hazard areas, unless infill
Local regulation requirements	Permanent zoning & subdivision
Infrastructure requirements	Served by public water and sewer or soils adequate for wastewater disposal

Designated Village Centers

Maximum dwelling units	50
Availability	Through July 1, 2027
Qualifying locations	Within designated village centers + ¼ mile around these areas
Location exclusions	River corridors and flood hazard areas, unless infill
Local regulation requirements	Permanent zoning & subdivision
Infrastructure requirements	Served by public water and sewer or soils adequate for wastewater disposal



Certain Transit Corridors

Maximum dwelling units	50
Availability	Through July 1, 2027
Qualifying locations	Within Census-Designated Urbanized Area of 50K within ¼ mi of transit route
Location exclusions	River corridors and flood hazard areas
Local regulation requirements	Permanent zoning & subdivision
Infrastructure requirements	Served by public water and sewer or soils adequate for wastewater disposal



Commercial to Residential Conversions

Maximum dwelling units	29
Availability	Through July 1, 2028
Qualifying Locations	Statewide



Accessory Dwelling Units

Maximum dwelling units	1 per single-family dwelling
Availability	Through July 1, 2028
Qualifying locations	On owner-occupied lot
Size limits	Cannot exceed 30% of habitable floor area of single-family home or 900 square feet, whichever is greater

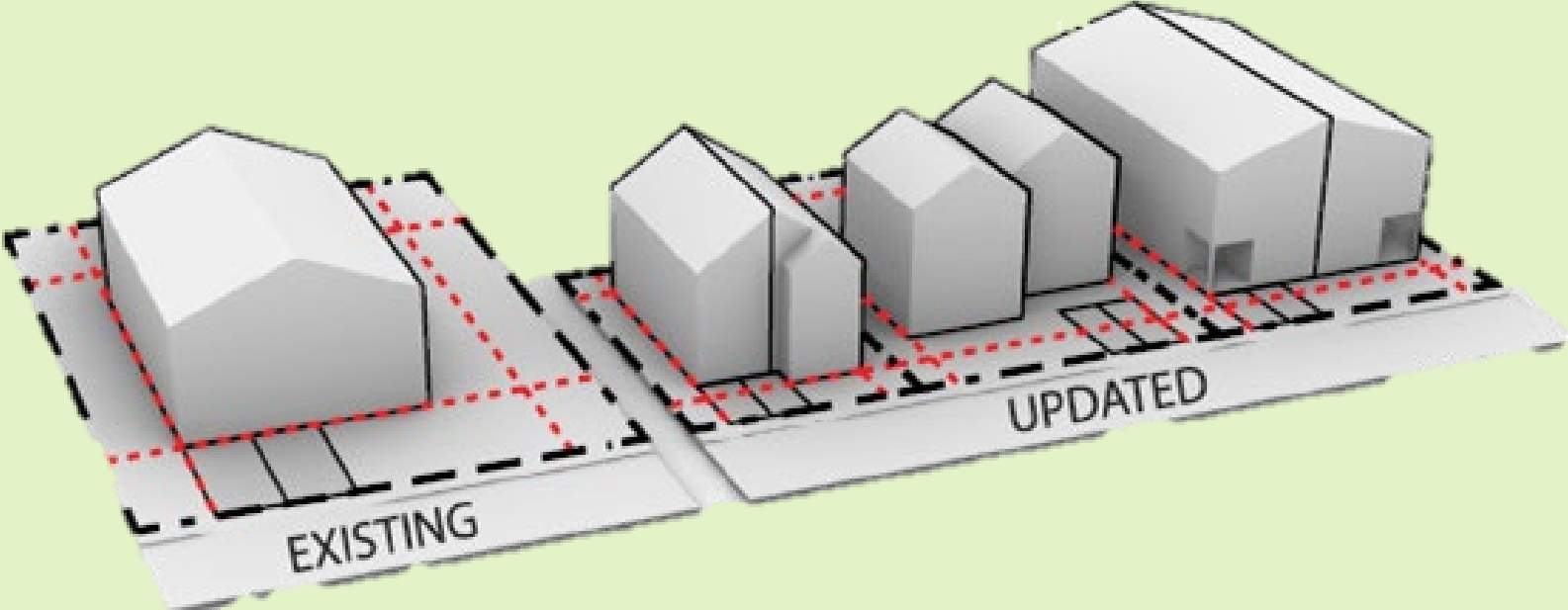


Hotel/Motel to Affordable Housing









Maximum dwelling units	No permit amendment for conversion to affordable housing defined under 24 V.S.A. sec. 4303(2)
Availability	Permanent
Qualifying locations	Hotels/motels



Bylaw Modernization for Housing



Act 181 Municipal Pre-emptions

	 On Farm Businesses	 Planning	 Multi-Family Units	 Hotel Conversion	 Parking	 More Parking	 AMP Timeline	 Appeals
Amended Statute	24 V.S.A. § 4412(11)	24 V.S.A. § 4348	24 V.S.A. § 4412	24 V.S.A. § 4413	24 V.S.A. § 4428	24 V.S.A. § 4414 (Act 47 of 2023)	24 V.S.A. § 4464	24 V.S.A. § 4465
What does it do?	Expands the definition of accessory on-farm businesses removing the requirement that 50 percent of the annual sales are produced on the specific farm.	Removes municipalities' ability to veto a regional plan.	<p>Municipalities may not require more land for duplexes</p> <p>Quadplexes allowed on the same size lot as single-unit dwellings</p> <p>Prohibits density and minimum lot size restrictions for multiunit dwellings</p> <p>Density bonuses rounded up</p> <p>Prohibits restrictions on unrelated occupants in the same unit</p>	Adds “hotels and motels converted to permanently affordable housing developments” to list of uses with restricted municipal zoning authority.	<p>Sets maximum parking spot size limit to 9 feet by 18 feet, with exceptions</p> <p>Requires nonconforming parking spaces to count towards requirements when new residential units are being added to an existing unit</p> <p>Allows municipalities to count adjacent parking for residential parking requirements</p>	Parking minimums shall be rounded up when calculating minimum spaces in areas served by water and sewer.	Sets a new 120-day requirement for an appropriate municipal panel's hearing to be warned and noticed after receiving a complete application.	Raise the threshold of appeal from any 10 people to any 20 people.

Tiers of Jurisdiction



Tier 1A

Tier 1B

Tier 2

Tier 3

Transitions Act 250 jurisdiction for planned growth areas to towns with capacity

Limits Act 250 jurisdiction to encourage smart growth housing

Status quo jurisdiction with addition of “Road Rule” to reduce sprawl and fragmentation

Enhances jurisdiction to protect VT’s most critical natural resources

Tier 1A

Process: Municipalities to identify on regional land use maps and apply to LRB for approval.

Requirements:

1. Approved Plan
2. Within Growth Center, Downtown, or Village center
3. Flood and River protections in place or avoided
4. Zoning and Subdivision bylaws
5. Strong smart growth regulations, allow 4 story building
6. Compatibility with Historic character
7. Plan for significant natural resources or excluded
8. Water/Sewer or planned capacity
9. Adequate staff- capital planning, zoning and development review

Jurisdiction:

No Act 250.

Tier	Process	Requirements	Act 250 Jurisdiction
1A	Municipalities to identify on regional land use maps and apply to LRB for approval.	<ol style="list-style-type: none"> 1. Approved plan 2. Within Growth Center, Downtown, or Village center 3. Flood and River protections in place or avoided 4. Zoning and Subdivision bylaws 5. Strong smart growth regulations, allow 4 story building 6. Compatibility with Historic character 7. Plan for significant natural resources or excluded 8. Water/Sewer or planned capacity 9. Adequate staff- capital planning, zoning and development review 	No Act 250 Jurisdiction transitioned to Municipality
1B	Regional Planning Commissions will identify on future land use maps and municipalities decide to opt-in, then request LRB approval.	<ol style="list-style-type: none"> 1. Requested by municipality 2. Approved plan 3. Zoning and Subdivision bylaws 4. Flood and River protections in place or avoided 5. Water or sewer or adequate soils 6. Adequate staff- zoning and development review 	No Act 250 if 50 units or less (including mixed-use) on 10 acres or less.
Tier 2	LRB Recommendation Report; LRB Rulemaking	“Tier 2” means an area that is not a Tier 1 area or a Tier 3 area.	Status quo + Road Construction Ruled
Tier 3	LRB Rulemaking; ANR Mapping	Critical natural resources <i>may</i> include: river corridors, headwater streams, habitat connectors of statewide significance, riparian areas, class A waters, natural communities.	Act 250 required for construction of improvements for commercial, industrial, or residential use as determined by Board rule.

Approval Body

New State Land Use Review Board (LRB)

- 5 full-time positions, including a chair; No members residing in the same county
- Membership shall reflect diversity of the state
- Expertise in environmental science; land use law; policy, planning and development, and commitment to environmental justice
- Produce guidelines and rules
- **Approve:** Regional Plans, Tier 1 a/b areas, and designations
- Oversee administration of the program
- Study on Appeals and Tier 2 areas; jurisdictional system



Timelines

- LRB replaces NRB **January 1, 2025**
- Regional plans must be adopted by **December 2026**

Three Tiers for Jurisdiction

Tier 1

Tier 1A

Full Act 250 Exemption

- Municipal application
- LRB review
- Guidelines by January 1, 2026
- Specific requirements

Tier 1B

50 units or fewer of housing Exempt

- Methodology by December 31, 2024
- Municipal requested
- RPC mapped
- LRB review
- Specific requirements

Tier 2

Act 250 Status Quo

- All areas not 1A, 1B, or Tier 3
- Road rule July 1, 2026

Tier 3

Expanded jurisdiction to be established by Board rules February 1, 2026

- Not based on regional maps
- Road rule July 1, 2026



New Planning Goals

Local and Regional Planning Goals (24 V.S.A. 4302)

- Accommodate a substantial majority of housing needed to reach housing targets
- Must include environmental justice principles and meet housing targets within areas planned for growth



New Regional Plan Requirements

Process

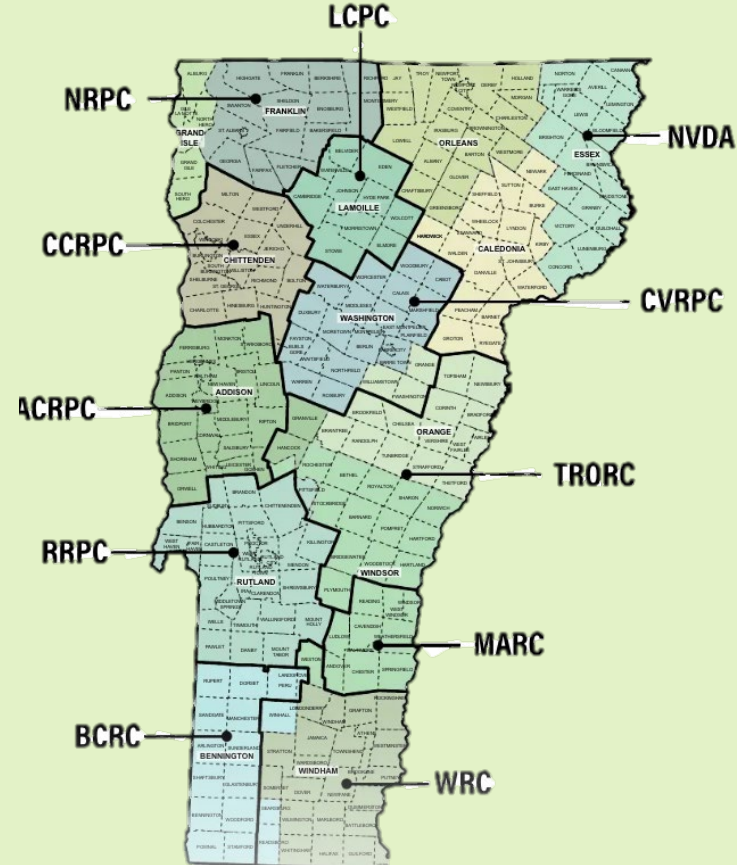
Must incorporate citizen participation

Purposes

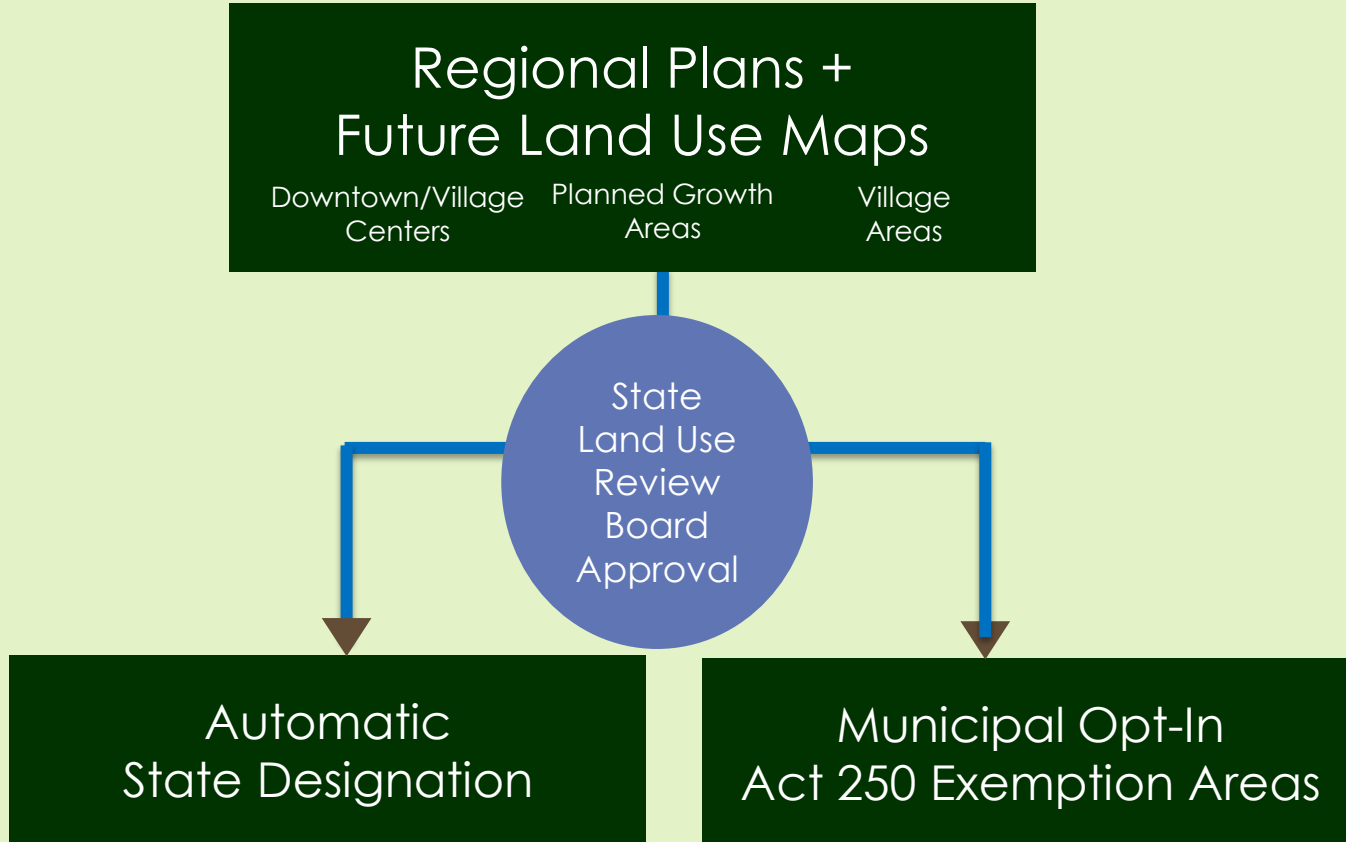
More focus on equity, climate resilience, mitigation and adaptation

Elements

New, standard future land use map requirements



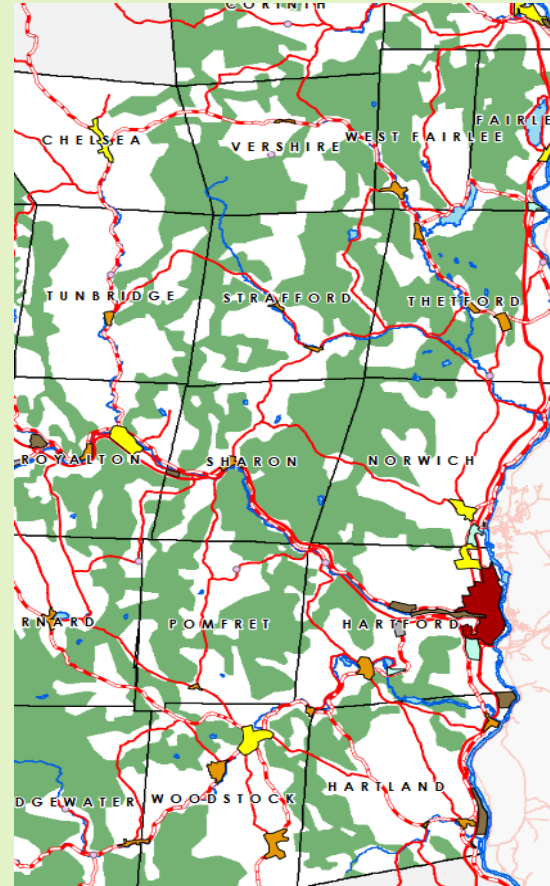
Regional Plan Approvals

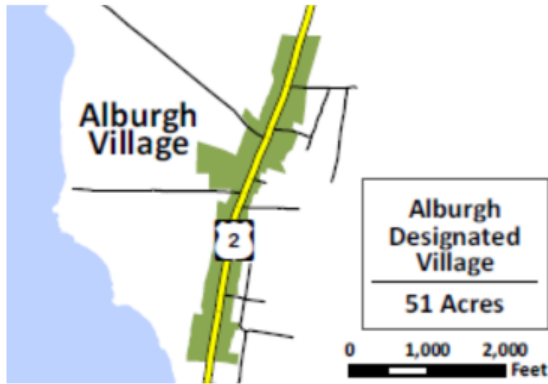


Consistent Regional Planning

Standard Future Land Use Categories

- **Downtown and Village Centers**
- **Planned Growth Areas**
- **Village Areas**
- Transition or Infill Areas
- Resource-based Recreation Areas
- Enterprise Areas
- Hamlets
- Rural; general
- Rural; agriculture and forestry
- Rural; conservation



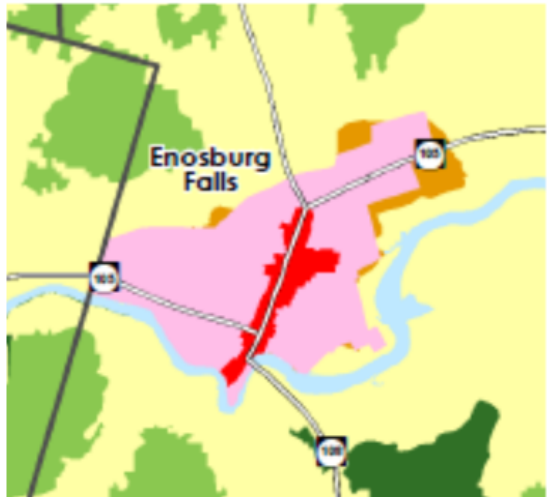


Downtown Center and Village Center

- Village Centers have no requirement for municipal plans, zoning, subdivision or infrastructure.

Planned Growth Areas

- Requirements: zoning, subdivision, public water and/or wastewater, and Complete Streets.



Village Areas

- Requirements: zoning, subdivision, and public water, or sewer, or suitable soils.

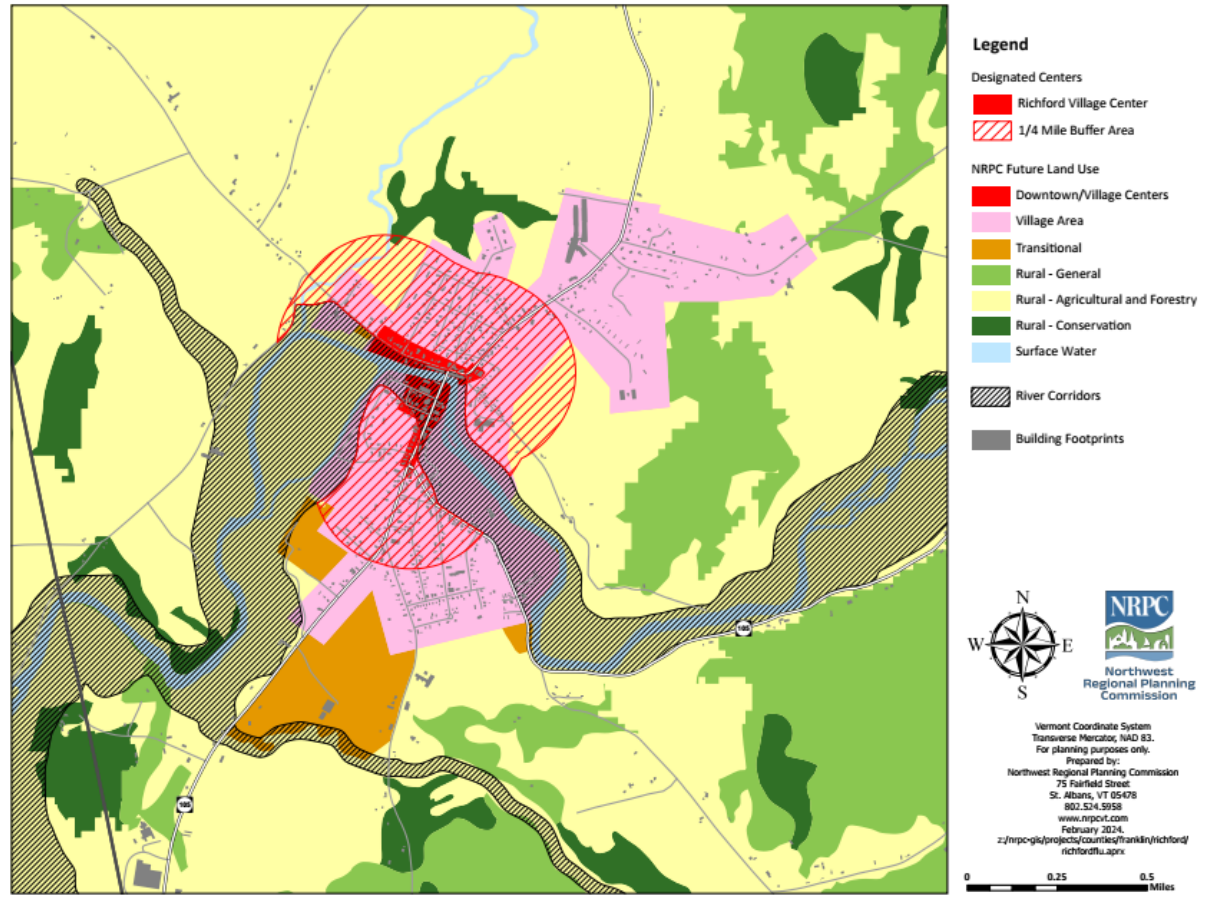
Eligible for Tier 1B with municipal 'opt in' and adequate staff

Timeline



Action	Timeframe or deadline
Develop Mapping Standards for Future Land Use Areas, based on Act 181	December 2024
RPCs update regional plan, future land use elements including equitable engagement process	December 2026
LRB Reviews Regional Plan	60-day advance comments
LRB approves or denies regional plan	Hearing within 60 days Decision within 15 days from hearing

Future Land Use Scenario



Source: Northwest Regional Planning Commission

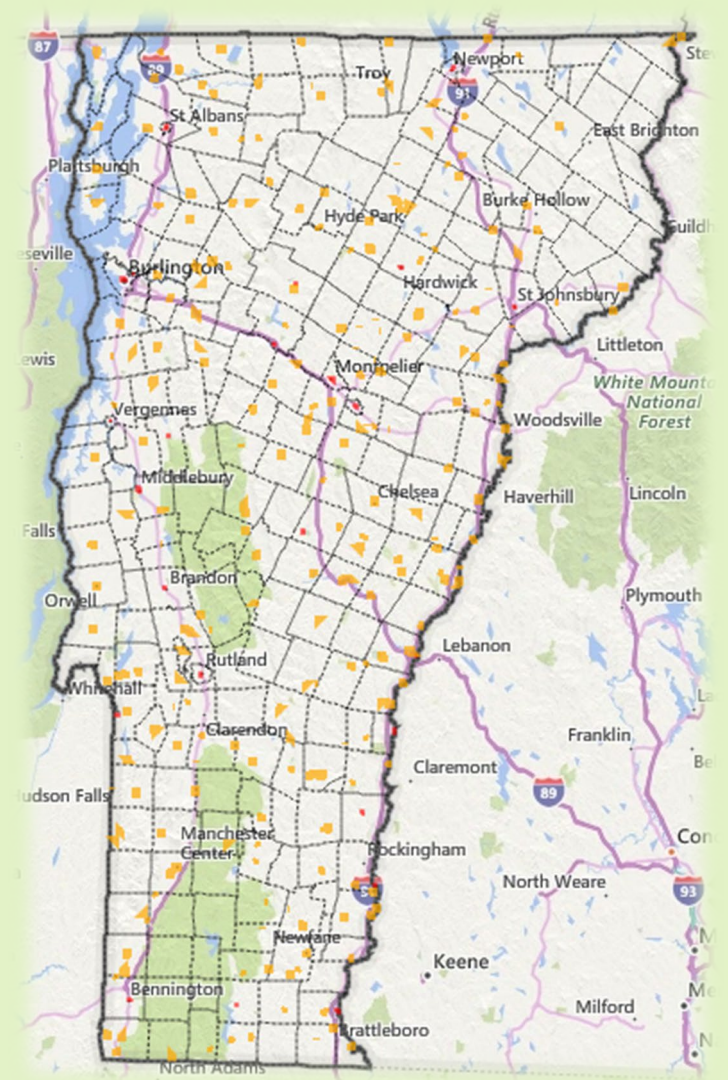
Better Designations

Improved access and better benefits



State Designation

- 25 Years
- 295 designated areas
- Every county
- Every region
- A coordinating platform for shared priorities & investments
- Used as a proxy for state land use
- Rooted in Vermont's common goals and principles



The 5 Designations

Distinct requirements & benefits

3 Core Designations

Village Centers

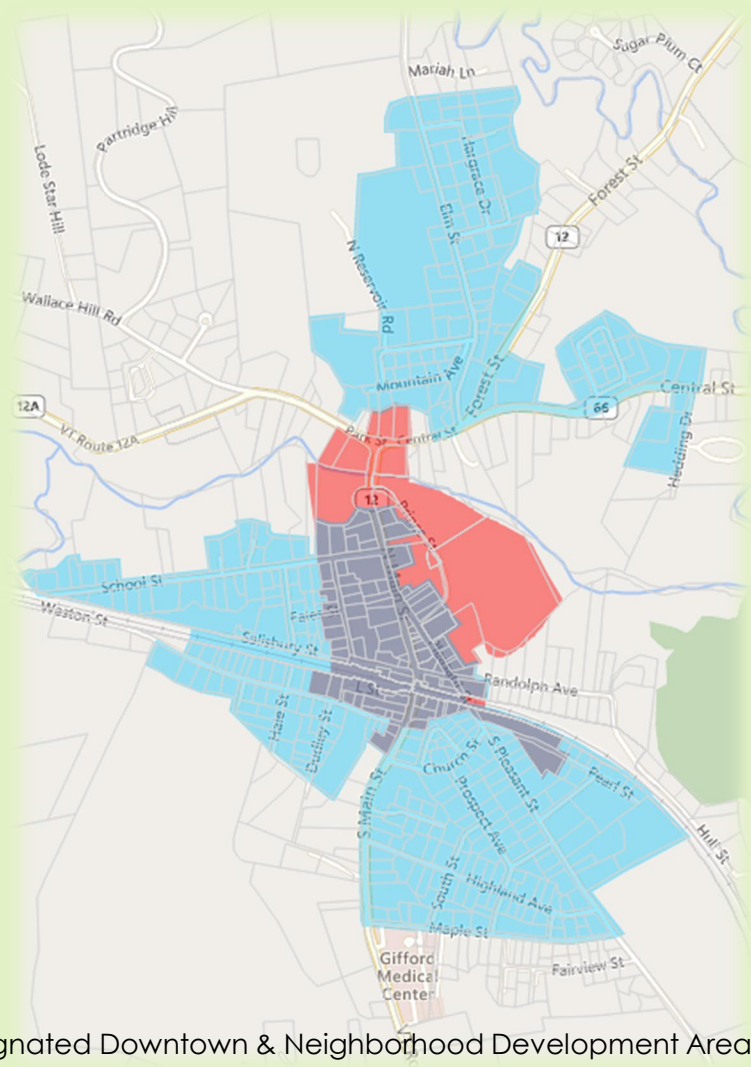
Downtown Centers

New Town Centers

2 Add-on Designations

Growth Centers

Neighborhood Development Areas



Designation 2050

Robust public outreach and engagement led by Smart Growth America & Community Workshop



We aimed to reach...

6
core stakeholder groups

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

We asked...

What's working?
What's not?
Are these the right designations?

Do they achieve our goals?
Who's left out? Who faces barriers?
Do they offer the right benefits?

What should we change & improve?
What's our new vision?

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

Designation 2050: Priorities

Simpler Designations

Accessible & Coordinated Administration

Better Benefits & Support for Focused Priorities

Housing

Infrastructure

Capacity
Equity

Livability
Vibrancy

Climate
Resilience

Accessible Information & Promotion

Robust Monitoring & Sharing

Priority Outcomes

Housing Growth & Access

- Housing supply growth within priority areas
- Accessible units, varied types, equitable access
- Safe and climate resilient buildings

Infrastructure

- Safe, multi-modal streets and transit
- Upgraded public water/sewer, broadband
- Resilient & energy-efficient power

Capacity & Equity

- Reduced admin burdens; better planning
- Increased funding, TA, training for local leaders
- Accessible and equitable access to resources, benefits, and program outcomes

Climate Resilience

- Climate-smart, resilient growth locations, buildings, infrastructure, revitalization, capacity building
- Proactive, equitable planning, adaptation, mitigation
- Multi-dimensional focus: healthy land and water, healthy people, clean energy, pollution reduction, safer growth

Livability & Amenities

- Walkable streets and transportation options
- Welcoming, affordable and inclusive places
- Quality services and amenities (recreation, health, social, cultural, education)

Community & Economic Vibrancy

- Revitalized historic buildings and centers
- Vibrant & accessible public spaces
- Unique & evolving local character
- Thriving economy & businesses

Vermont
wants...

More dollars for
action

Direct program
assistance

Local capacity
solutions

Act 181: Same Basic Concept

From 5 to 2 Designations

Each have requirements & benefits

Anticipate larger areas

Centers

Step 1: Beginner

Starter Village

Step 2: Intermediate

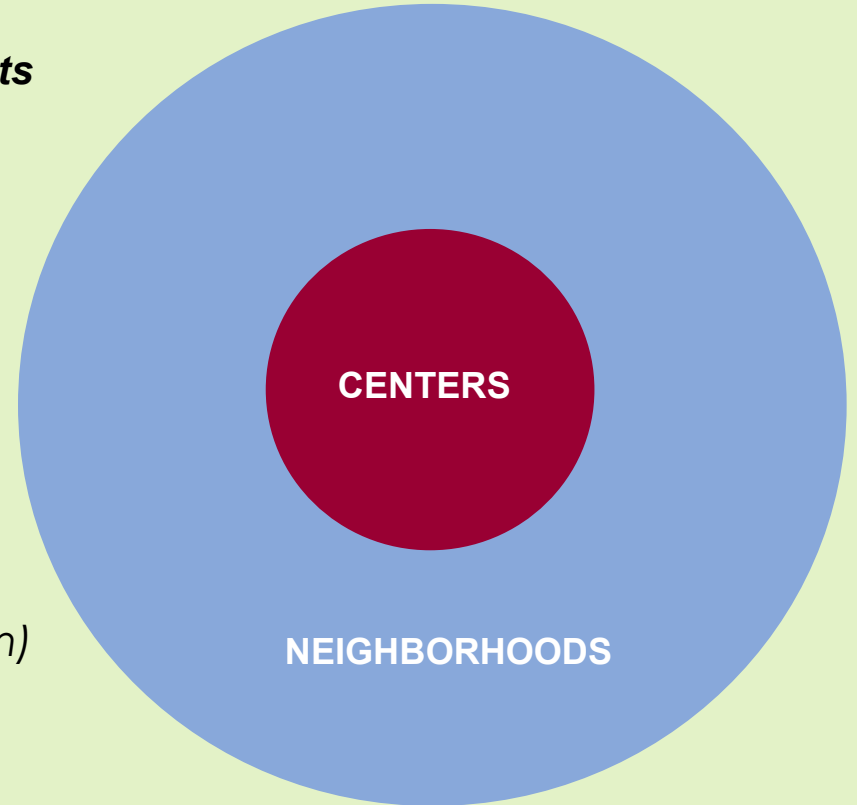
Growing Village

Step 3: Advanced

Downtowns

(Main Street Program)

Neighborhoods



Community Investment Board

Alex Farrell (Chair), designated by the Secretary of Commerce and Community Development

Adam Grinold, designated by the Regional Development Corporations

Jen Mojo, designated by the Secretary of Natural Resources

Bruce Cheeseman, appointed by the Governor, representing local government

Cathy Davis, appointed by the Governor, representing the VT Association of Chamber Executives

Christian Meyer, designated by the Vermont Association of Planning and Development Agencies

Chip Sawyer, designated by the Vermont Planners Association

Jaime Lee, appointed by the Governor, representing the Vermont Natural Resources Council and the Preservation Trust of Vermont

Kevin Chu, designated by the Office of Racial Equity

Michele Boomhower (vice-chair), designated by the Secretary of Transportation

Laura Trieschmann, State Historic Preservation Officer

Michael Desrochers, designated by the Commissioner of Public Safety

Michael Gaughan, designated by the Vermont Bond Bank

Michael McDonough, appointed by the Governor, representing local government

Mike Pieciak, State Treasurer

Vacant, designated by the Vermont League of Cities and Towns



Act 181 §37 of 2024 Study Group

A Report to the General Assembly on Affordable Housing Incentives

Submitted to the Vermont General Assembly for Publication:

January 15, 2025

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Thank You

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