

Act 181 of 2024



Act 181 Outline

Community Investment Board

1. Framing & Context

Charlie Baker, Chittenden County Regional Planning Commission
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2. Act 250

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3. Land Use

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4. State Designations

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Framing & Context

- 1. Housing Crisis**
- 2. Update Act 250 to**
 - better support regional and town plans,
 - reduce barriers to housing production, and
 - reduce forest and habitat fragmentation
- 3. Update regional planning process to**
 - Make regional plans' future land use maps consistent
 - Increase engagement with municipalities
 - Evaluate environmental justice impacts of land use
- 4. Update State Designation Program to**
 - Make the process easier
 - Simplify designations from 5 to 2
 - Modernize and integrate the designation program

Legislative Summer Studies

Three groups convened in 2023 to engage with stakeholders to develop recommendations to improve Act 250, land use planning, and the state designation programs.

1. **Act 250** - Natural Resources Board (NRB)
[Necessary Updates to Act 250 Report](#)
2. **Land Use** - Vermont Association of Planning and Development Agencies (VAPDA)
[Regional Planning Report](#)
3. **State Designations** - Department of Housing and Community Development (DHCD)
[Designation 2050 Report](#)

Act 181

Purpose

[P]rotect and conserve the environment of the State and to support the achievement of the goals of the Capability and Development Plan, of 24 V.S.A. § 4302(c), and of the conservation vision and goals for the State established in section 2802 of this title, while supporting equitable access to infrastructure, including housing.

- Sec. 1 (Purpose; construction of Act 250)

[P]rovides a regulatory framework that supports the vision for Vermont of human and natural community resilience and biodiversity protection in the face of climate change It would strengthen the administration of the Act 250 program by changing the structure, function, and name of the Natural Resources Board.”

- Sec. 1a (Purpose of Act 181)

Regional Planning

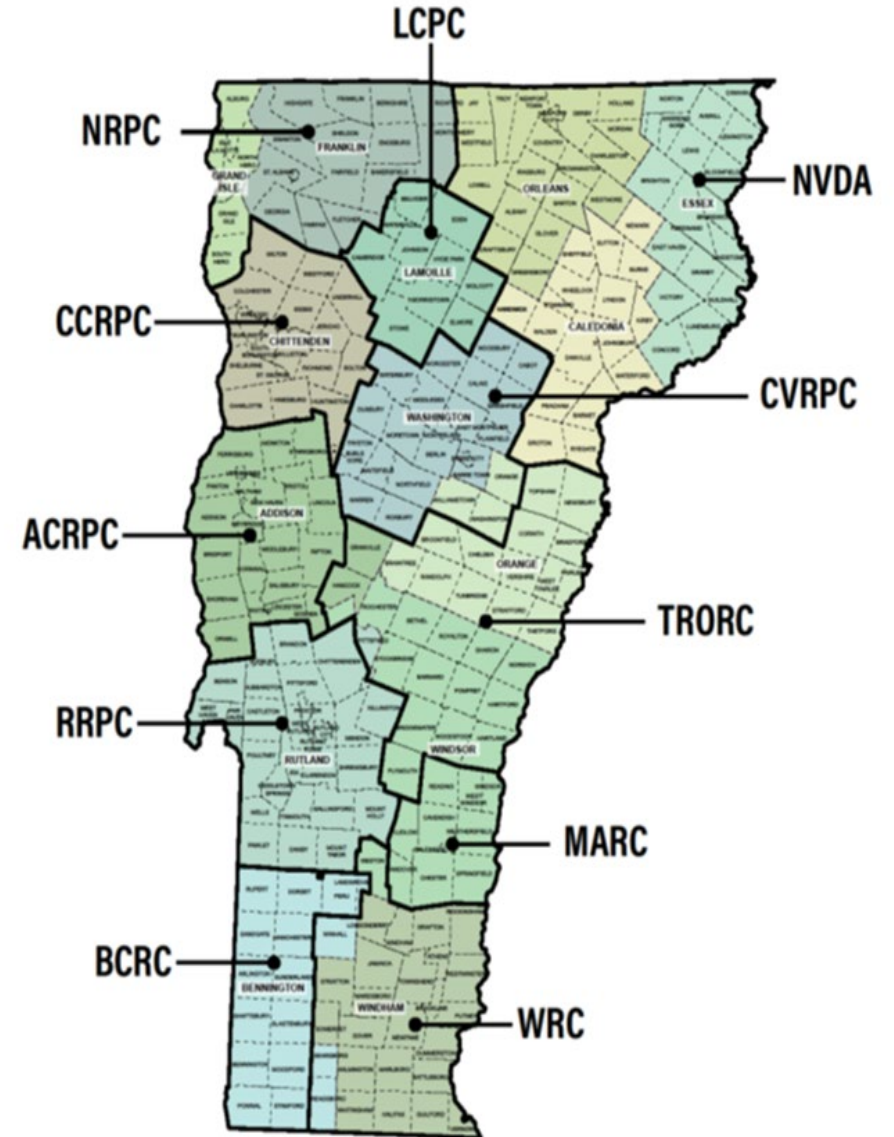
1. **Regional Planning Commissions:** Overview
2. **Summer Studies:** NRB, RPC, DHCD
3. **New System:** Local, Regional, State Coordination
4. **Implementation Timeline:** Key Dates
5. **Other Changes to Land Use:** Chapter 117

Regional Planning Commissions

Vermont's Planning and Development Act, governs municipal planning and land use regulations as guides RPCs and municipalities and plan and implant state and municipal and goals.

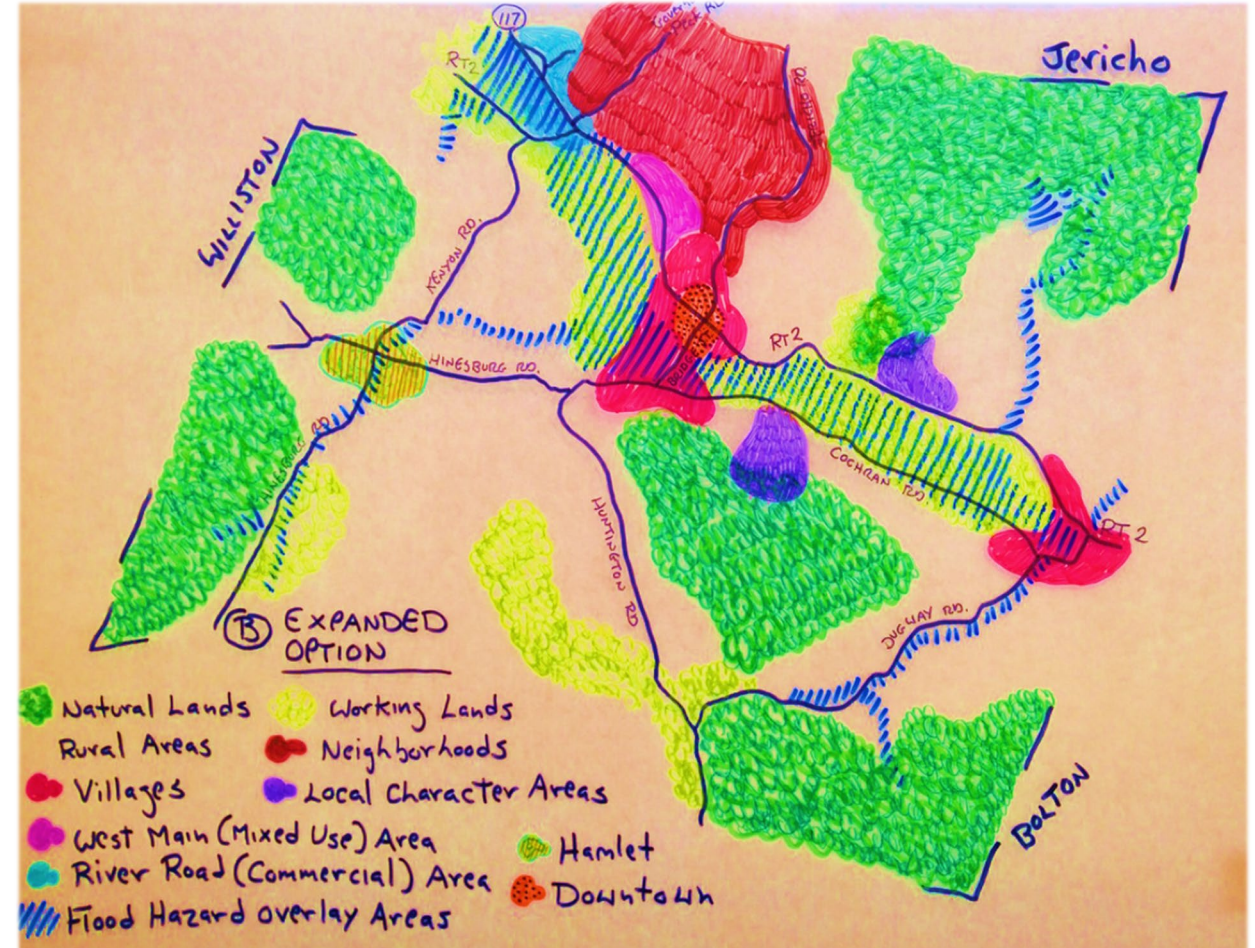
RPCs have over 140 staff that serve all of Vermont's municipalities

RPCs provide planning, technical assistance, and project management services to municipalities, the state and the federal government in the areas of regional and local planning, bylaw modernization, Act 250 reviews, housing, energy, climate adaptation, transportation, water quality, brownfield remediation, infrastructure, emergency management, economic development, health, equity, mapping, and other services when requested



Consistent Future Land Use Areas

- Downtown/Village Centers
- Planned Growth Areas
- Village Areas
- Transition/Infill Area (optional)
- Resource-Based Recreation Areas
- Enterprise
- Hamlet
- Rural – General
- Rural - Agricultural and Forestry
- Rural - Conservation



Future Land Use Areas

State Designation Programs

Centers:

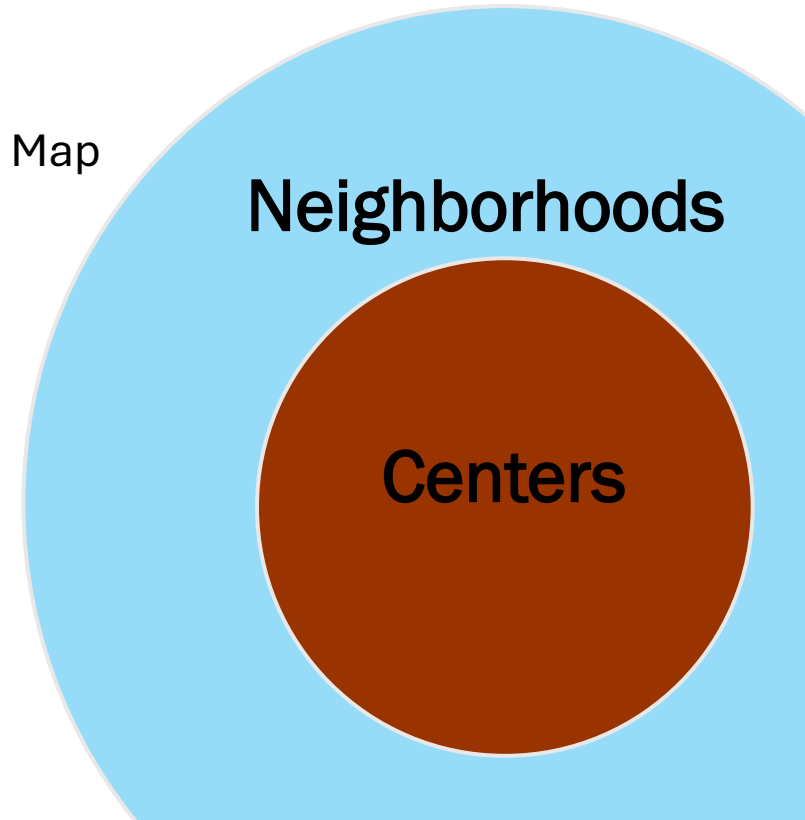
- Downtowns and Village Centers on the Regional Future Land Use Map
- Similar to existing designated downtowns and village centers

Neighborhoods:

- Planned Growth Areas and Village Areas on the Regional Future Land Use Map

Criteria:

- Approved municipal plan, zoning and subdivision bylaws, public water or wastewater (or soils), opportunity for infill and growth in areas that are flood resilient.



Future Land Use Areas

Act 250 Tiers

Downtowns, Village Centers, Village Areas, and Planned Growth Areas - Tier 1B

- Municipal requested, RPC mapped, LURB review/approval
- Limited Act 250 Exemption: 50 units or fewer of housing

Tier 1A – Optional Municipal Action

- Municipal application, LURB Reviewed
- Full Act 250 Exemption

Requirements:

- Boundaries consistent with downtown, village centers, planned growth areas, and village areas on Regional Future Land Use Maps
- Infrastructure
- “Good” zoning (4 stories, smart growth, protections for historic buildings and wildlife)
- Adequate municipal capacity (staffing, capital planning)
- Outside of river corridors and floodplains with some allowance for redevelopment consistent with floodplain rules

Future Land Use Areas

Act 250 Tiers

Tier 2 – Act 250 Status Quo- Regional Plan Policies Apply

- RPC mapped, LURB review/approval
- Municipalities not requesting Tier 1B or Tier 1A
- Transition or Infill Areas
- Resource-based Recreation Areas
- Enterprise Areas
- Hamlets
- Rural; general
- Rural; agriculture and forestry
- Rural; conservation

Tier 3 – Defined by LURB Rule

- Included on Regional Land Use Maps in future editions
- Not based on Regional Plan maps; not the Rural- Conservation boundary

Act 250

1. **Purpose:** Goals and Vision
2. **New System:** Location-Based Jurisdiction
3. **New Governance:** Land Use Review Board Role and Duties
4. **Implementation Timeline:** Key Dates
5. **Other Changes:** Act 250 Land Use Regulation

Act 181

Location-Based Jurisdiction

[December 2023 Necessary Updates Report](#) recommendation:

“Adopt a location-based jurisdiction framework for Act 250 using tiers that tailor exemptions from Act 250 and establish jurisdictional triggers based on the characteristics of the area.”

Act 250 Tiers

- **1A** – Suitable for dense development
- **1B** – Smaller town/centers
- **2** – Status quo with road rule
- **3** – Critical Natural Resource Areas

Tier 1A

Suitable for Dense Development

Regulatory Result

- No Act 250 Review Required

Tier 1B

Downtowns, Village Centers, Planned Growth Areas, and Village Areas

Regulatory Result

- No Act 250 Review Required for 50 units of housing/ mixed use

Tier 2

Status Quo with “Road Rule”

Characteristics

- Areas other than Tier 1 or 3

Jurisdiction

- Existing Act 250 jurisdictional triggers including units, acreage, subdivision, etc.
- Adds trigger for construction of roads and driveways (800ft single road, or 2,000 ft. combined)

Regulatory Result

- Act 250 Review Required

Tier 3

Critical Natural Resource Areas

Characteristics

- **TBD** by Board Rule
- *May* include river corridors, headwater streams, certain habitat connectors, riparian areas, class A waters, natural communities, etc.

Jurisdiction

- Construction of improvements for commercial, industrial, or residential purposes, **TBD** by Board Rule

Regulatory Result

- Act 250 Review Required in Tier 3 areas

New Governance

Land Use Review Board

- 5 full-time positions, including the chair
- Appointed by the Governor based on list of well-qualified candidates from Nominating Committee
- Staggered terms (one expiring every year)
- Expertise in environmental science; land use law, policy, planning and development
- Commitment to environmental justice
- Reflecting diversity of the state - racial, ethnic, gender and geography

New Governance

Role and Duties

- Review and approve applications for Tier 1A status areas
- Produce guidelines for municipalities applying for Tier 1A status
- Review and approve regional plans and future land use maps produced by the Regional Planning Commissions
 - Approval of designated centers on map
 - Approval of Tier 1B status areas
- Adopt rules defining the critical natural resources areas within Tier 3 areas and define the road rule in Tier 2
- Oversee administration of program
- Act 250 Appeals remain with Environmental Court

Act 181 Other Changes

Interim Act 250 Exemptions and Expirations

- Priority Housing Projects within 1/2mi of designated centers, January 1, 2027
- Utility reliability projects, December 31, 2030
- Accessory dwelling units, July 1, 2028
- Commercial conversion to 29 or fewer units, July 1, 2028
- 75 or fewer units entirely in designated centers, January 1, 2027
- 50 or fewer units within 1/4 mi of designated village centers or certain Transit Routes +1/4 mi, July 1, 2027
- Housing projects entirely within designated downtown development districts, January 1, 2027

Act 181 Other Changes

Other Changes - New Criterion 8(c) - Forest Blocks and Habitat Connectors

- **10 V.S.A. § 6086(a)(8)(C) Forest blocks and habitat connectors.** A permit will not be granted for a development or subdivision within or partially within a forest block or habitat connector unless the applicant demonstrates that a project will not result in an undue adverse impact on the forest block or habitat connector. If a project as proposed would result in an undue adverse impact, a permit may only be granted if effects, including fragmentation effects, are avoided, minimized, or mitigated as allowed in accordance with rules adopted by the Board.
- Rules will address how forest blocks and habitat connectors will be defined (size and location) and identified, and the standards for avoiding and minimizing impacts through proactive site design and mitigating impacts if undue impacts can't be avoided or minimized. Unpaved recreational trails, logging, forestry, and agriculture are exempt.
- Stakeholder process will inform the rules.

New Municipal Bylaw Requirements

- Duplex
- 3- and 4-plex Allowances
- Min. Density of 5 in Water & Sewer
- Rounding of Dwelling Unit Density for Affordable Housing
- Protections for Unrelated Households
- Hotel & Motel Conversion Bylaw Limitations
- Parking Bylaws
- AMP Hearing Timelines
- Appeals, any 20 People
- Appeals to Superior Court

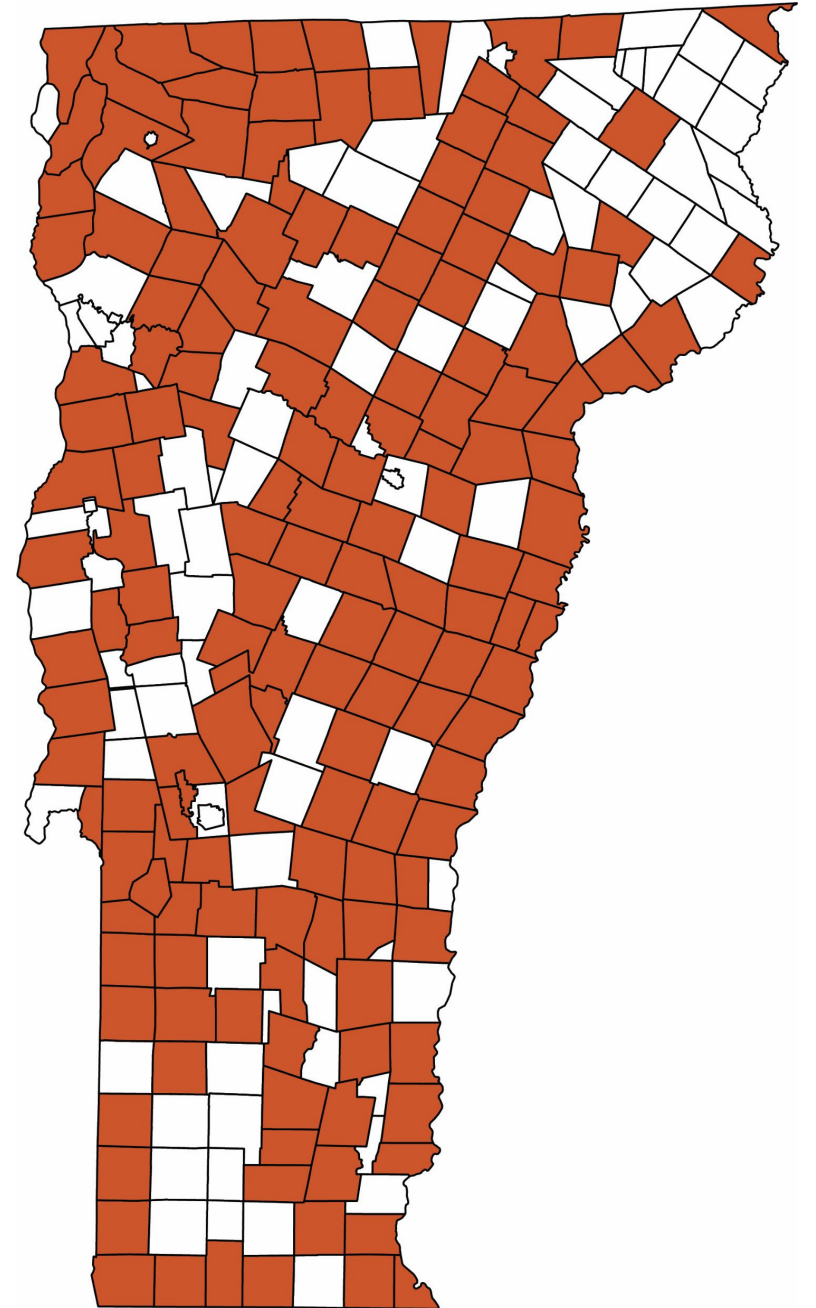


State Designations

1. **Background:** Existing Programs; Designation 2050
2. **New Governance:** Community Investment Board
3. **New System:** Community Investment Program
4. **Planning Data Center:** Administrative Process
5. **Implementation Timeline:** Key Dates
6. **Related Studies:** Regulatory Incentives, RPCs, Land Banks, Rural TA

State Designation Programs

- 25 Years
- 295 designated areas
 - Every county
 - Every region
- A coordinating platform for shared priorities
- Grounded in Vermont's common goals and principles



Designation 2050

How it Started

- \$150,000 budgeted for DHCD to hire a consultant to independently evaluate and reform Vermont's State Designation Programs

The Process

- Smart Growth America & Community Workshop led a 6-month, collaborative and robust process to evaluate how well the programs are working now, what impact they are having on Vermont communities, and how they might best evolve.

Stakeholder Engagement

- Extensive participation via surveys, focus groups, and a summit



Key Findings

**Vermont
wants...**

More dollars for
action

Direct program
assistance

Local capacity
solutions

for...

Housing Growth & Access

Climate Resilience

Infrastructure

Livability & Amenities

Capacity & Equity

Community & Economic Vibrancy

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

Community Investment Program

Revised Board

New Members

- Vermont Bond Bank
- State Treasurer
- Office of Racial Equity
- Regional Development Corporations

Staffed by DHCD

- More investment focus
- Less boundary focus
- Guideline-making authority



Simplified Designation

From 5 to 2

5 Exiting Designations

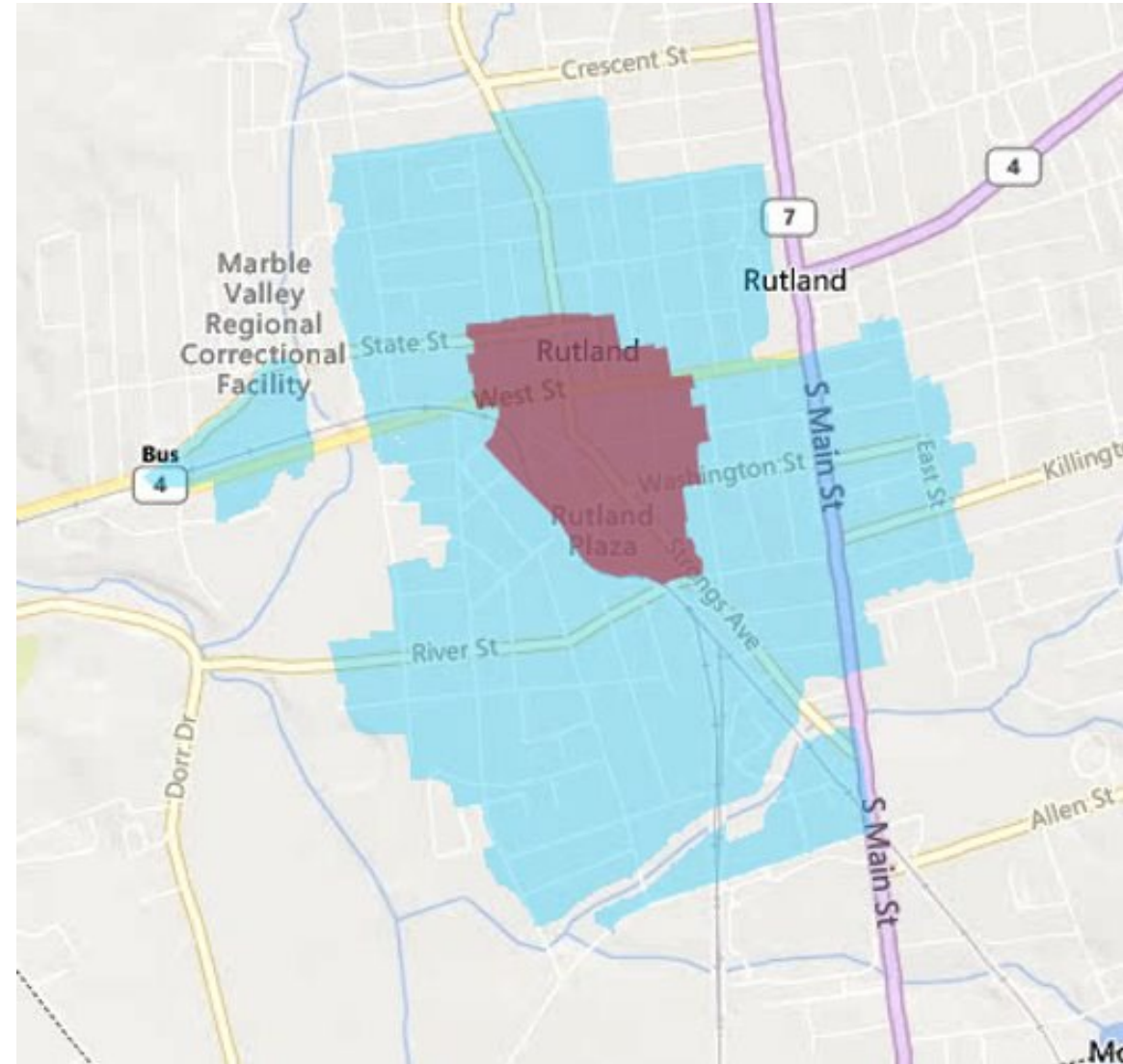
3 Core Designations

- Villages
- Downtowns
- New Towns

2 Add-On Designations

- Neighborhood Development Areas
- Growth Centers

Continue as normal through 12/2025
Except no renewals or check-ins

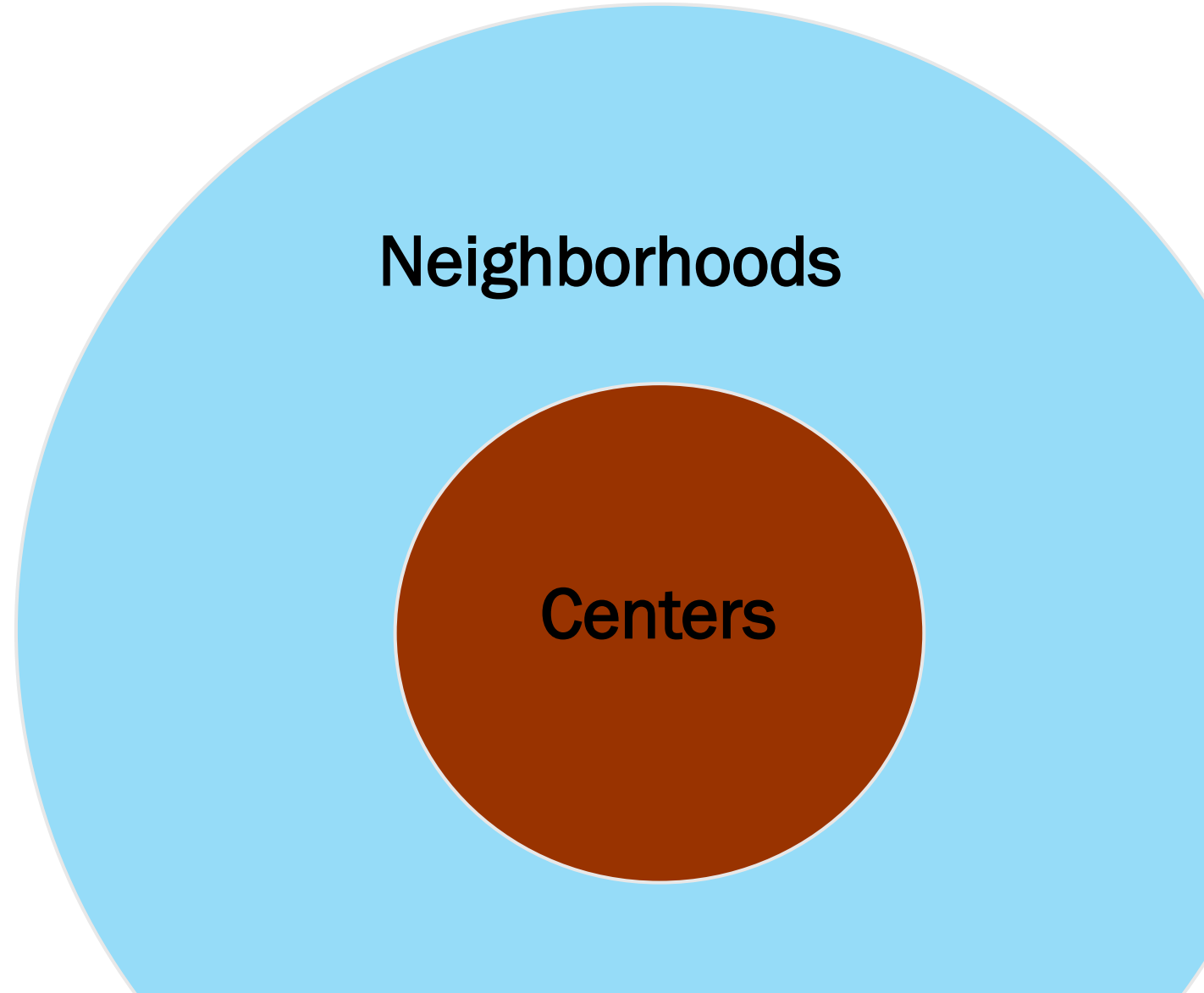


Simplified Designation

From 5 to 2

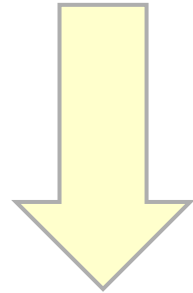
2 Designations

1. Centers: Downtowns & Villages
2. Neighborhoods



Derived from Regional Land Use Maps

Regional land use areas



New designations



**Downtown
Center**



**Village
Center**



**Planned
Growth Area**



Village Area

Center

Neighborhood

Program Transition

No Loss of Benefits

Key beneficiaries – no change

- Municipalities
- Builders/Developers

Existing regulatory incentives – no change

Existing non-regulatory incentives – no change

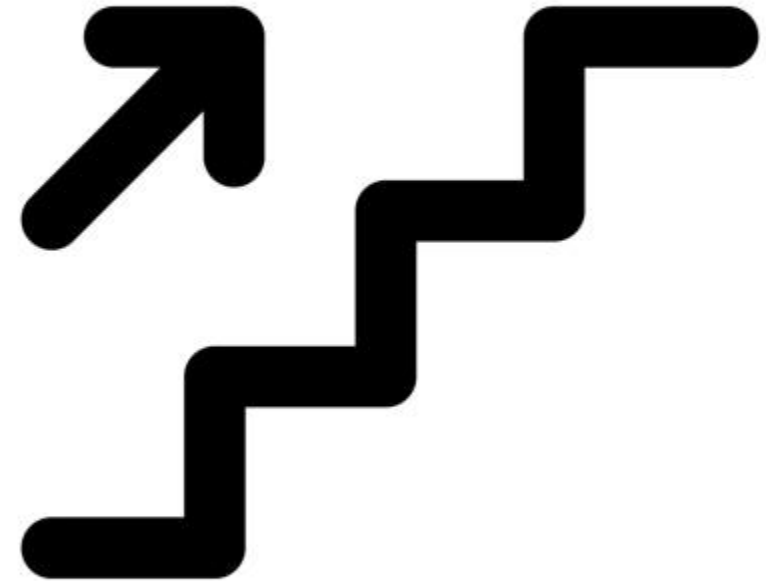
Added focus for Board on growing non-regulatory incentives



Centers

'Stepped' requirements & benefits
Administrative approval process to step up
Staff decisions can be appealed to Board

Step 1: new, lower-barrier entry point
Step 2: like village program
Step 3: like downtown program



Step 1

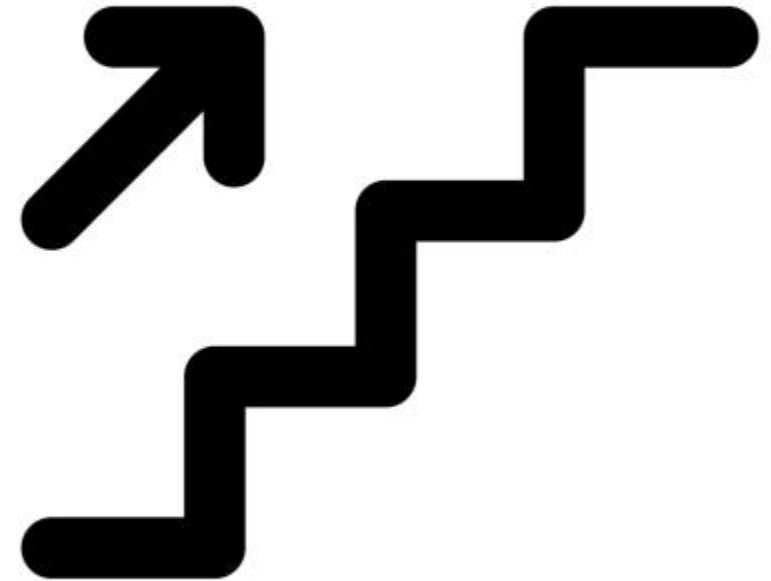
Beginner Centers

Requirements

- Mapped D/VC on LURB-approved regional plan

Benefits

- Site-based funding & TA
- Tax credits
- Better Places (paused)
- Municipal planning



Step 2

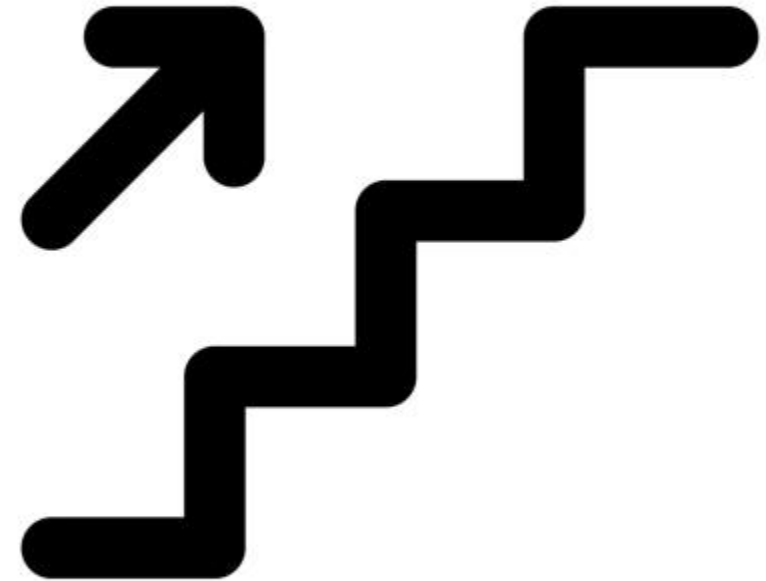
Village Centers

Requirements

- Meets step 1 or has existing VC or NTC
- Confirmed planning process
- Area eligible or listed in National Register

Step 1 Benefits, Plus

- Funding for special purpose, capital, area improvement, plans
- Better Connections
- Funding priority for infrastructure scoping, design, engineering construction by Board
- Special taxing district authority
- Priority for state and federal housing funding
- Authority to lower speed limits less than 25 mph
- State water/wastewater permit fee cap of \$50
- Exemption from land gains tax
- Assistance and guidance in establishing HP regulations



Step 3

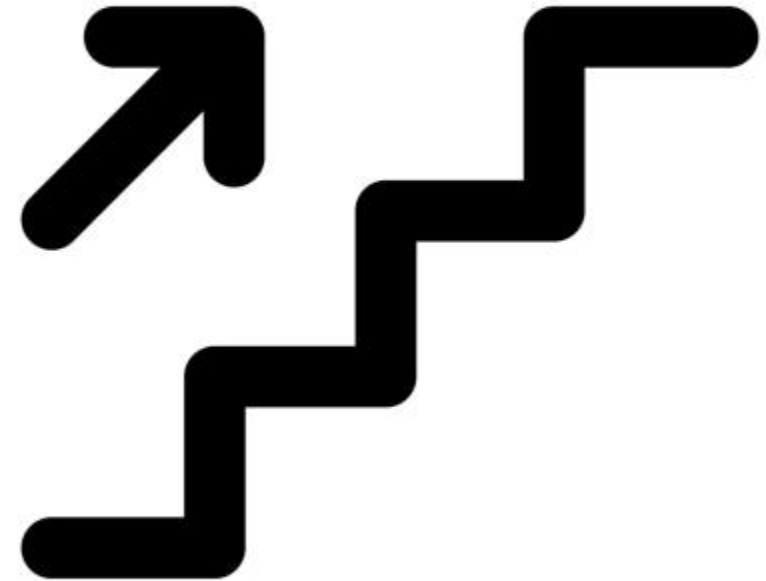
Downtowns

Requirements

- Meets step 2 or has existing Downtown
- Capital plan
- Zoning, subdivision, and HP & design-based regulations
- Water & wastewater
- Downtown improvement plan, investment agreement, and organization

Step 2 Benefits, Plus

- Downtown vibrancy funding
- Sales tax reallocation
- Main Street America accreditation eligibility
- Billboard law exemptions
- Housing appeal limitations under the Planning Act
- State office building priority
- Downtown improvement funding



Neighborhoods

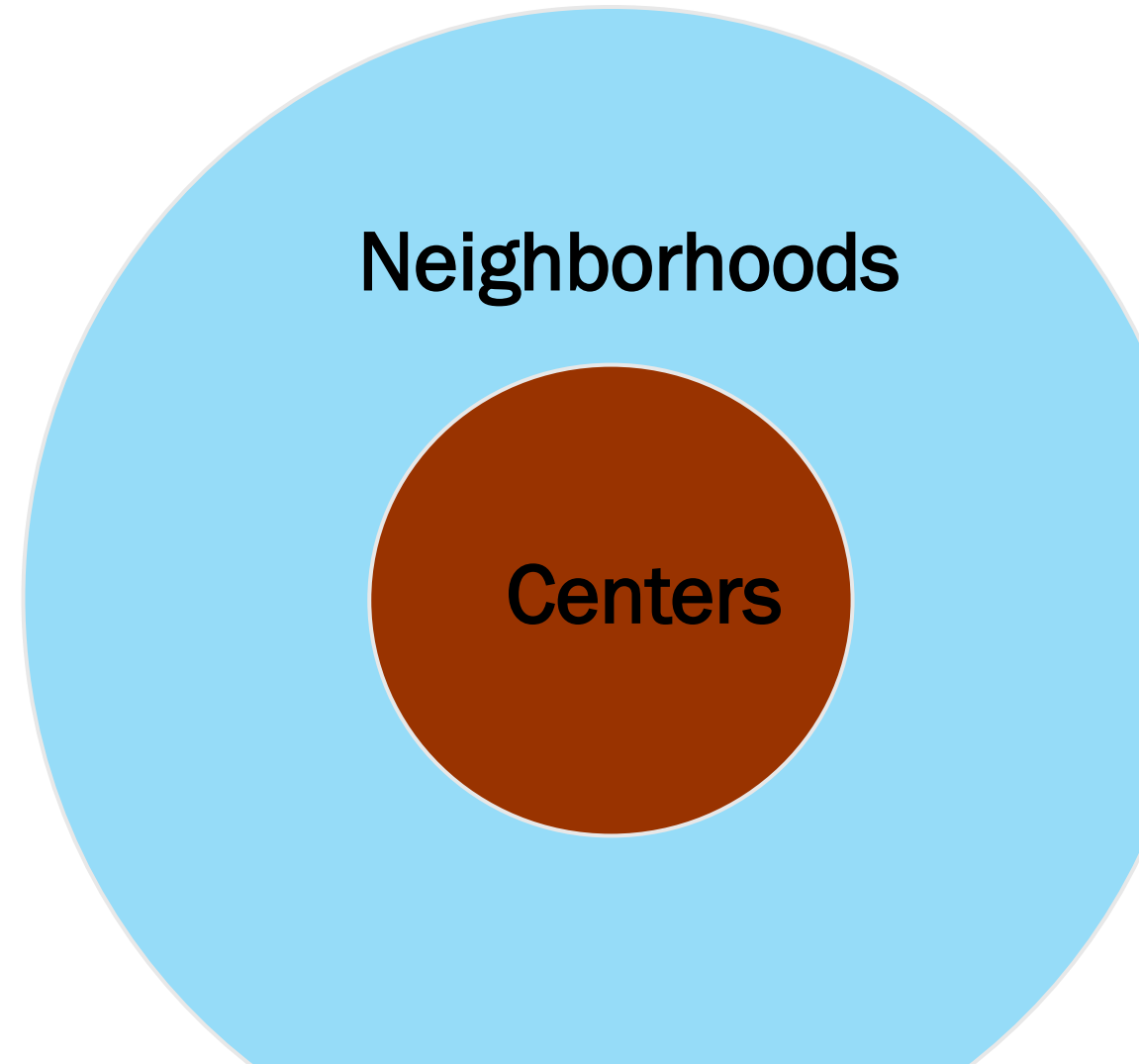
Growth Centers, NDAs

Requirements

- Mapped planned growth or village area in regional plan
- Distinct add-on around a center

Benefits

- Priority for special purpose plans, capital plans, area reinvestment plans
- Better Connections program
- Priority for infrastructure scoping, design, construction
- Tax credits (on hold)
- State & federal affordable housing funding
- Speed limit authority
- Housing appeal limitations under Planning Act
- State water/wastewater fee cap of \$50
- Land gains tax exemption



Planning Data Center

- Adds approved regional plan future land use maps, adoptions, amendments
- Adds status of designation and steps

State of Vermont

Municipal Planning Data Center

MUNICIPAL PLANS + BYLAWS

DESIGNATED AREAS

Search	COLUMNS	FILTERS	SUMMARY	EXPORT	< 1 2 3 ... 30 >			
RPC	County	Municipality ↑	Type	Town Plan Adoption	Town Plan Expiration	Town Plan RPC Confirmed	Is Planning Process Confirmed?	Zon Typ
ACRPC	Addison	Addison	Town	12/6/2016	12/6/2024	9/8/2017	Yes	Botl
NVDA	Orleans	Albany	Town	8/15/2017	8/15/2025	12/15/2022	Yes	
NRPC	Grand Isle	Alburgh	Town	9/27/2016	9/27/2024	9/28/2016	Yes	
MARC	Windsor	Andover	Town	9/10/2018	9/10/2026	10/22/2018	Yes	Botl
BCRC	Bennington	Arlington	Town	6/29/2020	6/29/2028	7/16/2020	Yes	Botl
WRC	Windham	Athens	Town				No	
NVDA	Essex	Averill	Unified To...	12/9/2019	12/9/2027	6/25/2020	Yes	Zon
NVDA	Essex	Averys Gore	Unified To...	12/9/2019	12/9/2027	6/25/2020	Yes	Zon
NRPC	Franklin	Bakersfield	Town	11/26/2018	11/26/2026	12/12/2018	Yes	Botl

<https://accdmaps.vermont.gov/MunicipalPlanningDataCenter/>

Related Study & Recommendations

- Land Bank Study, December 15, 2024
- Regulatory Incentives, December 31, 2024
- Regional Planning Commission Study, December 31, 2024
- Designation-based Municipal Technical Assistance Report, December 31, 2025

Better Support for Municipalities

Especially in lower-capacity and lower-resourced communities

- General project advising/scoping services
- Physical improvement design services
- Regulatory and policy-making project services
- Programmatic and project management services
- Training infrastructure for local capacity
- More integrated state 'customer' interface for municipalities

Better Community Investment

- More contracting on retainer to reduce municipal burdens
- Improved support for grant and project implementation
- Better sequenced funding streams: plan, scope, design, build
- Expanded role for regional organizations and services
- More cross-agency coordination



RPC Implementation Timeline

December 2024

- RPCs develop mapping standards for Future Land Use Areas in 1B-Centers, Planned Growth and Village Areas/Neighborhoods

December 2026

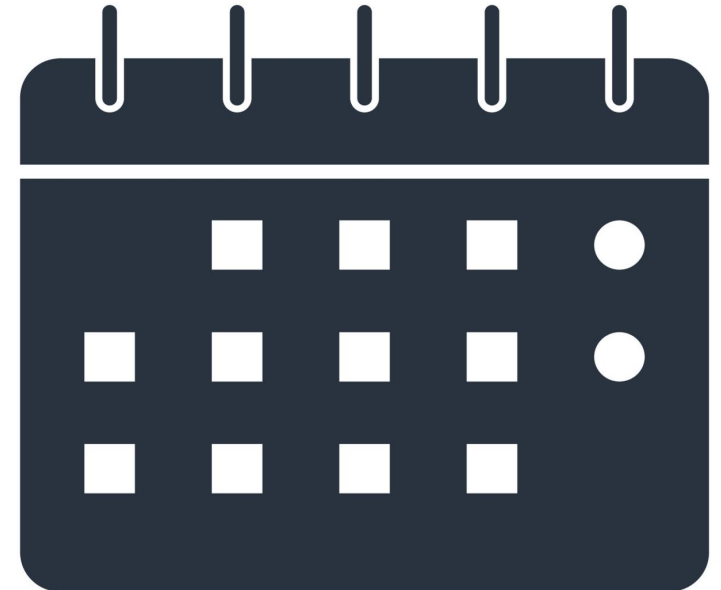
- RPCs update regional plan, future land use elements including housing targets and equitable engagement process

60 days before RPC Public Hearing

- LURB Reviews Draft Regional Plan

LURB Hearing within 60 days, decision within 15 days from hearing

- Approve or deny Adopted Regional Plan



LURB Implementation Timeline

January 1, 2025

Current appointments expire and resources transfer to new LURB

Starting January 1, 2026

Municipalities may apply for Tier 1A status to LURB

February 1, 2026

Submitted final Tier 3 rules

December 31, 2026

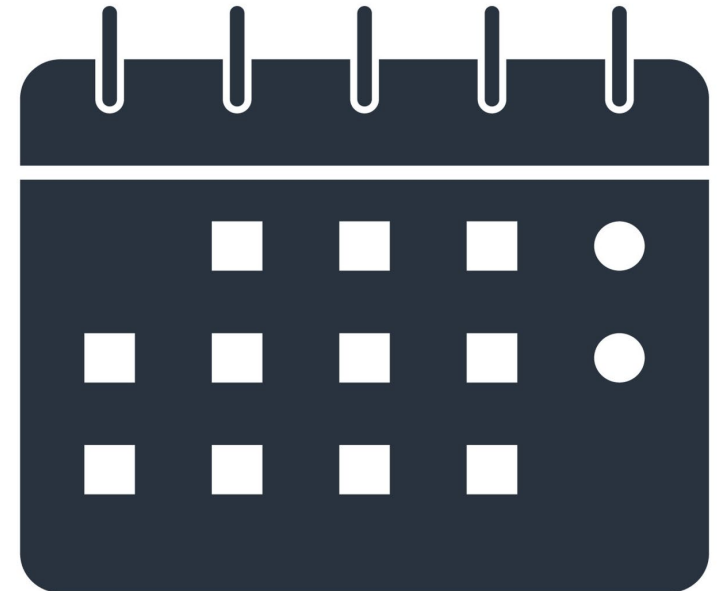
Definitions for Tier 2 and Tier 3 effective

Between July 1, 2027 and July 1, 2028

Interim exemptions expire

February 1, 2029

Report on location-based jurisdiction due by LURB



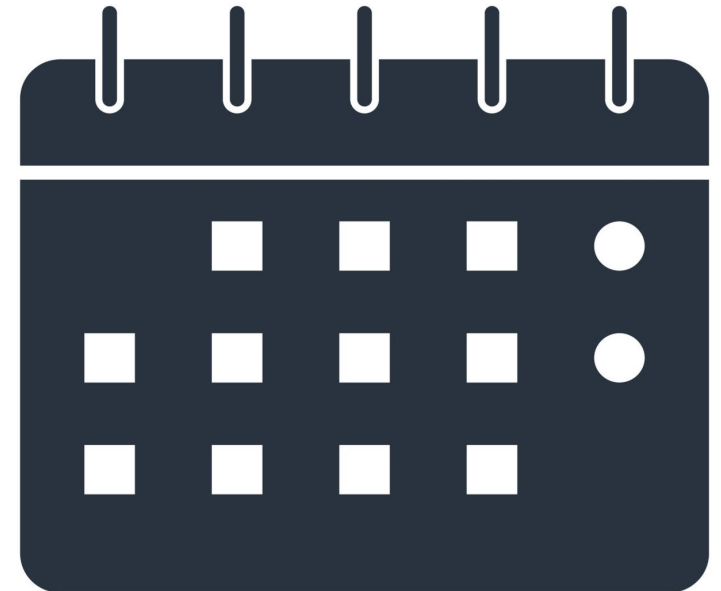
Designation Implementation Timeline

July 1, 2024

- Repeal of the Vermont Downtown Development Board, establishment of the Community Investment Board
- Last day to obtain a new growth center (GC) designation under the prior framework
- Existing (old) designated areas with renewal or check-in due dates after this date are no longer required
- The Community Investment Board assumes any remaining responsibilities of the Vermont Downtown Development Board

July 1, 2025

- Earliest date terms can begin for appointed LRB members, tasked with reviewing and approving regional plans/maps which establish the designated areas



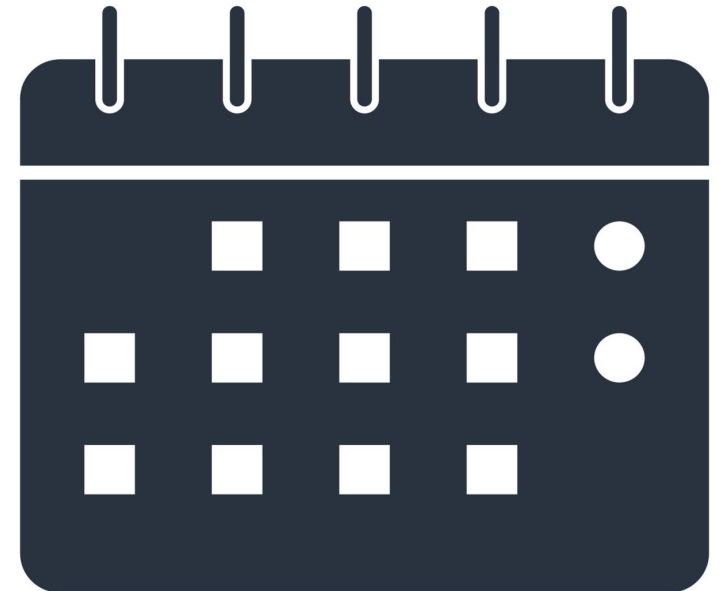
Designation Implementation Timeline

December 31, 2025

- Designation-based municipal technical assistance report by DHCD is due to the General Assembly
- Last day to obtain a village (VC), downtown (DC), new town (NTC), or neighborhood development area (NDA) designation under the existing (old) framework

December 31, 2026

- All DC, VC, NTC, NDA, and GC designations existing on this date will retain benefits unless regional plan maps are approved earlier
- All existing DC, VC, NTC, GC, and NDA existing on this date will be recognized by the future land use map, unless the municipality opts out



Designation Implementation Timeline

June 30, 2026

- No check-ins or renewals are required for the existing VC, DC, or NTC before this date. Note: this date is earlier than the NDA or GC timeline

December 31, 2026

- No check-ins or renewals are required for the existing NDA or GC before this date. If the regional plans/maps are not approved by this date, the existing (old) designations will expire

July 1, 2034

- Repeal of the prior Designation statute (Historic Downtown Development, Chapter 76A of Title 24). Any existing benefit removed under this chapter (not appearing in benefits list above) for the DC, VC, NTC, NDA, and GC designations existing on **December 31, 2025**, will remain in effect until this date. This extended timeline will allow for any necessary corrections to transfer or modify lost benefits

