

# PRO Housing (Pathways to Removing Obstacles)

## Draft application

The following draft application is from Vermont Department of Housing & Community Development for activities statewide and in the City of Burlington to be administered by a consortium of agencies.

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### Executive Summary

A consortium of Vermont public agencies and community development non-profit organizations propose to use an \$8.7 million award from Pathways to Removing Obstacles (PRO) to Housing for local, regional, and statewide efforts to increase housing opportunities across Vermont. Vermont’s PRO Housing activities, lead by the Vermont Department of Housing and Community Development, will build upon recent historic state actions to reduce the unprecedented barriers currently facing Vermonters who need housing and those trying to meet these needs. Governor Phil Scott signed the Housing Opportunities Made for Everyone (HOME) Act on June 5, 2023. This Act amends the Planning & Development statute, Act 250 (state environmental development regulation), and other laws to enable new opportunities for housing development within state, regional, and local planning and development regulations. A PRO award will allow the state to expedite implementation of key HOME Act provisions to remove housing barriers and to create systemic improvements to the state’s housing market.

Vermont has a long-standing, severe lack of homes affordable to lower income households statewide. Nearly half of all Vermont renters are cost-burdened, and one-in-four pay more than 50% of their income for housing costs (2021 ACS), putting them at high risk of eviction. Although options are most limited for low-income renters, renters at all income levels struggle to find an apartment to the state’s extremely low vacancy rate. Vermont’s rental vacancy rate of 2.4%

(2021 ACS) is the lowest in the country, and well below the 5% rate of a healthy market. The most populous area, Chittenden County, had a vacancy rate estimated at just 0.4% in 2022 (Allen, Brooks, Minor). Extremely low vacancy rates have contributed to a 150% increase in homelessness between 2019 and 2022 (Vermont PIT Count). The HUD 2022 AHAR report found that Vermont has a per capita homelessness rate of 43 per 10,000 people, the 2nd highest nationally.

The vacancy rate among owner homes is even lower, with Vermont's median days-on-market of homes listed for sale at an all-time low. Catastrophic flooding in the summer of 2023 has rendered hundreds of homes across the state uninhabitable and thousands of others in need of repairs, further taxing Vermont's fragile network of homes for rent and sale. Vermont's short-term rentals increased by 35% between 2019 to 2023 (AirDNA), furthering limiting housing availability for year-round residents.

Vermont faces barriers to housing entrenched within a long history of local control and strict state zoning policies. These choices led to Vermont ranking far above all other states in terms of the [size of residential lots](#). Construction costs have increased at a 30% annual pace since the pandemic, compounding Vermont's housing supply and affordability challenges. In the face of its dire housing shortage, Vermont must tackle each barrier strategically to preserve and expand the supply of decent, affordable homes, especially for the state's most vulnerable residents. The PRO grant would equip Vermont to take substantial next steps toward housing more residents and achieving more equitable and sustainable housing markets. The activities would build off the state's initial progress and would generate replicable models that would substantially improve the long term housing needs outlook in Vermont and the nation.

#### Planning and policy:

- Support launch of **Regional Housing Navigation Program** by the Vermont Association of Planning and Development Agencies. PRO funds will allow the implementation of this program established by the Vermont HOME Act of 2023 and support (1) updating local bylaws to comply with zoning improvements required by the Act, (2) training local development review boards and city councils on the intent and requirements of the Act, and (3) developing tools needed such as water and sewer infrastructure mapping.
- Expand the **Homes For All** toolkit initiated by the Vermont Department of Housing and Community Development earlier this year by empowering efforts to enable smaller scale and infill housing especially in rural neighborhoods. This funding will be used to advance policy, systems, and development change to create affordable, equitable, and accessible housing throughout the state.
- Expand **Fair Housing and AFFH (Affirmatively Furthering Fair Housing) trainings** offered by the Fair Housing Project at the Champlain Valley Office of Economic Opportunity for municipal officials and mini-grants for housing committees to be used for community engagement to increase participation in local housing planning
- Develop a **technical assistance program for municipalities** administered by Vermont Housing Finance Agency for responding to municipal requests for education and technical assistance pertaining to removing local barriers to housing and meeting municipal housing targets required by the Vermont HOME Act.
- Help regions and communities examine barriers to housing, set housing targets required by the Vermont HOME Act and explore associated strategies by revolutionizing the **Vermont Housing Data website** run by Vermont Housing Finance Agency
- Institutionalize the **Vermont Zoning Atlas** currently under development by University of Vermont and Middlebury College researchers. PRO funds would enable hiring a temporary coordinator to work with partner agencies to develop a system for hosting and regular updating and analyzing the zoning atlas.

#### Preservation:

- Launch a pilot **Health & Safety Rental Repair Program** by the Vermont State Housing Authority which would fund much-needed small-scale repairs of existing private market apartments that could be used safely by low

income Vermont families and individuals, including voucher holders unable to find viable apartments. This pilot would build off knowledge of local housing quality challenges gained during the state's ARPA-funded Vermont Emergency Rental Assistance Program and VSHA's extensive experience helping landlords and tenants with this types of repairs.

#### Development:

- Expand the **Community Partnership for Neighborhood Development** initiated by the Vermont Department of Housing and Community Development. This competitive grant program supports investments in the development of inclusive, smart-growth neighborhoods by funding pre-development costs including municipal planning, site control, design, scoping, and surveying for new neighborhood or infill development.
- Create a pilot **fund to support affordable Missing Middle Housing** (in the form of ADU's, duplex, triplex, quadplex and townhomes), based on VHFA's innovative Missing Middle Homeownership Development Program, administered by the City of Burlington's Housing Trust Fund. This fund will support the implementation of the City's Neighborhood Code Zoning amendments, which remove barriers to the creation of more neighborhood-scale housing in all city neighborhoods, and particularly those areas that have long included primarily single-family homes.
- Predevelopment work by the City of Burlington to **create permanent supportive housing** at a city-owned location currently being used for the Elmwood Emergency Shelter, with the long-term goal of providing a replicable model for emergency shelter sites statewide. New housing units would be created through modular/prefab construction to minimize time between operating emergency shelter and permanent supportive housing.

#### Threshold Requirements and Other Submission Requirements

The applicant, Vermont Department of Housing and Community Development, a State of Vermont government agency, has no charges, cause determinations, lawsuits, or letters of findings referenced in Section D.1.a subparagraphs (1) – (5) of the NOFO that are not resolved. The applicant meets all of the eligible requirements outlined in Section IIID and E of the NOFO. The applicant held a public hearing on 10/19 at 6 PM and has included information about this hearing in Attachment A (forthcoming).

#### Need

##### Describe your efforts so far

Faced with a long-standing affordable housing shortage greatly intensified by the pandemic, Vermont has led the nation with regard to statewide legislation and programmatic initiatives to remove barriers. Governor of Vermont Phil Scott signed the [Housing Opportunities Made for Everyone](#) (HOME) Act on June 5, 2023. The HOME Act amends the state's planning & development statute, its environmental development regulation (Act 250), and other laws to enable new opportunities for housing development within state, regional, and local planning and development regulations. One of the HOME [Act's many provisions](#) is the elimination of single-family zoning statewide, adding Vermont to the very [short list of states](#) to prohibit this impactful and exclusionary barrier. Other provisions require that areas served by water and sewer allow density of up to 5 homes/acre in a range of housing types, prohibit requiring more than one parking space per home, require by-right development review if a project meets basic requirements, limit local appeals, and adjust Act 250 to speed up the permitting and review process for new housing. The HOME Act also requires state, regional and municipal targets for housing production based on demographic projections, the state's housing needs assessment and local market information. Continued legislative attention to ways of expanding housing opportunities is planned for Vermont in 2024.

In addition to this landmark legislative victory, Vermont has had a variety of recent programmatic successes to remove barriers to production and preservation of homes affordable to the state’s low and moderate income residents. Actions so far have ranged from planning to increasing development and preservation as shown below:

**Recent statewide and City of Burlington programmatic successes to remove housing barriers**

	<b>Activity</b>	<b>Impact to date</b>
Planning, education and data collection	Added <a href="#">Neighborhood Development Areas</a> to the statewide downtown designation program which established place-based incentives to support walkable residential development surrounding a civic or commercial core designation (2013).	15 NDAs have been established, with multiple municipalities in the pipeline.
	State Zoning for Great Neighborhoods (2020) recommends local bylaw changes and provides sample language to make change easier for local boards and commissions often staffed exclusively with resident volunteers.	
	State <a href="#">Bylaw modernization grants</a> (2021-23)	Updates for 27% of all Vermont municipalities.
	Evaluation and <a href="#">Modernization of Vermont’s State Designation Program</a> (2023-24). This program provides financial support and permitting advantages to facilitate housing production and compact development in over 250 communities. This program evaluation will result in a state designation program modernization bill in 2024.	
	<a href="#">Community Partnership for Neighborhood Development</a> (2023). Pilot of this program will demonstrate how targeted and coordinated investments paired with planning support spurs development of homes in smart locations.	Grant applications expected will total more than double the \$900, 000 of initial funding available (via ARPA).
	<a href="#">Housing Funders and Regulators Roundtable</a> (2023) provides housing developers with a 1-stop shop to streamline funding and permitting and overcome challenges.	
	<a href="#">Vermont Zoning Atlas</a> launched (2023) to identify prevalence and location of zoning districts that are barriers to more affordable housing, including those in well-resourced locations.	Most complex and populated county is completed with remaining areas of state expected in 2024.
	<a href="#">Vermont Housing Data website</a> update (2018) expanded the metrics available free about the housing and people in every Vermont community, information about available affordable rental housing and tools for municipalities to promote more affordable housing.	In past year, 17,000 unique users from 126 VT towns (about half of the state’s communities) visited this website.
	Vermont Fair Housing Project trains municipal officials, housing & service providers, and the general public statewide about fair housing rights, responsibilities and Affirmatively Furthering Fair Housing (AFFH). In 2019, expanded to include direct	Increased understanding of AFFH statewide. Indirect impacts include increased housing production and inclusion for low and moderate-income populations by 1) better understanding of how local, state, and

	<b>Activity</b>	<b>Impact to date</b>
	work with local housing committees through technical assistance to review local planning & zoning practices and statewide housing committee convenings,	national planning and zoning practices can either reinforce or combat the historical trends of segregation, exclusion, and discrimination in housing, 2) Ensuring that these entities understand their responsibilities under state and federal fair housing law, and 3) Increasing overall public will for inclusive, affordable housing.
	Since 2012, the City of Burlington has implemented a number of progressive reforms to its zoning laws, aimed at overcoming barriers to housing creation including permitting cost and time, and feasibility of development sites. Among the most impactful are the adoption of a Form Based Code (2017), to streamline and create a more by-right development review process in the city’s downtown core, the elimination of minimum parking requirements for developments citywide (2020), new regulations to guide the creation of ADUs (2020), and new regulations and taxation of Short Term Rentals (2020).	Opened in 2023, the Nest is a fully leased 49 unit development in downtown Burlington which represents the cumulative effect of these policy changes. The project received its zoning permit in less than one month, a savings of approximately 8 months compared to a nearby project permitted in the last decade, and saved more than \$12,000 in development review fees. Additionally, the project built 70% fewer on-site parking spaces than would have previously been required. Of the 5 largest projects permitted downtown following the elimination of minimum parking requirements, 25-70% fewer on site parking spaces were proposed. In the two years following the City’s ADU reforms, approximately 10% of new housing units permitted were ADUs. And in FY23, approximately 25% of the City’s Housing Trust Fund revenues were from short term rental activity, expanding the fund’s capacity to provide development and capacity grants to permanently affordable housing.
Preservation of affordable homes	<a href="#">Vermont Home Improvement Program</a> (2022-current) provides grants statewide of up to \$50,000/home for repairs needed to bring vacant rental housing up to Vermont Rental Housing Health Code,	244 rental homes repaired and rented to low income Vermonters
	<a href="#">MHIR Home Repair</a> (2020-23) provided statewide repair funding to home owners in manufactured home communities.	38 homes repaired.
	The City of Burlington established a Housing Trust Fund in 1988 to ensure the City had local resources to support the creation and preservation of affordable housing. The size of the Housing Trust Fund has doubled in recent years as the City has dedicated income from a Short Term Rental Tax to the HTF.	826 new affordable units, preservation of 542 affordable units, conversion of 294 units from market-rate to affordable
Development of affordable homes	<a href="#">Vermont Housing Investment Fund</a> (2020-current) expands flexible funds for development affordable rental homes.	Over \$9.5 million committed by investors, 834 homes developed, including 80 for

	Activity	Impact to date
	<a href="#">Missing-Middle Income Homeownership Development Program</a> (2022-current)	Vermonters existing homelessness, in 15 communities. Awards made for development of 272 homes statewide affordable to owners at or below 120% area median income.
	City of Burlington Action Plan to Fulfill the Promise of Housing as Human <a href="#">Right</a> (2021-present)	<ul style="list-style-type: none"> <li>• Created a Special Assistant to End Homelessness position within the City’s Community and Economic Development Office (CEDO) to provide a single point of accountability for expanded community effort.</li> <li>• New investment Chittenden County’s “Coordinated Entry” command center team that drives weekly progress towards functional zero with a comprehensive, real-time, by-name data effort.</li> <li>• Created <a href="#">new Emergency low-barrier Shelter Community</a> with public health approach to transition from homelessness to permanent housing.</li> <li>• Fully fund the Housing Trust Fund to voter-approved levels in fiscal year 2023.</li> <li>• Passed <a href="#">new South End Innovation District Zoning Overlay</a> allowing dense housing on 84 acres of land in the City’s South End where housing had previously not been allowed.</li> <li>• Launched a <a href="#">Housing Dashboard</a> focused on improving housing availability, affordability, and quality.</li> </ul>

Evidence of acute demand

Despite Vermont’s unique circumstance as a state in which the largest city has a population of less than 50,000, Vermont has acute demand for affordable housing among residents with household incomes less than the median. With the highest [rate of homelessness](#) in the U.S. next to California, Vermont’s barriers to housing production need powerful, immediate action. Although they are typically buoyed by the state’s supply of vacation homes, rental vacancy rate metrics published by the Census Bureau have placed Vermont at or near the lowest on the list every year since the pandemic began. The vacancy rate in [Vermont’s most populated county](#) is estimated at 0.4%, indicating the incredible challenge of finding housing near jobs and services in this resource-rich part of the state.

Vermont has a long-standing, severe lack of homes affordable to lower income households statewide. More than half of all Vermont renters are cost-burdened, and one in four pay more than 50% of their income for housing costs (2022 ACS), putting them at high risk of eviction. Although options are most limited among low-income renters, renters at all income

levels struggle to find an apartment at all due to the state's extremely low vacancy rate. Vermont's rental vacancy rate of 2.4% (2021 ACS) is the lowest in the country, and well below the 5% rate of a healthy market. Extremely low vacancy rates have contributed to a 150% increase in homelessness between 2019 and 2022 (Vermont PIT Count). The HUD 2022 AHAR report found that Vermont has a per capita homelessness rate of 43 per 10,000 people, the 2nd highest nationally.

The vacancy rate among owner homes is even lower than among rentals, with Vermont's median days-on-market of homes listed for sale at an all-time low. With the median price of a home for sale up 30% since 2020, few renters have the income needed to even consider purchasing the few homes listed for sale. Vermont's short-term rentals increased by 35% between 2019 to 2023 (AirDNA), furthering limiting housing availability for year-round residents.

Catastrophic flooding in the summer 2023 has rendered hundreds of homes across the state uninhabitable and thousands of others in need of repairs, further taxing Vermont's fragile network of homes for rent and sale. Vermont's second 500-year flood event within the past decade has prompted questions about the effectiveness of the state's smart growth policies and programs that directs housing and other development to flood-prone downtowns and village centers.

During the pandemic, Vermont's Emergency Rental Assistance Program assisted nearly 17,400 renters with arrearages, but the program is now ending, leaving many renters without resources in an extremely challenging market.

The VT State Housing Authority received 5,000 applications for Section 8 housing vouchers when it temporarily opened its waiting list in 2022. However, only 22% of households that were issued a voucher in recent months were successful in finding a unit. This has been attributed to challenges voucher recipients face finding private market apartments that meeting housing quality requirements as well as limited service capacity among community organizations to assist clients who need supportive services paired with a permanent housing unit.

Vermont also has a high rate of individuals with special needs, as 14% of all Vermonters and 30% of those aged 65+ have a disability. Disabled households are particularly likely to struggle to find homes that are both affordable and accessible on the private market. Over 17,300 Vermonters with a disability have incomes below the federal poverty line, 19% of all disabled individuals (2021 ACS).

Much of the non-subsidized housing available to low-income Vermonters is of poor quality. 35% of all rental homes were built before 1940 compared to just 13% nationwide (ACS 2021). Older stock is much more likely to be occupied by lower-income households, to have health and safety issues, and lack accessibility features.

#### Key barriers to producing and preserving more affordable housing in Vermont

Although the pandemic has severely stressed the market, Vermont's housing challenges are attributable in large part to a long-standing decline in housing construction. Recent estimates from VHFA have found that Vermont must create 30,000-40,000 more year-round homes by 2030 to meet expected demand and normalize vacancy rates. However, the state permitted just 2,302 new homes in 2022 ([U.S. Building Permits Survey](#)), more than most prior years in over the past decade, but well below the 5,000 homes needed annually.

The rate of new home construction is now expected to decrease in response to the end of one-time public pandemic recovery housing development funds and rising interest rates. Experts also point to strict permitting requirements, labor shortages, and infrastructure limitations to help explain Vermont's low building rate (Analysis of VT Affordable Rental Housing Development Cost Factors, 2019). Together, these factors have and will continue to make development less economically feasible, preventing private developers from meeting even market-rate demand, much less the needs among low-income households and individuals with disabilities.

Vermont faces enormous, entrenched barriers to housing resulting from a long history of local control and strict zoning policies that landed it a rank far above all other states in terms of the [size of residential lots](#). Although we know zoning and land use has been a roadblock to housing production, the completion of the Vermont Zoning Atlas project in 2024 will help identify how and where these barriers currently exist. Although Vermont regional planning commissions play an important planning role, they have limited financial and oversight roles with regard to housing which is governed almost exclusively by municipal governments and the state.

Construction costs increasing at an annual pace of 20-30% since the pandemic compound Vermont’s housing supply and affordability challenges. The average [total costs of developing](#) a single apartment for low income Vermonters rose to just under \$500,000 in 2023.

### Soundness of Approach

#### Vision

The HOME Act, Vermont’s dramatic statewide land use reform act passed in 2023, removes many long-standing regulatory and zoning barriers to housing. However, many of the most important provisions will have little impact unless they are actualized by the applicant consortium through the proposed PRO-Housing activities. For example, the statewide HOME Act prohibits municipalities from limiting zoning in residential areas with municipal water and sewer to single-family homes. However, without municipal education and by-law revision support, single-family zoning and barriers to multi-home buildings will persist in many of these locations. Further, monitoring compliance in the long-run with the HOME Act will be extremely challenging without tools such as an enduring, up-to-date Vermont Zoning Atlas. Like the HOME Act, Vermont’s consolidated plan and regional plans seek to remove barriers to housing but need the supportive “connective tissue” to remove the most significant barriers to enough affordable housing.



#### Proposed activities

All activities proposed will be conducted statewide with the exception of two development activities to be piloted in the City of Burlington, the state’s largest city, as noted below.



Activity	Soundness of approach	Barriers addressed	Lead agency
<b>Planning: Update municipal bylaws</b>			
<p>Implement the Regional Navigation Program established by the Vermont HOME Act of 2023 and support updating local bylaws to comply with zoning improvements required by the Act</p>	<p>RPCs in Vermont propose working with member municipalities and partner organizations to updating of municipal zoning regulations to encourage more housing construction/rehabilitation. Most of our municipalities adopted suburban zoning regulations 50 years ago that were not consistent with their existing development pattern and density and also don't encourage housing development in appropriate smart growth locations. The State of Vermont has started investing in this work the last couple of years, but much more money and staff time needs to be put into updating our zoning.</p>	<p>Regulatory hurdles, including municipal zoning and permitting, are a major barrier to producing more affordable housing. They often increase cost and time and result in fewer units of production than would otherwise occur. Also, smaller, rural communities which are common in Vermont have limited paid planning staff.</p>	<p>VT Association of Planning &amp; Development Agencies</p>
<b>Planning: TA and training for town committees, boards and bodies</b>			
<p>PRO funds will allow the implementation of the Regional Navigation Program established by the Vermont HOME Act of 2023 and support training local development review boards and city councils on the intent and requirements of the Act.</p>	<p>RPCs in Vermont propose working with member municipalities and partner organizations to train Selectboards, City Council, Planning Commissions, Development Review Boards, and Town Planners. In order to make the updating of municipal zoning as effective as possible, RPCs propose to train the elected and appointed municipal officials on the housing needs and opportunities to address those needs by removing barriers in zoning.</p>	<p>Municipal councils, planning commissions and Development Review boards are community volunteers, with variable levels of housing and planning experience.</p>	<p>VT Association of Planning &amp; Development Agencies</p>
<p>Expand Fair Housing and AFFH trainings for municipal officials</p>	<p>Education has long been promoted as one important factor in helping to overcome discrimination in many sectors. Fair Housing and AFFH</p>	<p>Vermont's Consolidated Plan 2020-2024 documents various strata of government policies that create undue barriers to affordable and inclusive housing development. These include:</p>	<p>VT Fair Housing Project of Champlain Valley Office</p>

Activity	Soundness of approach	Barriers addressed	Lead agency
	<p>education significantly help local governments, housing developers/providers, and victims of Fair Housing Law violations to overcome and undo barriers and discriminatory housing practices. A first step in achieving needed positive change is to build broad recognition, knowledge, and understanding of the changes that can help solve these problems.</p>	<p>state and local land use regulations, permitting processes, as well as limited funding to promote Fair Housing, AFFH, and discrimination in housing rental and sales markets. Common local policies and development regulation patterns around the state significantly inhibit affordable housing development and opportunity for fair housing choice. Some prevalent issues include: Excessively large lot size and set back requirements; excessive unit density limits; excessive height restrictions; and other zoning and permitting requirements that tend to have exclusionary impacts in communities. In its 2022 update to the Analysis of Impediments to Fair Housing Choice, the Vermont Department of Housing and Community Development identified the need for additional fair housing training, education, and outreach services for various stakeholders, including code officials, tenants, municipal officials, landlords, land trusts, CHDOs, various property management companies, and realtors, with a focus on Vermont’s legal prohibition on discrimination in housing based on receipt of public assistance. DHCD also identified the need for an online training course accessible to municipal officials and grantees of federal funds.</p>	<p>of Economic Opportunity</p>
<p>Create a mini-grant program for housing committees to be used for community engagement to increase participation in local housing planning.</p>	<p>Providing information and resources in the form of mini-grants to housing committees so that they can better reach underserved populations, including immigrants, rural residents, mobile home residents, people with disabilities, and people experiencing homelessness, will help elevate the voices of these populations.</p>	<p>There is a high level of need among housing committee members – who are often community volunteers – for basic fair housing education as well as more information on how housing systems, supports, and the development process work; racial, social, environmental, and economic justice; housing equity and fair housing enforcement; and planning tools for inclusive, affordable housing. Housing committees often lack the capacity or have the budget for robust</p>	<p>VT Fair Housing Project of Champlain Valley Office of Economic Opportunity</p>

Activity	Soundness of approach	Barriers addressed	Lead agency
		community engagement processes. As a result, marginalized populations, people in protected classes, and others traditionally excluded from housing choice are not part of housing planning discussions.	
Develop a technical assistance program for municipalities administered by Vermont Housing Finance Agency for responding to municipal requests for education and technical assistance pertaining to removing local barriers to housing and meeting municipal housing targets required in Vermont HOME Act.	Many local municipal volunteers and staff would like to help promote housing but lack the information, tools and guidance they need. In addition, they will be tasked with meeting housing production and preservation targets as a result of the recently enacted VT HOME Act. This activity will provide them with the support needed to reach these targets.	Members of municipal boards, bodies and committees are resident volunteers, often with passion and interest, but lacking in housing and development experience needed to effectively use local levers to unleash housing.	VT Housing Finance Agency
<b>Planning: Expand information for identifying housing barriers and ways to remove them</b>			
PRO funds will allow the implementation of the Regional Navigation Program established by the Vermont HOME Act of 2023 and developing water and sewer infrastructure mapping.	RPCs in Vermont propose to work with member municipalities and partner organizations to map water and sewer infrastructure. There are not good maps of existing and planned water and sewer service areas in Vermont. The VT HOME Act mandates 5 dwelling units per acre zoning in water and sewer service areas. This task would have RPCs working with the State and our municipalities to have updated service area maps that support the increased density to encourage more housing development.	Vermont lacks a current map of water and sewer infrastructure (needed to identify where upzoning is required by HOME Act)	VT Association of Planning and Development Agencies
Help regions and communities examine barriers to housing, set housing targets required by the Vermont HOME Act and explore associated strategies by revolutionizing the	Data shows that many VT municipalities could create more, equitable housing opportunities. However they lack the ability to easily locate this data and crosswalk it to local potential actions. This	Communities lack the ability to easily locate data about the people that live and work in town and in the region and about their housing stock. They also do not have ready access to information about the tools they can use to improve	VT Housing Finance Agency

Activity	Soundness of approach	Barriers addressed	Lead agency
Vermont Housing Data website run by Vermont Housing Finance Agency	activity would help communities bridge the gap between housing data and associated levers that could be activated to increase housing.	housing opportunities and create more equitable housing outcomes.	
Institutionalize the Vermont Zoning Atlas currently under development by a consortium of University of Vermont and Middlebury College students and faculty. This would involve purchasing a data validation tool and working with partner agencies to develop a system for hosting and regular updating and analyzing the zoning atlas.	Zoning laws dictate much of what can be built in Vermont. We need to find better ways of helping people understand what zoning codes say, because they have a tremendous impact on housing production and equity. Ensuring the Vermont Zoning Atlas currently under development is available for the long term will enables users to visualize the prevalence, nature and location of regulatory constraints on housing, The VT Zoning Atlas will enable the most effective monitoring of compliance with provisions of the VT HOME Act, such as the elimination of single-family zoning.	Zoning rules are extremely complex, especially in Vermont. The City of South Burlington, Vermont has over 77 overlay districts (more than any town in the National Zoning Atlas project). The wide information gap currently favors existing privileged wealth holders over socioeconomically disadvantaged groups. Vermont has the largest average residential lot size in the U.S.	VT Housing Finance Agency
<b>Planning: Building development capacity</b>			
The Vermont Homes for All Toolkit and community engagement process is re-introducing missing middle homes to Vermont by focusing statewide attention on small-scale gentle infill and incremental development as a strategy to address Vermont’s housing and affordability crisis. The Home for All Toolkit will increase the capacity of small-scale builders to create this kind of housing. Homes for All consists of four phases: a missing middle homes	These funds would be allocated for implementation, with the goal to help small-scale developers jumpstart projects that aim to build Missing Middle Homes using state-approved designs. This funding will be used to advance policy, systems, and development change to create affordable, equitable, and accessible housing throughout the state. training a new cohort of developers and builders	Lack of small, infill homes affordable to low and moderate income residents, Lack of small scale and BIPOC developers, State and local efforts to enable smaller scale and infill housing options struggle (especially in rural areas) because few Vermonters are empowered with the skills and funds to invest in their own neighborhoods.	VT Dept. of Housing & Community Development

Activity	Soundness of approach	Barriers addressed	Lead agency
<p>design guide, VT neighborhood design infill case studies, small-scale builders’ workbook, and training resources include a half-day charette in five communities. PRO Housing funds would help fuel rapid project implementation through development and construction grants, increase the capacity and pool of qualified, small-scale developers across Vermont, and provide necessary pre-development and development funding to actualize the Homes for All toolkit resources.</p>			
<p>Innovative technical assistance program offered by regional planning commissions will help create homes through owners of small scale projects, including accessory dwelling units and duplexes.</p>	<p>RPCs in Vermont propose to work with member municipalities and partner organizations on creative ways to assist property owners in small scale housing projects such as accessory dwelling units, duplexes, etc.</p>	<p>Some small developers lack capacity and knowledge to find potential home building sites and guide projects through complex permitting system.</p>	<p>VT Association of Planning &amp; Development Agencies</p>
<p><b>Preservation: Repair rentals unavailable due to needed repairs</b></p>			
<p>Launch a pilot Health &amp; Safety Rental Repair Program by the Vermont State Housing Authority which would fund much-needed small-scale repairs of existing private market apartments that could be used safely by low income Vermont families and individuals, including voucher holders unable to find viable apartments.</p>	<p>This pilot would build off knowledge of local housing quality challenges gained during the state’s ARPA-funded Vermont Emergency Rental Assistance Program and VSHA’s extensive experience helping landlords and tenants with this types of repairs. These grants would increase availability of safe homes for tenants by preserving naturally occurring affordable housing. Grants would range from \$10,000 covering 80% of repair cost. The program specifically targets landlords owning properties that qualify</p>	<p>Many homes are not available to potential renters because small landlords lack funds for repairs to bring homes up to health and safety standards. Program could be used for any repairs required to pass the Vermont Town Health Officer Rental Housing Inspection Report; such as life and safety, sanitation facilities, pest &amp; bedbug infestations, heating, ventilation, lighting and electricity, structural, and lead.</p>	<p>VT State Housing Authority</p>

Activity	Soundness of approach	Barriers addressed	Lead agency
	<p>for housing vouchers or rents up to 120% AMI. Eligibility:</p> <ul style="list-style-type: none"> <li>-Repairs should maintain or restore units to a safe and healthy standard.</li> <li>-Open to property owners with fewer than 50 rental units.</li> <li>-Applicants should not have received funds for the same repair from other programs like VHIP, VERAP, MHIR, LRP, HH, FEMA, or insurance payouts.</li> </ul>		
<b>Develop affordable housing</b>			
<p>Predevelopment for permanent supportive housing in City of Burlington:</p> <p>Transition from Emergency Shelter to Permanent Supportive Housing in City of Burlington (Elmwood Emergency Shelter)</p>	<p>Predevelopment work to create 30 units of permanent supportive housing on Elmwood Avenue through modular/prefab construction to minimize time between operating emergency shelter and permanent supportive housing; relocation of Elmwood Emergency Shelter infrastructure as needed.</p>	<p>Lack of permanent supportive housing and support to create it in Vermont's largest municipality, Burlington.</p>	<p>City of Burlington</p>
<p>Development funds for partnership neighborhoods: The Community Partnership for Neighborhood Development is a competitive grant reimbursement program that supports investments in the development of inclusive, smart-growth neighborhoods by funding pre-development costs including municipal planning, site control, design, scoping, and surveying for new neighborhood or infill development. The Program aims to pair targeted and coordinated investments</p>	<p>The current grant program funds pre-development costs for smart-growth neighborhoods; additional PRO Housing funding would be leveraged to fund development costs such as site preparation and construction. These funds would increase the grant's impact, scale, and ability to produce new homes in smart growth locations across the state. Continued investment in infill development will also help promote and prioritize this mode of building as a critical approach to addressing Vermont's housing crisis.</p>	<p>Vermont lacked models and support for demonstrating how targeted and coordinated investments paired with planning support can support the development of homes in inclusive, smart growth neighborhoods. The state specifically lacks models regarding land banking of development-ready land for new neighborhood development and infill development within an existing, developed neighborhood.</p>	<p>VT Dept. of Housing &amp; Community Development</p>

Activity	Soundness of approach	Barriers addressed	Lead agency
with planning support to make transformative projects possible.			
<p>Homeowner apartment additions (ADU, duplexes) in City of Burlington:</p> <p>Create an Affordable Missing Middle Housing Construction and Renovation Fund.</p>	<p>This fund would build on the City of Burlington's Neighborhood Code, a comprehensive zoning amendment that removes regulatory barriers to creating duplex, triplex, quadplex, and townhomes, in order to provide much-needed support for the creation of these homes across the city. Administered through the City's Housing Trust Fund, the fund would provide grants and loans to homeowners who create affordable apartments in an existing property, such as through an Accessory Dwelling Unit, or through the creation of new 2-4 unit buildings that include an affordable unit.</p>	<p>The cost of creating additional homes through ADUs and other neighborhood-scale building types exceeds the potential rental income and risk for many small, would-be landlords and home developers. These costs also present a barrier to the affordability of units that are created and impacts the City's goals to expand socioeconomic diversity across its neighborhoods.</p>	<p>City of Burlington</p>

**Affirmatively Furthering Fair Housing alignment**

The consortium includes key members of Vermont’s statewide efforts to implement the Federal Fair Housing Act and the Vermont Fair Housing Act. Vermont’s Fair Housing Act added six additional protected categories: marital status, age, sexual orientation, gender identity, receipt of public assistance, and victims of abuse. Because of the consortium’s existing roles in collaborating on Fair Housing, Vermont’s PRO application activities will be intimately intertwined with the state’s Fair Housing efforts. The consortium of applicants for PRO are committed to increasing Vermont’s diversity and supporting communities in being inclusive. At the heart of these efforts is expanding the available stock of housing in our communities that creates housing opportunities for all.

Vermont is consistently one of the least diverse states in the nation. Non-white Vermonters experience lower rates of homeownership and higher rates of homelessness in the state. Vermont households report at 92.2% “white alone”. While Vermont’s overall homeownership rate is 73%, it is 26% for black households. In 2021, Home Mortgage Disclosure Act (HMDA) data indicate that 4,855 white Vermonters applied for mortgages in the state. During the same period, only 231 mortgage applicants reported as non-white (there were 1,591 non-respondents). Only 1% of Vermont’s households report as Black, African American, or African. However, 8% of Vermonters experiencing homelessness during the [2023 Annual Point-In-Time Count of Those Experiencing Homelessness](#) identified as Black, African American, or African.

At the core of Vermont’s PRO activities is an expansion of CVOEO’s Fair Housing Project. The Fair Housing Project supports communities seeking to eradicate illegal housing discrimination and increase housing opportunity and choice in

Vermont. The program is focused on raising awareness about housing discrimination, supporting impacted community members who are being discriminated against. CVOEO also provides Fair Housing workshops and trainings for housing and services providers, municipal officials, and local/regional policy bodies. PRO will expand CVOEO’s ability to provide consultations, referrals, education, local housing committee support, and assessments and training related to Affirmatively Furthering Fair Housing and developing inclusive, affordable housing.

Budget

Activity	Expense types	Total expenses	PRO Housing funds requested	Leverage funds to date
<b>Planning: Update municipal bylaws</b>				
Implement the Regional Navigation Program established by the Vermont HOME Act of 2023 and support updating local bylaws to comply with zoning improvements required by the Act	3,300 hours of regional planning commission staff time at \$100/hr	\$330,000	\$330,000	TBD
<b>Planning: TA and training for town committees, boards and bodies</b>				
PRO funds will allow the implementation of the Regional Navigation Program established by the Vermont HOME Act of 2023 and support training local development review boards and city councils on the intent and requirements of the Act.	550 hours of training from regional navigators about intent and requirements of VT Act 47 at \$100/hr	\$55,000	\$55,000	TBD
Expand Fair Housing and AFFH trainings for municipal officials	Champlain Valley Office of Economic Opportunity Fair Housing Project staff time, supplies and mileage	\$300,000	\$150,000	\$150,000
Create a mini-grant program for housing committees to be used for community engagement to increase participation in local housing planning.	Mini-grants (10 @ \$1,000) and CVOEO staff time (\$10,000)	\$20,000	\$10,000	10000
Develop a technical assistance program for municipalities administered by Vermont Housing Finance Agency for responding to municipal requests for education and technical assistance pertaining to removing local barriers to housing and meeting municipal housing targets required in Vermont HOME Act.	VT Housing Finance Agency staff time (845 hrs. at \$71/hr)	\$60,000	\$30,000	\$30,000
<b>Planning: Expand information for identifying housing barriers and ways to remove them</b>				
PRO funds will allow the implementation of the Regional Navigation Program established by the Vermont HOME Act of 2023 and developing tools needed such as water and sewer infrastructure mapping.	550 hours of regional planning commission staff at \$100/hr.	\$55,000	\$55,000	TBD



Activity	Expense types	Total expenses	PRO Housing funds requested	Leverage funds to date
Help regions and communities examine barriers to housing, set housing targets required by the Vermont HOME Act and explore associated strategies by revolutionizing the Vermont Housing Data website run by Vermont Housing Finance Agency	Web design: \$30,000 (300 hrs @ \$100/hr) Web development: \$45,000 (300 hrs @ \$150/hr) VT Housing Finance Agency staff time: \$100,000 (1,056 hrs. at \$71/hr)	\$150,000	\$75,000	\$75,000
Institutionalize the Vermont Zoning Atlas currently under development by a consortium of University of Vermont and Middlebury College students and faculty. This would involve purchasing a data validation tool and working with partner agencies to develop a system for hosting and regular updating and analyzing the zoning atlas.	(1) Data validation system at \$150,000 and (2) temporary part-time coordinator for 3 years	\$200,000	\$200,000	
<b>Planning: Building development capacity</b>				
The Vermont Homes for All Toolkit and community engagement process is re-introducing missing middle homes to Vermont by focusing statewide attention on small-scale gentle infill and incremental development as a strategy to address Vermont’s housing and affordability crisis. The Home for All Toolkit will increase the capacity of small-scale builders to create this kind of housing. Homes for All consists of four phases: a missing middle homes design guide, VT neighborhood design infill case studies, small-scale builders’ workbook, and training resources include a half-day charette in five communities. PRO Housing funds would help fuel rapid project implementation through development and construction grants, increase the capacity and pool of qualified, small-scale developers across Vermont, and provide necessary pre-development and development funding to actualize the Homes for All toolkit resources.	Implementation grants of \$100,000-\$500,000 each to develop housing ranging from ADU to 6-plex: \$1,000,000, Middle homes design guide : \$150,000, Emerging developer training and Missing Middle Homes & ADU Design and Innovation contest: \$800,000, VT Dept. of Housing & Community Develop labor costs: \$150,000	\$2,300,000	\$1,000,000	\$1,300,000
Innovative technical assistance program offered by regional planning commissions will help create homes through owners of small	1,100 hours of regional planning commission staff time @\$100/hr.	\$110,000	\$110,000	TBD

Activity	Expense types	Total expenses	PRO Housing funds requested	Leverage funds to date
scale projects, including accessory dwelling units and duplexes.				
<b>Preservation: Repair rentals unavailable due to needed repairs</b>				
Launch a pilot Health & Safety Rental Repair Program by the Vermont State Housing Authority which would fund much-needed small-scale repairs of existing private market apartments that could be used safely by low income Vermont families and individuals, including voucher holders unable to find viable apartments.	Application system, 2 FTE administrators, 500-1,000 grants for \$10,000 and up to eligible landlords	\$6,200,000	\$5,000,000	\$1,200,000
<b>Develop affordable housing</b>				
Predevelopment for permanent supportive housing in City of Burlington:  Transition from Emergency Shelter to Permanent Supportive Housing in City of Burlington (Elmwood Emergency Shelter)	Design & Engineering: \$120,000 Project Management: \$40,000 Environmental Assessments: \$32,500 Stakeholder Engagement: \$5,000 Permitting: \$25,000	\$237,500	\$222,500	\$15,000
Development funds for partnership neighborhoods: The Community Partnership for Neighborhood Development is a competitive grant reimbursement program that supports investments in the development of inclusive, smart-growth neighborhoods by funding pre-development costs including municipal planning, site control, design, scoping, and surveying for new neighborhood or infill development. The Program aims to pair targeted and coordinated investments with planning support to make transformative projects possible.	\$1,000,000 in grants for development and construction costs. \$900,000: Predevelopment grants \$100,000: VT Dept. of Housing & Community Development in kind staff time	\$2,000,000	\$1,000,000	\$1,000,000
Homeowner apartment additions (ADU, duplexes) in City of Burlington:  Create an Affordable Missing Middle Housing Construction and Renovation Fund.	\$500,000 in grants and/or low interest loans for construction costs. \$25,000: City of Burlington Housing Trust Fund Program in kind staff time.	\$525,000	\$500,000	\$25,000

Timeline

Activity completed = 

Activity		2024	2025	2026	2027	2028	2029
Planning: Update municipal bylaws	Regional Navigation Program	Q2-4: Work with municipalities to conduct updates	Work with municipalities to conduct updates	Work with municipalities to conduct updates			
Planning: TA and training for town committees, boards and bodies	Regional Navigation Program	Q2: Conduct trainings	Q2: Conduct trainings	Q2: Conduct trainings			
	Expanded Fair Housing and AFFH trainings for trainings for municipal	Outreach, plan and coordinate with regional housing navigation and VHFA TA program	Conduct training and distribute mini-grants	Conduct training and distribute mini-grants	Conduct training and distribute mini-grants	Conduct training and distribute mini-grants	Conduct training and distribute mini-grants
	Mini-grant program for housing committees						
	Technical assistance program for municipalities that provides education re housing needs and increasing housing	Develop detailed plan regarding program requirements including a system for ongoing coordination with regional housing navigation and fair housing trainings.  Seek input on plan from focus group of municipal representatives and refine plan.	Develop tools to streamline this assistance, such as replicable training materials for towns with common characteristics such as population.  Announce availability of assistance and conduct outreach campaign.				
Planning: Expanded information for identifying housing barriers and ways to remove them	Regional Navigation Program sewer infrastructure mapping.	Q1-2: Assemble team, gather data, finalize  Q3: Create and advertise how to access map.	Activity complete				
	Vermont Housing Data website revolution and expansion	Q2-3: Recruit steering committee of diverse users. Q3-4: Seek input and identify features, metrics and functionality needed to match communities with the tools that will remove housing barriers.	Web design and development	Testing and outreach to communities			
	Institutionalize the Vermont Zoning Atlas	Q2-4: Recruit and on-board part-time VT Zoning Atlas coordinator	Coordinator designs system for integrating atlas	Coordinator tests system for integrating			

		Q3-4: Wrap up with VT Zoning Atlas development team and runs PR campaign to encourage zoning improvements.	updating related roles.	atlas and fine tunes system.			
Planning: Building development capacity	The Vermont Homes for All Toolkit		Q1: Complete small-scale developer training.  Q2: Roll-out of funds for small-scale developers (all funds expected to be awarded in first grant round)  Q3-4: Grantees expend award funds.	Grantees expend award funds.	Grantees expend award funds.	Grantees expend award funds.	Q2: Deadline for all grantee spending of funds.
Remove barriers to preserving affordable housing	Health & Safety Rental Repair Program	-Systems RFP -Draft policy and procedures -Develop preliminary budget  -Hire 2FTE and train on system -Pre-Launch & Launch -Finalize policy, procedures, and eligibility criteria -Develop webpage and online application portal -Staff hiring and training Q4: Officially launch the program	Process and approve grant applications, disburse grants	Process and approve grant applications, disburse grants	Process and approve grant applications, disburse grants	Process and approve grant applications, disburse grants	Closure and final report
Pre-development	Transition from Emergency Shelter to Permanent Supportive Housing in City of Burlington (Elmwood Emergency Shelter)	Q1-2: Procure consultants & begin engagement; Q3-4: Design & Engineering Options; begin environmental assessments; apply for implementation funding;	Q1 & Q2: Complete environmental assessments; permitting; Q3 & Q4: Site Transformation				
Remove barriers to development of affordable housing	Community Partnership for Neighborhood Development	Q3: Roll out of grant program, with priority to awardees of the Community Partnership pre-development grants	Grantees expend award funds.	Grantees expend award funds.	Grantees expend award funds.	Grantees expend award funds.	Q2: Deadline for all grantee spending of funds.

		whose projects are moving from pre-development into development					
Remove barriers to development of affordable housing	Affordable Missing Middle Housing Fund for City of Burlington	Q1 & Q2: Adopt new Neighborhood Code zoning amendment; set up new fund; Q3 & Q4: Distribute fund	Distribute fund	Distribute fund	Distribute fund	Distribute fund	Distribute fund

**Leverage**

The proposed activities would leverage at least an additional \$3.8 million in funding from a variety of private and public sources. Five activities are planning to raise leverage funds but have not yet received firm commitments so are not yet included.

Activity	Leverage fund sources	Total expenses	PRO Housing funds requested	Leverage funds to date
<b>Planning: Update municipal bylaws</b>				
Implement the Regional Navigation Program established by the Vermont HOME Act of 2023 and support updating local bylaws to comply with zoning improvements required by the Act	Regional planning commission director staff hours	\$330,000	\$330,000	TBD
<b>Planning: TA and training for town committees, boards and bodies</b>				
PRO funds will allow the implementation of the Regional Navigation Program established by the Vermont HOME Act of 2023 and support training local development review boards and city councils on the intent and requirements of the Act.	Regional planning commission director staff hours	\$55,000	\$55,000	TBD
Expand Fair Housing and AFFH trainings for municipal officials	U.S. Department of Health and Human Services grant	\$300,000	\$150,000	\$150,000
Create a mini-grant program for housing committees to be used for community engagement to increase participation in local housing planning.	U.S. Department of Health and Human Services grant	\$20,000	\$10,000	10000
Develop a technical assistance program for municipalities administered by Vermont Housing Finance Agency for responding to municipal requests for education and technical assistance pertaining to removing local barriers to housing and meeting municipal housing targets required in Vermont HOME Act.	VHFA in-kind staff hours	\$60,000	\$30,000	\$30,000
<b>Planning: Expand information for identifying housing barriers and ways to remove them</b>				

Activity	Leverage fund sources	Total expenses	PRO Housing funds requested	Leverage funds to date
PRO funds will allow the implementation of the Regional Navigation Program established by the Vermont HOME Act of 2023 and developing tools needed such as water and sewer infrastructure mapping.	Regional planning commission director staff hours	\$55,000	\$55,000	TBD
Help regions and communities examine barriers to housing, set housing targets required by the Vermont HOME Act and explore associated strategies by revolutionizing the Vermont Housing Data website run by Vermont Housing Finance Agency	VHFA in-kind staff hours	\$150,000	\$75,000	\$75,000
Institutionalize the Vermont Zoning Atlas currently under development by a consortium of University of Vermont and Middlebury College students and faculty. This would involve purchasing a data validation tool and working with partner agencies to develop a system for hosting and regular updating and analyzing the zoning atlas.	TBD	\$200,000	\$200,000	TBD
<b>Planning: Building development capacity</b>				
The Vermont Homes for All Toolkit and community engagement process is re-introducing missing middle homes to Vermont by focusing statewide attention on small-scale gentle infill and incremental development as a strategy to address Vermont’s housing and affordability crisis. The Home for All Toolkit will increase the capacity of small-scale builders to create this kind of housing. Homes for All consists of four phases: a missing middle homes design guide, VT neighborhood design infill case studies, small-scale builders’ workbook, and training resources include a half-day charette in five communities. PRO Housing funds would help fuel rapid project implementation through development and construction grants, increase the	\$350,000: VT Housing Improvement Program ADU TA for developer training \$150,000: VT Dept. of Housing & Community Develop (in-kind staff hours) \$800,000: Fund requests pending to other sources (VHFA)	\$2,300,000	\$1,000,000	\$1,300,000

Activity	Leverage fund sources	Total expenses	PRO Housing funds requested	Leverage funds to date
capacity and pool of qualified, small-scale developers across Vermont, and provide necessary pre-development and development funding to actualize the Homes for All toolkit resources.				
Innovative technical assistance program offered by regional planning commissions will help create homes through owners of small scale projects, including accessory dwelling units and duplexes.	Regional planning commission director staff hours	\$110,000	\$110,000	TBD
<b>Preservation: Repair rentals unavailable due to needed repairs</b>				
Launch a pilot Health & Safety Rental Repair Program by the Vermont State Housing Authority which would fund much-needed small-scale repairs of existing private market apartments that could be used safely by low income Vermont families and individuals, including voucher holders unable to find viable apartments.	20% of repair costs will be leveraged from the landlords  Project-based and tenant-based Section 8 vouchers from VT State Housing Authority,	\$6,200,000	\$5,000,000	1,200,000
<b>Develop affordable housing</b>				
Predevelopment for permanent supportive housing in City of Burlington:  Transition from Emergency Shelter to Permanent Supportive Housing in City of Burlington (Elmwood Emergency Shelter)	Building on existing infrastructure improvements (water & sewer connections) made for the Elmwood Emergency Shelter Community; prepare for application of LIHTC Tax Credits and State funds for Development; \$15,000 for CEDO in kind staff time.	\$237,500	\$222,500	\$15,000
Development funds for partnership neighborhoods: The Community Partnership for Neighborhood Development is a competitive grant reimbursement program that supports investments in the development of inclusive, smart-growth neighborhoods by funding pre-development costs including municipal planning, site control, design, scoping, and surveying for new neighborhood or infill development. The Program aims to pair targeted and coordinated investments with planning support to	\$900,000: Predevelopment grants \$100,000: VT Dept. of Housing & Community Development in kind staff time	\$2,000,000	\$1,000,000	\$1,000,000

Activity	Leverage fund sources	Total expenses	PRO Housing funds requested	Leverage funds to date
make transformative projects possible.				
Homeowner apartment additions (ADU, duplexes) in City of Burlington:  Create an Affordable Missing Middle Housing Construction and Renovation Fund.	City of Burlington Housing Trust Fund in kind staff time.	\$525,000	\$500,000	\$25,000

Long-term effect

The COVID-19 pandemic shined a bright light on Vermont’s housing challenges. Given increased demand to live in Vermont year-round and historic low vacancy rates, VHFA estimated that Vermont needs between 30,000 and 40,000 more homes by 2030. Vermont prioritized housing as a critical pillar of our state’s recovery efforts from the COVID-19 pandemic. The state targeted [18% of its \\$1.2 Billion in American Rescue Plan Act funding](#) to meet housing needs throughout the state. The affordable housing development ecosystem responded admirably, maximizing traditional approaches to housing development. However, investments in permanent housing construction take time to bear fruit and Vermont’s barriers to housing delay the positive impact of these investments. Meanwhile, the number of people experiencing homelessness in Vermont increased by 203% from 1,089 in 2019 to 3,295 individuals in 2023, according to the Point-In-Time count. Further challenging Vermont’s housing market, the cost of developing homes has increased 78% since 2018 – attributable to a combination of material supply chain interruptions, lack of labor, steep increases in both interest rates and insurance premiums. Developing housing is more complicated and expensive than it has been at any point in history. One-time ARPA investments have shown that more financial resources alone will not solve Vermont's housing challenges. The consortium submitting this application work together to ensure Vermont is actively inspiring a housing enabling environment throughout the state. The components of this application will go beyond adding to Vermont’s available capital for the development of more housing – removing the barriers and funding new model approaches that can be replicated will be catalytic to future housing production throughout the state. PRO will have a ripple impact that far exceeds its five year implementation timeline.

Metrics tracked: The tracking of the collective success includes multiple clear metrics and outcomes that are readily measurable:

- The consortium will track the number of permitted, started, and completed homes throughout the state and the extent of progress toward new statewide and regional targets required by the VT HOME Act.
- Project and/or community level case studies will be developed through multiple activities: the Vermont Homes for All Toolkit, Community Partnership for Neighborhood Development, Prefabricated multifamily housing, Affordable Missing Middle Housing Fund for City of Burlington.
- The number of communities who engage in Affirmatively Furthering Fair Housing trainings and engagements through CVOEO’s Fair Housing project.
- The number of communities and/or developers that receive support through the Regional Housing Navigation programming made available through VAPDA.
- The number of homes repaired and brought online through rehabilitation programs through the Vermont State Housing Authority and City of Burlington.



- 5 communities will engage in combined transportation, clean/drinking water funding, and housing funding planning to create new neighborhood environment.
- The Vermont Zoning Atlas will be complete and a long-term steward and update system in place.

Challenges we may face: The greatest challenge faced by the consortium is management of the scope of the activities proposed in this application. The consortium is a highly collaborative group of organizations that have a long track record of successfully implementing complex and highly technical initiatives together. The strategic and thoughtful selection of projects in Vermont's PRO application will attack barriers to housing in every corner of the state. To ensure the PRO activities are implemented in accordance with this application the consortium will maintain a steering committee that periodically (bi-monthly at minimum) check in on the state of each proposed activity. The steering committee will be comprised of a representative of each of the participating organizations. This group will also support DHCD in preparing reports, aggregating success stories, and widely sharing the replicable models for successfully removing barriers to housing.

Activating new actors: "Who" builds housing matters. Vermont has experienced a historic lack of diversity in its housing development community. A portion of the PRO activities is seeking to activate and provide opportunities to BIPOC developers. There is also a focus on opportunities for builders and developers who are too small or lack the combination of experience and balancing sheet needed to use more complex federal housing development resources (like the Low-Income Housing Tax Credit Program). By diversifying Vermont's development ecosystem with more racial diversity and more small/emerging developers, this will relieve pressure on Vermont's overwhelmed traditional housing development community. Even with large influxes of capital, if the state is confined to a small handful of experienced developers, the capital cannot effectively meet its potential to generate more homes.

Environmental: PRO activities will focus on expanding development within Vermont's historic development patterns. Communities and regions that are actively working to remove barriers to housing, or previously removed barriers and are awaiting new development will be the focus. Any new development driven by Vermont's PRO efforts will be in smart growth areas. These areas drive population growth to areas that allow for conservation and protection of Vermont's natural resources. The consortium of applicants is also highly focused on creating more climate resilient communities. Many of Vermont's communities poised for growth are located on river corridors. As a result, Vermont's PRO efforts will include coordination of local, state, and regional planning and economic development bodies to "build the right buildings in the right locations". This may include responsible repositioning of growth areas further from river corridors, and ensuring buildings are designed with climate resilient features (raised mechanicals, non-residential 1<sup>st</sup> floors, etc.).

Political: PRO will send an important message to Vermonters who are engaged in modernizing the state's land use and community development environment. After intense public attention the importance of bringing the opportunities of the Vermont HOME Act to fruition cannot be understated. A HUD PRO award would move multiple highly ready to proceed initiatives forward associated with the Act that would otherwise be delayed. Progressing these initiatives will inspire community members and policy makers to think progressively and proactively about the next set of needed reforms.

Vermont as a national model: Beyond a statewide impact, Vermont is increasingly viewed as a laboratory for how rural states in America can tackle historic barriers to housing. Like many rural states, Vermont's dedication to conservation and agriculture are vital to our state's cultural identity. However, Vermont and similar states are experiencing demographic crises that highlight the need for adaptation in how we approach growth. Vermont's racial demographics should not be viewed as accidental. When there is such a severe constraint on access to safe, decent, affordable housing, welcoming

new Vermonters to the state isn't possible. Meanwhile, those that have experienced historic economic and racial marginalization are also more likely to feel the negative impact of low vacancy rates and lack of housing opportunity.