State Designation Programs and Benefits

Neighborhood Development Areas

Faith Ingulsrud/Jacob Hemmerick
VT Department of Housing and Community Development

ACRPC – Presentation to the Commission
March 13, 2019
Community Planning + Revitalization Division

Providing tools, training, grants, and incentives for local leaders to plan and implement projects that support thriving, walkable communities.
Statewide Planning Goals

24 VSA Chapter 117 §4302(c)(1)

... plan development so as to maintain the historic settlement pattern of compact villages and urban centers separated by rural countryside...
Value of State Designation
The Five Designations

Core Designations

- Village Centers (Est. 2003)
- Downtowns (Est. 1998)
- New Town Centers (Est. 2003)

Add-On Designations (must have a core designation to qualify):

- Neighborhood Development Areas (Est. 2013)
- Growth Centers (Est. 2006)
Number of State Designations: 159

- Village Centers: 152
- Downtowns: 23
- New Town Centers: 2
- Neighborhood Development Areas: 5
- Growth Centers: 6
Designations in Addison County

Downtowns and Village Centers

EXISTING STATE DESIGNATIONS

Downtowns
Bristol
Middlebury
Vergennes

Village Centers
East Middlebury
New Haven
Orwell
Core Designations in Addison Co.
Downtowns and Village Centers – The Civic and Commercial Core

Bristol
State Designated Downtown
Neighborhood Planning Area
Downtowns and Village Centers – Add-On Designations

Bristol
½ mile walking distance from downtown = The area eligible for Neighborhood Development Area (NDA) Designation
The Benefits of Designation
Technical Assistance
State Grant Priorities

- VTrans Bike/Ped Grants
- VTrans Transportation Alternative Grants
- Vermont Community Development Program (CDBG)
- Historic Preservation Grants
- Municipal Planning Grants
- Brownfield Clean-up Grants
- And many others!
EVSE – Grant Program

State Electric Vehicle Supply Equipment (EVSE) Grant Program

A program proposed for the Vermont Beneficiary Mitigation Plan for the Volkswagen Environmental Mitigation Trust
“The amount of new activity, life and excitement on Main Street is unprecedented. It’s clear to me that strong communities need vital urban cores -- and with the help of the tax credits, we’ve made a great start in Hardwick.”

Michael Gohl, local architect and tax credit recipient
Benefits - Funding Directory

Designated Downtown and Village Centers

Funding Directory

Federal Rehabilitation Investment Tax Credit
- Provides tax credits for qualified rehabilitation, renovation, and new construction projects in downtown or village settings.
- Eligibility: Projects must result in increased property values and employment opportunities.
- Contact: Vermont Department of Taxation and Finance

State Historic Preservation Grants
- Supports the preservation, rehabilitation, and redevelopment of historic properties.
- Eligibility: Projects must be located within a state or national historic district.
- Contact: Vermont Department of Housing and Community Development
- Website: [http://www.historicpreservation.org](http://www.historicpreservation.org)

Vermont Community Development Program (CDGP)
- Provides funding for community development projects in Vermont.
- Eligibility: Projects must benefit low- to moderate-income communities.
- Contact: Vermont Department of Housing and Community Development

Downtown Transportation Fund
- Supports transportation improvements in downtown and village areas.
- Eligibility: Projects must enhance mobility and accessibility.
- Contact: Vermont Department of Transportation
- Website: [http://www.dof.vermont.gov/downtowntransformation.html](http://www.dof.vermont.gov/downtowntransformation.html)

Designated Downtown and Village Centers

Funding Directory

Municipal Planning Grant Program
- Provides grants for municipal planning projects, including economic development, downtown revitalization, and neighborhood planning.
- Eligibility: Municipalities with a population of at least 2,000.
- Contact: Vermont Department of Housing and Community Development
- Website: [http://www.housing.vermont.gov/municipal-planning-grants](http://www.housing.vermont.gov/municipal-planning-grants)

Historic Mitigation Grant Program
- Supports projects that help preserve historic properties.
- Eligibility: Projects must benefit historic properties.
- Contact: Vermont Department of Housing and Community Development
- Website: [http://www.housing.vermont.gov/historic-mitigation-grants](http://www.housing.vermont.gov/historic-mitigation-grants)

State Historic Preservation Grants
- Supports the preservation, rehabilitation, and development of historic properties.
- Eligibility: Projects must be located within a state or national historic district.
- Contact: Vermont Department of Housing and Community Development
- Website: [http://www.historicpreservation.org](http://www.historicpreservation.org)

Central Local Government Program
- Supports capital projects for Vermont's local governments.
- Eligibility: Projects must benefit public safety, health, or environmental protection.
- Contact: Vermont Department of Housing and Community Development
- Website: [http://www.housing.vermont.gov/central-local-governments](http://www.housing.vermont.gov/central-local-governments)

Brownfield Revitalization Fund
- Provides funding for the remediation and reuse of contaminated properties.
- Eligibility: Projects must result in the redevelopment of brownfield sites.
- Contact: Vermont Department of Environmental Conservation

Cultural Facilities Grant Program
- Supports projects for community facilities that provide cultural activities to the public.
- Eligibility: Projects must benefit cultural organizations.
- Contact: Vermont Department of Arts and Culture
- Website: [http://www.culture.vermont.gov/grants](http://www.culture.vermont.gov/grants)

*Grant programs require private consultation due to site designation.*

For more information, please contact:
- Vermont Department of Housing and Community Development
- Website: [http://www.housing.vermont.gov](http://www.housing.vermont.gov)
Benefits – Act 250 Benefits

- Relief from Act 250 permitting for most projects in Downtowns and for Priority Housing Projects

- If a permit is required, projects in a designated area do not need to address sprawl concerns under Criterion 9(L)

- May provide the basis for possible “Act 250-free” areas in future legislation
Neighborhood Development Areas

NDA Municipalities

Burlington
Essex Junction
South Burlington
Winooski
Manchester
What can a neighborhood development area designation do for you?
Develop More Affordable Housing
In Centered, Walkable Places
Using Traditional Neighborhood Design
How does housing in walkable places help Vermont and Vermonters?
More & Smaller Households

Average H-Hold Size

- Bowen National Research 2015

Households

Seniors & Millennials Dominate
They Share Tastes
Walkable Places Support Aging in Place
Major Demographic Changes
Total Energy Cost for Vermont Households

- Transportation: 52%
- Thermal: 25%
- Electricity (non-thermal): 23%

A Long Commute Costs
Median Household Annual Vehicle Miles Traveled by Area

- Designated Neighborhoods: 8078
- Downtowns: 10195
- 1/2 mile from Downtowns: 14934
- Village Centers: 19262
- State Median: 20980
- Outside of Centers: 21495
- Exurbs in Chittenden County: 24246

Walkable Places Save Transportation Costs
Schools $435
Schools $232

Rural/Suburban
Town Annual Cost, per Household

Downtown
Town Annual Cost, per Household

Save Infrastructure & Utility Costs
Affordability is a Challenge
What are the benefits of an NDA?
Act 250 Exemption for Priority Housing
Act 250 Fee
For projects not qualifying for exemption

ANR Water & Wastewater Fee
All Capped at $50

Act 250 & ANR Fee Reductions
Act 250: Reduced Agricultural Soil Mitigation Fees
Limits Character of the Area Appeals
## Land Gains Tax Exemption

<table>
<thead>
<tr>
<th>Years Land Held</th>
<th>Gain, as a Percentage of Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0-99%</td>
</tr>
<tr>
<td>Less than 4 months</td>
<td>60%</td>
</tr>
<tr>
<td>4 months, but less than 8</td>
<td>35%</td>
</tr>
<tr>
<td>8 months, but less than 1 year</td>
<td>30%</td>
</tr>
<tr>
<td>1 year, but less than 2</td>
<td>25%</td>
</tr>
<tr>
<td>2 years, but less than 3</td>
<td>20%</td>
</tr>
<tr>
<td>3 years, but less than 4</td>
<td>15%</td>
</tr>
<tr>
<td>4 years, but less than 5</td>
<td>10%</td>
</tr>
<tr>
<td>5 years, but less than 6</td>
<td>5%</td>
</tr>
</tbody>
</table>
How has the program made a difference?
Neighborhood Development Areas

- Supported the development of more than 600 housing units
- Saved an average of $50,000 in fees per project
- Reduced project permit timelines by an estimated average of 7 months
How to prepare an application?
Introduction

A municipality adopts a plan in order to define the kind of community that it desires to be. The approval of a municipal plan by the Regional Planning Commission supports this vision. In Vermont, a municipality is under no obligation to adopt a plan, nor to have its plan be approved by a Regional Planning Commission, or to have its municipal planning process be confirmed by a Regional Planning Commission.

However, a municipality that elects to have its planning process be confirmed obtains these benefits (24 VSA §4350(e)):

- Eligibility to charge impact fees, to apply for municipal planning grants, and to participate in State Designation Programs;
- Immunity from review by the Department of Housing and Community Affairs of the municipality’s plan for compliance with affordable housing criteria established under 24 VSA §4351; and
- State agency plans adopted under 3 VSA Chapter 67 must be compatible with the municipality’s approved plan.

Role of the Regional Planning Commission

Vermont law [24 VSA §4350(a)] requires each Regional Planning Commission to review the planning process of its member municipalities at least twice during an eight-year period (or more frequently at the request of a municipality). This “Guidelines” document identifies the procedures and standards that the Chittenden Regional Planning Commission (CCRPC) will use for approving the plans and confirming the planning process.
15-Minute Walk

5 to 10-Minute Walk

Neighborhood Planning Area
Going beyond the ½ mile & ¼ mile radius

Extensions Beyond Planning Area
1/4 mile radius around village center

Site-Based, Developer-Led Designation
Natural Resource Avoidance
The proposed NDA excludes river corridor, flood hazard areas, wetlands, areas not served by sewer, and parcels falling in the Village of Manchester, a separate municipality.

Note: the municipal boundary shown here is only approximate. Parcel data more accurately reflect the boundary between the Town of Manchester and the Village of Manchester.
Vermont Planning Atlas

Website:
1. **Density**
   - Minimum 4 DU/Acre

2. **Building & Lot Patterns**

3. **Uses**

4. **Complete Streets**

---

**Policies & Bylaw Requirements**
Making Vermont's Historical Pattern Legal
Density

Minimum 4 DU/Acre

Source: Visualizing Density
Measuring setbacks in Duxbury for a zoning update.
Complete Streets
Discussion & Questions
Thank You