

# LET'S **BUILD HOMES**

**Vermont Senate Committee on Economic Development,  
Housing and General Affairs**  
**January 20, 2026**

# LBH 2026 Platform

## **Our agenda is built on four pillars:**

- Provide Predictability and Speed Time to Market
- Unlock Capital
- Reduce Construction Costs
- Lower Costs to Own and Rent

# What's Working?

# Early CHIP steps are very promising

**VEPC guidelines process** was a model of focused, sensible program implementation.

We expect **strong interest** from municipalities and builders when the program opens later this month.

## Implementation Concern:

As of today, it is *unclear how for-sale projects will meet CHIP guidelines.*

# Act 181 created a breakthrough: We have a consensus about where we want housing growth

## Successes

- Early RPC maps show numerous well-planned Tier 1 areas
- Temporary exemption areas demonstrate positive impact on housing development

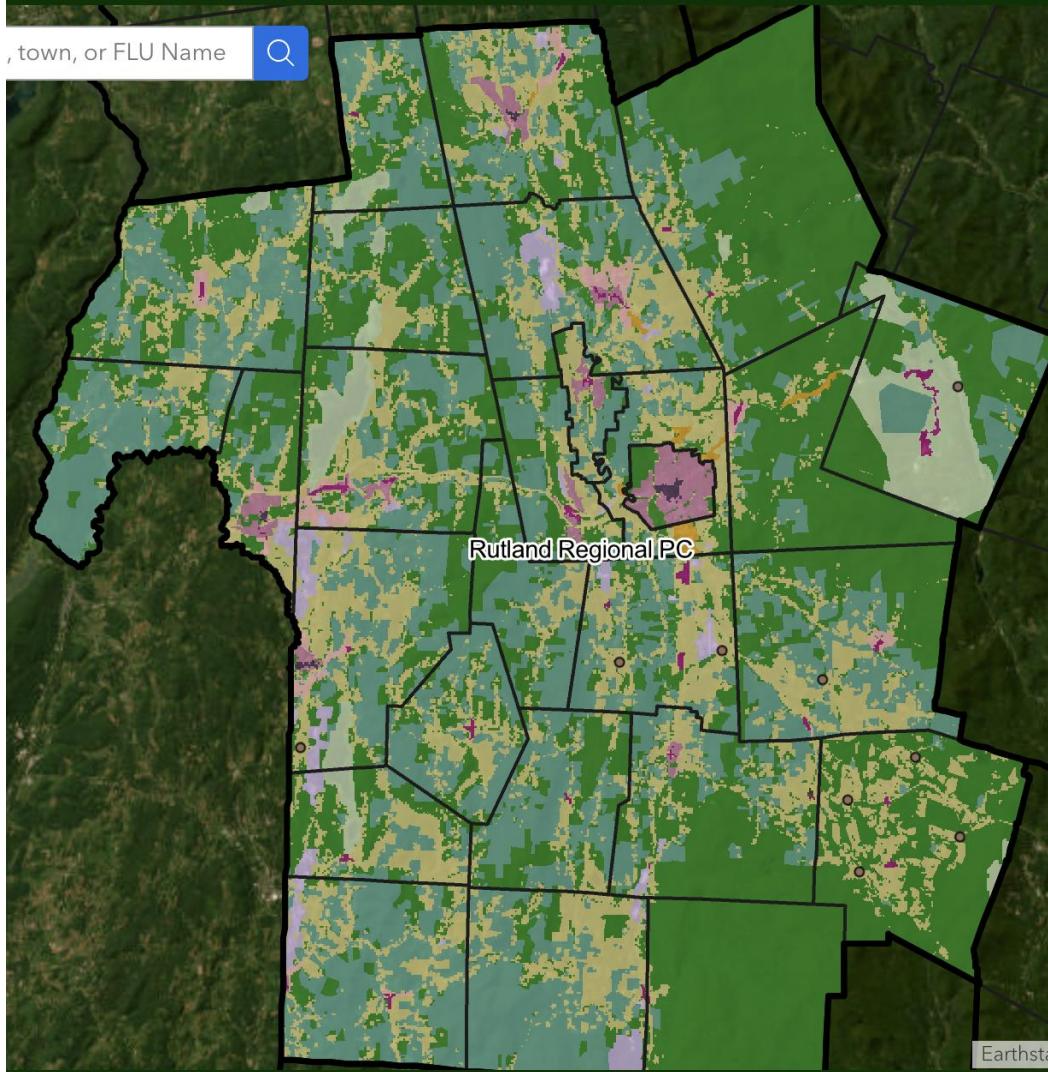
## Implementation Concerns

- Impact of current Tier 3 plan on housing is unclear
- Many towns are opting out of Tier 1A/1B
- More than half of Vermont communities are being left behind and getting no housing relief from Tier mapping

## Solutions

- Adopt Rural Caucus bill
- ROOT Zones

, town, or FLU Name 



# Creative funding programs are working

To preserve and expand housing stock, LBH supports increased base funding for programs such as:

**VHCB**

Vermont Housing & Conservation Board

**VHIP**

Vermont Housing Improvement Program

**MHIR**

Mobile Home Improvement and Repair

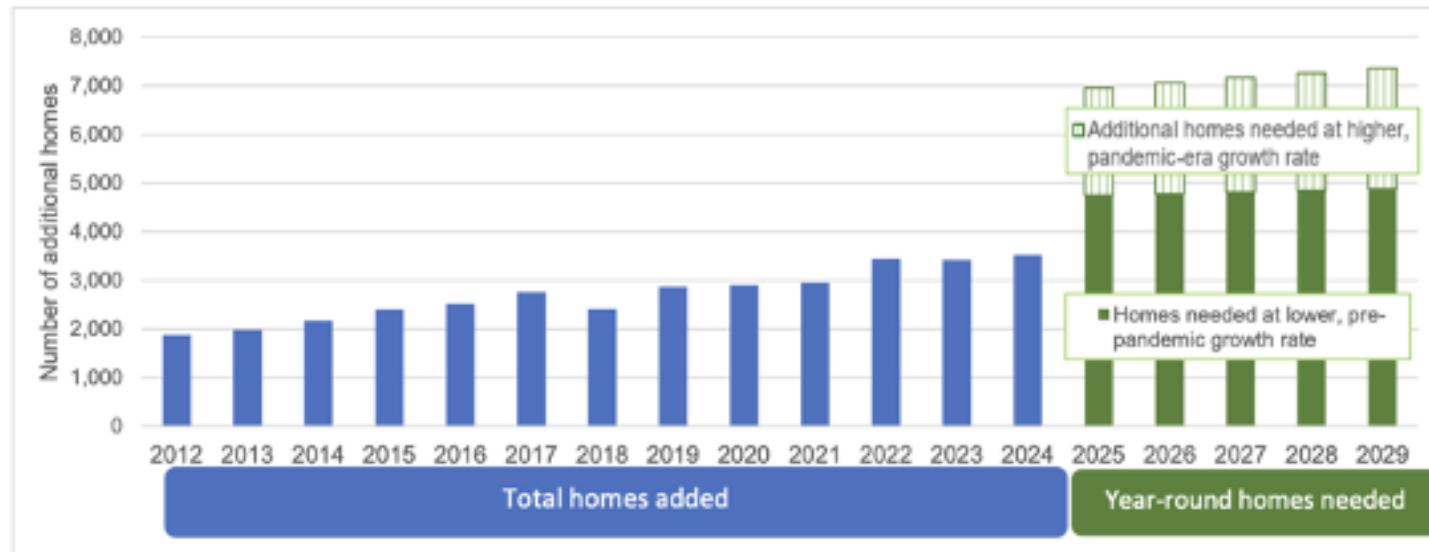
**MHIP**

Manufactured Housing Infill Program

**These programs deliver results and should be expanded.**

# 2025 Production: Decent but below goals

Figure 1-2 Gap in year-round Vermont homes reduces availability and affordability



Source: VHFA 2025 Housing Needs Assessment

# What's Next?

**Act 181 created a breakthrough:** Vermonters have reached consensus on where we want to grow – in and near our downtowns, villages, and existing neighborhoods (Tier 1).

**LBH urges the legislature to focus 2026 on turning this consensus into on the ground results** by financially incenting new Tier 1 homes, and by removing remaining crippling barriers in these areas.

# Stimulate Tier 1 home growth with new incentives

1

## **Waive Sales Tax on Residential Construction Materials**

Directly reduces cost of affordable and market-rate housing by approximately 3%

2

## **Remove Cap on Downtown & Village Tax Credits**

These credits pay for themselves when they leverage new investment

3

## **One-time Investment in a Housing Acceleration Fund**

Join states across the country maintaining housing momentum amid a challenging financing environment

# End Permit Appeals Gridlock with By-Right Development in Tier 1 Growth Areas

**The recent LURB Act 250 Appeals Report noted support for “by-right” permitting where housing projects bypass discretionary development review:**

- This concept of “by right” permits under certain conditions was advocated for by many of our housing expert stakeholders and was supported by VNR as a compelling idea that needs more time and discussion as it could speed up the production of housing in an effective way.

**Multiple by right approaches being discussed:**

- Governor’s 802 Homes program
- New state mandates

**LBH proposes a comprehensive solution: ROOT Zones**

# How ROOT Zones Work

1

## **State Creates Code**

Model Vermont Code with clear, objective standards

2

## **Towns Adopt**

Municipalities choose to pursue and plan a ROOT Zone

3

## **State Reviews**

Verify zones meet state standards. Towns are eligible for planning support and other benefits

4

## **Streamlined Approval**

Certification of Compliance  
- no hearing, no subjective decisions, no grounds for appeal

## **The Result: More Homes, Faster**

ROOT Zones eliminate the largest remaining regulatory barrier to new home production while ensuring beloved, walkable, New England Neighborhoods

# ROOT Zones

## Residential Opportunity Overlay for Towns

**ROOT Zones empower Vermont communities to unlock housing production by replacing discretionary hearings with clear, objective rules**

### **Dramatically Reduce Permit Appeals**

Replace discretionary review with transparent certification process in Tier 1 areas

### **Local Democracy Up-Front**

Communities set zone locations and development intensity during planning, not project-by-project

### **Every Town Gets a Path**

Give all municipalities, large and small, tools to meet state housing targets with technical and financial support

### **Protect What Matters**

Ensure good design and protect critical public interests through form-based Vermont code and objective standards