Actions to Enable Housing Development in Your Community

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Vermont's towns, cities, and villages are the heart of our state, and housing is key to keeping them strong, stable and vibrant. Local governments play a pivotal role in shaping housing outcomes – not by building homes themselves, but by shaping the conditions that make housing creation possible.

This resource offers simple, practical ideas for how communities of all sizes can meet their housing needs to retain existing residents and attract new ones. It addresses how municipalities can make housing a priority, cut through red tape, reduce the risks and costs for housing creators, and team up with others to find and access funding. Learn how to shift from "we must build" to "we must enable" to deliver the housing your community needs.

Create a Focus on Housing

- **Establish a Housing Committee.** Be clear about its role. Activate passionate people and recruit a variety of perspectives. Provide stipends for participation so that anyone can participate.
- **Make connections with housing stakeholders.** Identify and connect with non-profit organizations and private developers working in your region's housing ecosystem. Ask what actions can encourage housing development.
- **Understand the state of housing in your community.** Use the Vermont_Housing_Needs_Assessment_Guide to analyze data and trends for your community. Encourage a full conversation about housing's impact on infrastructure, transportation, education, etc.
- **Build community buy-in**. Buy-in starts with having community conversations about housing, where it should be located, and how dense it should be. Learn more at Community Engagement for Local Housing Decisions. Ask your partners – VCRD, RPCs, etc. - for engagement help.

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- **Tell the story of housing in your community**. Shape a positive narrative about growth and housing. Remind people of realities versus perceptions using data. Spend time educating municipal boards and committees and community organizations. Show political leadership for housing in your public and personal life. Communicate opportunities, housing supportive municipal activities and incentives (ex. land, fee structures, etc.), and success stories.
- **Hire housing development capacity**. Hire a local housing specialist like Hartford or share a multi-town staff member like some municipalities do for Zoning Administrators, Planners, and Energy Coordinators. A housing development consultant can liaise with housing developers and municipal staff and officials and helps them navigate permitting and funding requirements.

Update Your Tools

- **Build a capital program.** Inventory your infrastructure, determine the condition its in, and build a capital program and annual capital budget to maintain and replace it. Infrastructure is critical to housing development.
- **Adopt a municipal plan** and ask your Regional Planning Commission to approve it. Include policies that facilitate infill development, single family to duplex conversion, and innovative technologies like manufactured , modular, panelized, 3-D printed, and mass timber constructed housing.
- **Apply for a State Designation** for your community center and associated neighborhood development area. Designation provides projects with priority consideration in certain grant programs and allow other benefits to flow directly to property owners that invest in these areas. Designations are transitioning under Act 181 of 2024.
- **Apply for Tiers 1A or 1B status for Act 250.** These Tiers demonstrate areas with capacity for growth. Interim Act 250 Housing Exemptions apply now.

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- **Align your regulations with your plan.** Enable housing in municipal land use regulations using strategies in Zoning for Great Neighborhoods. Develop pathways for roads to become public streets. Ensure water, wastewater, and other ordinances support housing too.
- **Streamline local permitting.** Simplify the process using strategies in A Best Practices Model for Streamlined Local Permitting as applicable to your community. The process should be predictable. Ask about your customer's experience then help relieve pinch points.
- **Build relationships for development review.** Invite the school, utilities, fire, rescue, highway department, etc. to look at plans at the same time. Iron out any disagreements before public hearings.
- **Visit Regulatory Tools to Support Housing** for other regulatory tools municipalities can use to impact housing supply, stability, and subsidy.

Defray Upfront Risk and Cost

- **Provide land incentives.** Offer vacant municipal land or excess parking lots for housing development using a Request for Proposals process or purchase vacant properties as an upfront incentive. See Dorset, Jericho, and Shaftbury examples.
- **Evaluate tax sale practices.** If no one purchases a tax sale property, can the municipality purchase it and encourage housing development on it? Would the municipality be willing to waive fees, penalties, and interest related to back taxes for tax sale properties redeveloped into housing?
- **Create a Housing Trust Fund.** A Fund provides grants and loans to help people stay in their homes, fund needed home improvements, and/or complete affordable housing projects, like accessory dwelling units. See examples from Burlington, Charlotte, Montpelier, South Burlington, Waterbury, Williston, and Winooski.

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- **Help home owners and developers learn about and access state and federal housing programs**, such as those through the Vermont Housing and Conservation Board, Vermont Housing and Finance Agency, and Vermont Department of Housing and Community Development.
- **Limit capital asks of projects.** Don't add costs by tacking on requirements. You also can reduce development costs by contributing resources or providing flexibility in development.
- **Structure flexible development agreements**. Development agreements define relationships between developers and municipalities when the municipality has a vested interest in a housing project. Providing flexibility for modifications and amendments is essential as projects evolve over time and unforeseen circumstances occur.

Partner on Funding Opportunities

- **Identify and be the applicant for state and federal funds.** Municipalities are the only eligible applicant for some grant programs, like the Community Development Block Grant, but they can loan or subgrant awards to nonprofit and private housing developers.
- **Provide direct investment.** Municipalities can make direct investments that encourage housing development, such as:
    - **Plan and build infrastructure** - such as roads, sidewalks, water, wastewater, stormwater, and parks - or ask developers to build it then accept it as municipal infrastructure. Be sure you have standards to assure material and construction quality. The Community and Housing Infrastructure Program unlocks funding for it. Local Options Taxes can work too.

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- **Negotiate with the developer** to determine what costs the municipality might absorb. Some common ways municipalities can help include:
  - *Agree to manage grants.* This removes the grant administration burden from the developer. Municipalities with capital budgets can build this cost into their project budgets.
  - *Consider offsetting local fees*, such as those for utilities, permits, etc.
  - *Provide the local match* for grants that a developer pursues.
  - *Clear the property and structures of environmental issues* if there are potential brownfield issues. This allows development to occur within a known cost environment. See Vermont's brownfield programs.
  - *Negotiate a tax stabilization agreement (32 V.S.A. § 5404a)*. Be sure to follow requirements of 24 V.S.A. § 2741 and to adopt a policy to guide the municipality's actions prior to signing any agreements.
- **Develop a municipal loan program** whereby a homeowner splits the project equity with a municipal loan program and payback occurs when the property is sold.

- **Be innovative.** Be open to new ideas, such as creating a project-based Tax Increment Financing site (a.k.a. Community and Housing Infrastructure Program (CHIP) site) to help your municipality invest in infrastructure that supports housing development. This financing tool works for any sized community.

Use Supporting Tools and Resources

Building housing takes more than good ideas - it takes the right tools to support your work. Whether you're learning about housing strategies, analyzing local needs, or looking for funding opportunities, these links and programs back you up. We've gathered options so that you can find what fits your town and move forward with confidence.

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VT Housing Finance Agency

- Financing Programs for Developers: Housing Tax Credits and Loan Programs
- Housing Data.org for communities: Housing Resource Toolbox and Community Data Profiles
- Vermont Statewide Housing Conference: Materials from past conferences including recorded presentations, slideshows, and other resources.
- Publications: Ex. Statewide Housing Needs Assessment, Analysis of Vermont Affordable Rental Housing Development Cost Factors

VT Agency of Commerce and Community Development

- Vermont Housing Need Assessment: Analysis used to identify the current and projected housing needs of the State and regions to inform policy makers and guide resource allocation
- Fair Housing Analysis: Identifies factors that may adversely affect fair housing choice in Vermont and outlines an action plan to overcome these barriers
- Housing Funding and Incentives, Community Development Funding and Incentives, and Community Housing and Infrastructure Program (CHIP)
- Planning for Housing, Zoning for Great Neighborhoods, and State Designation Programs resources
- Vermont Homes for All Toolkit: A "Design and Do" toolkit provides coaching and information to help home builders, investors, and community leaders understand and further housing development.
- Accessory Dwelling Units Resources: Includes a how-to resource and examples from Vermont and New England.

VT Housing and Conservation Board

- Housing Applications & Funding Programs: Grant and loans for acquisition, rehabilitation and construction of permanently affordable housing by private and

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non-profit developers.

- Rural Economic Development Initiative (REDI): Grant assistance for rural communities and working lands businesses. The program hires consultant services to write a grant, complete a necessary step to make a grant application more competitive, and in some cases to help make a project fundraising plan.
- AmeriCorps: Host a year-long AmeriCorps member who builds the municipality's capacity to deliver affordable housing and residential services, steward natural environments, expand access to natural areas and public lands, provide environmentally based education and training, and/or support long-term disaster recovery and response.

Other Tools and Resources

- Vermont Zoning Atlas: View a snapshot of how zoning works for housing in your town and calculate the percentage of land that is zoned for single-family housing versus multifamily housing.
- Vermont Housing Resource and Rental Assistance Guide: Learn more about housing and rental resources available in Vermont and share this resource with residents.
- Creating accessory dwelling units guides and guidance resources:
  - Addison County Guide to Creating Accessory Dwelling Units
  - Central Vermont Regional Planning Commission Guide to Creating Accessory Dwelling Units
  - Northwest Regional Planning Commission Guide to Creating Accessory Dwelling Units
  - Accessory Dwelling Units | Hinesburg, VT

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