



2026 Legislative Platform

Our Mission

Let's Build Homes (LBH) is a growing coalition of more than 800 Vermonters and 250 organizations supporting impactful actions by state, regional, and local officials to create 30,000 new homes for households of all income levels. Our mission is to create a Vermont of abundant housing for households of all income levels where communities thrive in harmony with our working lands. Through impactful policy change and grassroots action, we will help Vermont grow into a more affordable, vibrant, and inclusive state.

The Problem We Must Solve

Vermonters know we are in the midst of a crippling housing shortage. In every corner of the state, from Burlington to Bethel to Brookfield, the stories are the same: a family member, coworker, or neighbor who can't afford to rent or buy a home or can't find one at all.

This crisis is personal, pervasive, and growing worse. It's straining families, hollowing out communities, and undermining everything from our schools to our health care system. Until we address the housing shortage, Vermont will continue to fall short of its potential.

Vermont needs 30,000 additional homes by 2030 to meet current and future demand.

Communities across the state have already reached consensus on where these homes belong: in our existing downtowns, village centers, and neighborhoods, places with infrastructure, services, and community life already in place. The challenge before us is not agreement on the goal but removing the barriers that are preventing housing from being built where Vermonters want it.

The rules, costs, and financing structures that govern housing development today were not designed for the shortage we face. Without decisive action, Vermont will fall further behind, driving up costs, shrinking our workforce, and pushing people out of state.

Our 2026 Legislative Agenda

The severe housing shortage is constraining Vermont's economy, workforce, and future. We know how many homes we need, we know where they belong, and we know what stands in the way. LBH's 2026 legislative agenda is about removing those barriers and ensuring that Vermont remains a place where people can afford to live, work, and build a future. Our 2026 legislative agenda is designed to move Vermont from incremental progress to sustained, long-term housing production.

Our agenda is built on four pillars:

1. Provide Predictability and Speed Time to Market
2. Unlock Capital
3. Reduce Construction Costs
4. Lower Costs to Own and Rent

Pillar One: Provide Predictability and Speed Time to Market

Vermont's housing production is slowed by unpredictable permitting and appeals that turn projects into referendums on growth. These reforms build on recent progress to enable Vermont to forge an affordable, and sustainable future.

Create new tools to reduce permit appeals in Tier 1 areas

LBH will propose new planning and zoning tools, empowering communities to replace unpredictable, discretionary board decisions with clear, objective rules that preclude permit appeals, removing the largest remaining barrier to needed housing. LBH will also support state mandates to remove subjective and ambiguous standards from local zoning.

Unlocks Act 181's potential by enabling communities that want to build more homes. Shifts public input to planning, when zone locations and intensity are set, ensuring compact, walkable growth reflecting traditional New England design. Gives every town a path to meet state housing targets with technical and financial support.

Address Act 181 implementation issues

To expand housing opportunity, LBH supports clarifications and improvements to Act 181 that:

- Clarify how existing Act 250 conditions apply in Tier 1A areas and municipal enforcement responsibilities.
- Simplify and accelerate municipal ability to create growth areas and modify Future Land Use maps.
- Ensure Tier 3 mapping and regulations don't have unintended impacts on housing supply.
- Extend temporary exemption areas until implementation issues are resolved.

LBH supports the Rural Caucus's call to delay Tier 3 implementation and notify affected property owners to ensure regulatory impacts on existing and new homes are understood.

Ensures that the early housing benefits of Act 181 continue and that the long-term benefits envisioned are fully realized.

Modify permit system to reduce length of appeals

LBH will oppose efforts that would complicate or weaken the current system, and support focused improvements that reduce the length and cost of appeals.

Ensures that reforms to Vermont's appeals process accelerate housing development rather than adding complexity or uncertainty, while supporting concrete solutions that reduce delay, cost, and risk for housing projects across the state.

Pillar Two: Unlock Capital

These proposals improve access to low-cost capital across the housing spectrum, addressing the critical equity gap that prevents viable projects from moving forward.

Create Housing Accelerator Fund

LBH will propose the creation of an equity-like revolving fund with new state investment to accelerate projects unable to secure financing under current market conditions. This program would support mixed-income projects that include both market-rate and affordable units, and has the potential to leverage federal sources the state has traditionally underutilized to produce additional affordable homes in mixed-income projects.

Addresses financing headwinds from high interest costs, tariffs, and tightening bank requirements by making stalled projects viable. Creates a sustainable, revolving fund that supports multiple development cycles. Sends a powerful signal of state support to regulators, lenders, and other stakeholders, and leverages additional private equity investment in Vermont.

Increase funding for programs with proven track records

To preserve and expand housing stock, LBH will support increased base funding for programs such as the Vermont Housing and Conservation Board (VHCB), Vermont Housing Improvement Program (VHIP), Mobile Home Improvement and Repair Program (MHIR), and Manufactured Housing Infill Program (MHIP).

Further, LBH will support removing the unnecessary cap on Downtown and Village Center Tax Credits in Tier 1 areas.

Focuses resources on the lowest income Vermonters while also preserving naturally occurring affordable housing. These investments help Vermont property owners maintain residential housing, preventing displacement and housing loss.

Vermont's Downtown and Village Center Tax Credit programs pay for themselves through expanded state revenues. Since the new Tier 1 will significantly expand Vermont's designated areas, now is the right time to end arbitrary caps.

Pillar Three: Reduce Construction Costs

Reducing the cost of housing development lowers the costs for buyers and renters. Tax exemptions, CHIP access, land banks, and modular construction reduce costs at every stage.

Extend the Sales & Use Tax exemption for all home construction in Tier 1 areas

The state can directly reduce the cost of housing construction in Tier 1 areas by exempting residential development from the state's 6% sales and use tax. This exemption would reduce costs for both permanently affordable and market-rate home building.

Directly reduces project expenses in areas where Vermonters want housing at a time of historically high construction costs, improving project viability and reducing the final cost to buyers and renters. Any budget impact would likely be offset by new, state revenues from expanded and accelerated Tier 1 housing growth.

Support CHIP implementation and protect program integrity

To maximize CHIP's impact, the state should provide technical assistance helping municipalities access CHIP funding for water, wastewater, stormwater, roads, and school infrastructure that supports housing development. LBH will advocate that any legislative refinements maintain the program's core mission of accelerating housing production.

Helps CHIP to reach communities across Vermont and achieve its full potential to accelerate housing production. Enables municipalities to fund necessary infrastructure through CHIP reducing reliance on excessive impact fees that make housing projects financially unviable. Protects the program's integrity while supporting necessary refinements based on implementation

Authorize a State Land Bank for housing

LBH supports creating a strong statewide land bank to identify, acquire, restore to productive use vacant, abandoned, contaminated, and distressed properties as recommended in [ACCD's 2024 Land Bank Feasibility Report](#).

The ACCD report found that a "sustainably funded statewide land bank is an effective tool" for identifying and restoring to productive use the approximately 11,000 vacant and abandoned homes statewide.

Enable off-site construction

Increased state support and incentives for modular construction methods can reduce construction timelines and costs while maintaining quality standards, per [2024 VHFA report](#).

Factory built housing accelerates construction timelines, reduces weather-related delays, and has the potential to lower overall development costs, and efficiently meet climate goals.

Expand construction workforce

Expanding construction workforce training programs and apprenticeships will address the shortage of skilled workers needed for housing development.

Addresses the state's shortage of construction workers, which slows housing construction and increases costs. Expands economic opportunity for Vermonters while reducing the cost of new homes.

Support zoning and building code reforms that reduce high construction costs

Key zoning and building code reforms reduce construction costs, including allowing single stair and multi-family design and allowing lower-cost and smaller elevators. In addition LBH supports study and exploration of regulatory reforms to legalize housing that includes shared kitchens and bathrooms.

Removing the requirement for a second stair reduces a buildings construction cost by approximately 10% and in some situations allows approximately 7% of a building's space to be allocated to other uses.^[2]

Elevator costs in America are often two to three times the cost in other countries because of uncommonly stringent safety and accessibility codes.^[2]

Bathrooms and kitchens are the most expensive components of housing projects. Around the country, jurisdictions are exploring legalization of shared bathrooms and kitchens as a strategy for reducing shelter costs, expanding workforce housing, and offering alternative living options.

[1] <https://www.vox.com/housing/410115/housing-single-stair-building-code-icc-fire-safety-fighters-research>

[2] [https://www.city-journal.org/article/elevators-construction-costs-unions-safety-standards#:~:text=Writes%20Smith%20E2%80%9CElevator%20industry%20professionals,save%20\\$32%2C000%20of%20floor%20space](https://www.city-journal.org/article/elevators-construction-costs-unions-safety-standards#:~:text=Writes%20Smith%20E2%80%9CElevator%20industry%20professionals,save%20$32%2C000%20of%20floor%20space)

Pillar Four: Lower Costs to Own and Rent

Making both rental and homeownership accessible and ensuring public investments serve Vermonters across the income spectrum. Homebuyer assistance and public fund requirements ensure new housing serves Vermonters at all income levels.

Increase investment in homebuyer support programs

Expanding down payment assistance for first-time homebuyers through VHFA's state tax credit program will improve access to home ownership.

Improves access for first-time homebuyers who are otherwise qualified but lack sufficient savings for down payments or face affordability challenges from current interest rates. To date, the state's \$11 million investment in this program has generated over \$137 million in wealth for Vermonters to stabilize their finances invest in businesses, or pursue higher education.

Maintain rental assistance for extremely low income Vermonters amidst federal cutbacks

Vermont lost over 1,200 federal rental assistance vouchers in recent years and will likely lose more in the coming year. LBH supports efforts to prevent these federal changes from resulting in increased evictions.

Supports households earning less than 30% of the Area Median Income who have the fewest housing choices and are most vulnerable to eviction. Helps the state reduce homelessness, support households exiting the expensive hotel/motel program, and reduce the unreimbursed costs of eviction for landlords by making vouchers available.

Moving Forward

Vermont stands at a crossroads. We can continue on our current path, watching young families leave, businesses struggle to find workers, and communities hollow out, or we can take bold action to build the homes we need.

Our 2026 legislative agenda provides a comprehensive, balanced approach to expanding housing supply. By removing regulatory barriers, providing development capital, reducing construction costs, and supporting affordability, we create the conditions for sustained housing production at scale.

Let's Build Homes is ready to work with legislative leaders, state agencies, and communities statewide to make this vision a reality in 2026.