



## WELCOME & INTRODUCTIONS

- Thank you for the opportunity to present today on the State's Neighborhood Development Area Designation Program.
- To those *familiar* with the program, we look forward to learning from your experience.
- To those *unfamiliar* with the program, we'll explain how the program can help meet your goals and what you can do to become designated.

Division of Community Planning & Revitalization  
*Providing tools, training, grants, and incentives for local leaders to plan and implement projects that support thriving, walkable communities.*



STATE OF VERMONT  
Agency of Commerce & Community Development  
Department of Housing & Community Development

#### DIVISION OF COMMUNITY PLANNING AND REVITALIZATION

- Faith and I work for the Community Planning and Revitalization Division, housed in the Department of Housing and Community Development.
- Our Department is part of the Agency of Commerce, and ...
- We provide tools, training, grants, and incentives for local leaders to plan and implement projects that support thriving, walkable communities.



### STRONG COMMUNITIES NEWSLETTER

- To keep you up to date on these opportunities, we encourage you to subscribe to our quarterly *Strong Communities Newsletter* on our website, where you'll also find many useful resources: from community case studies and funding directories, to a helpful guide on the State Designation Programs.



WHY DO DESIGNATIONS MATTER?

- Over the past 20 years, Vermont's designation program has developed voluntary partnerships between state, regional, and local governments that align land use policies and prioritize location-based investments.
- The program reflects a statewide consensus to encourage new development and redevelopment in the state's compact, walkable centers.



#### THE FIVE DESIGNATIONS

- Our Department manages the five designation programs. They include three civic and commercial core designations:
  - Village Centers,
  - Downtowns, and
  - New Town Centers,
- As well as two add-on designations.
  - The Neighborhood Development Area, and
  - Growth Center
- These voluntary programs have been created over time and have unique requirements, benefits, and aims found in Chapter 76A of the Title 24.
- Today, we're here to talk about the NDA, which is an add-on designation to one of the core designations shown above.
- To be eligible for the neighborhood program, you must *first* have one of the civic and commercial core designations.
- While not all municipalities in the county have a core designation, there's an opportunity for every community to have at least one.
- If you don't have a core designation we'll be giving a general overview at the Board meeting tonight at 7, we'd be happy to set up a one-on-one with one the program managers.

### Comparing the Designations

Comparison of Designation Programs	Downtown Vacant Center	New Urban Center	MICRO- ENTERPRISE COMMUNITY CENTERS	
<b>AUTHORITY</b>				
Statute Section (24 V.S.A. Chapter 261)	2791	2794a	2795b	2795c
Date Established	1996	2002	2001	2006
<b>ADMINISTRATIVE REQUIREMENTS</b>				
Do application meeting with DDCI exist?	0	1	0	0
Complete application submitted by the legislative body of a municipality*	0	1	1	1
Notice sent to EPC and BDC, if intent to apply	0	1	0	1
Status of application published in local newspaper	0	1	0	1
Status of application sent to adjoining towns and interested parties	0	1	0	1
Stage of proposed designation**	1	1	0	1
Preliminary application required	0	0	0	0
Number of days to a designation decision after application received	60	45	60	60
Number of years the designation remains in effect (interval required to maintain designation)	0	0	0	20
Interval review required (interval of years) ***	0	0	0	10
<b>LEGAL CAPACITY AND CHARACTERISTICS</b>				
Area listed as eligible for National Register of Historic Places	0	0	0	0
Continuing agreement agreement - signed by municipality & owner	0	0	0	0
Success of funding for necessary improvements	0	0	0	0
Are organizational structures for long-term revitalization	0	0	0	0
Other requirements for sewage and water systems	0	0	0	0
Existing or planned roads/walkways/transport options including transit	0	0	0	0

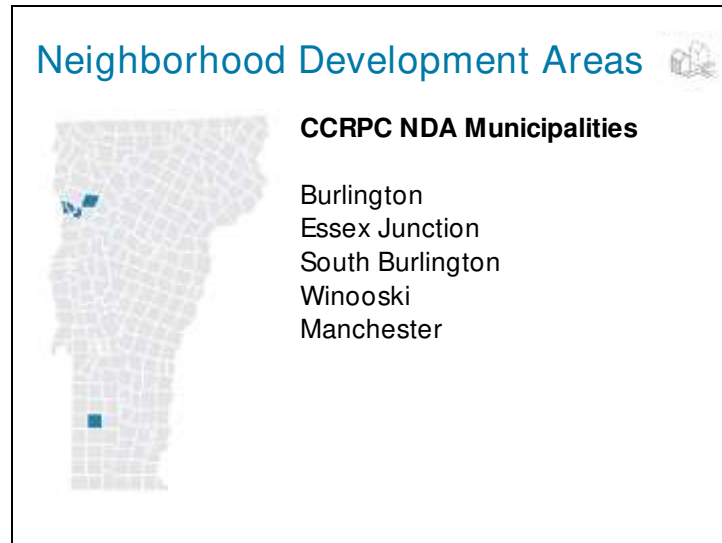
### COMPARING THE DESIGNATIONS

- To understand the differences between the designations, we've brought a comparison handout that you can review later.
- In it, you'll see that the designations address a range of concerns:
  - From investing in vacant and underused buildings;
  - To planning and managing future growth;
  - To today's focus ... housing.
- Some designations require more planning than others; the NDA is one of those programs, but requires less planning and offers more benefits than the Growth Center.



#### THE DOWNTOWN BOARD

- Applications for designation are approved by the Downtown Board.
- It includes representatives from several State agencies and stakeholder groups, including the Regional Planning Commissions, the Vermont Planners Association and local government.
- They meet monthly to consider applications.



**NEIGHBORHOOD DEVELOPMENT AREAS**

- Created in 2013, the NDA is the State's newest designation.
- Five communities have been designated and interest in the program is growing alongside local housing.
- We're here to showcase how the NDA can help you meet local goals.



- So, what can a neighborhood development area do for you?
- Three things.

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- NDAs help develop more affordable housing and more housing overall, ...

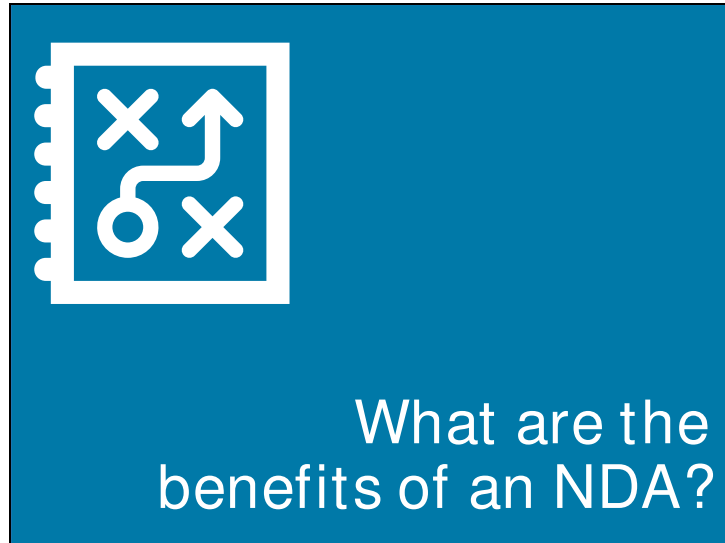
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- ... in centered and walkable places, ...

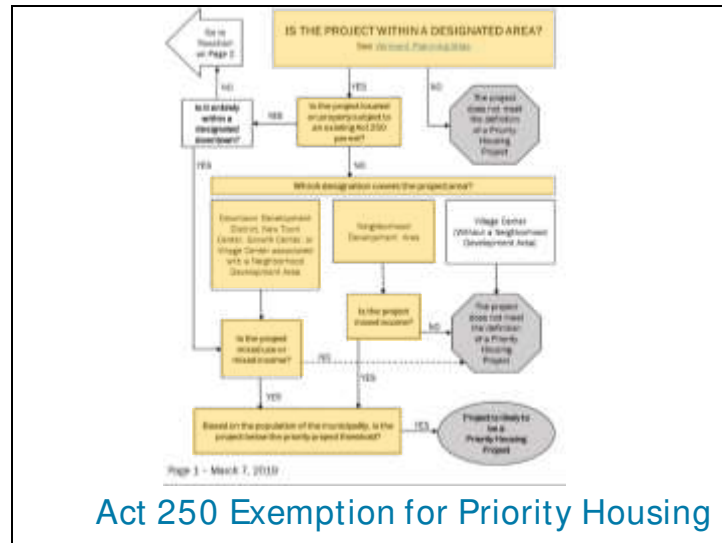


- ...using traditional neighborhood design policies, including complete streets.
- We'll go over the details, but let's first review how the program's benefits support these outcomes.



WHAT ARE THE BENEFITS OF A NDA?

- NDAs offer regulatory benefits that recognize the work of communities planning and regulating for smart growth.



### ACT 250 EXEMPTION FOR PRIORITY HOUSING

- The main benefit is what’s called a “priority housing project” exemption from Act 250.
- As many of you know, Act 250 jurisdiction is typically triggered by the development of 10 or more housing units.
- The exemption saves developers time and expense if they develop qualified ‘mixed-income’ housing developments in designated areas.
- Let’s break down a priority housing project first. It can look intimidating at first, but it’s very do-able.

### Definition of Mixed Income Housing

Rental	Owner Occupied
<p>At least 20% of units are affordable housing (rented to households not making more than 80% of MSA, County or State median income*) Cost of housing including rent, utilities and fees must be no greater than 30% of gross annual household income</p>	<p>At least 15% of units initial price is equal to or less than <a href="#">85% of VHFA price limits</a> <b>OR</b> At least 20% of units initial price is equal to or less than <a href="#">90% of VHFA price limits</a></p> <p>* Duration of rental affordability at least 15 years.</p>

Median	1 p. H.H.	2	3	4
75,800 in Addison County				
80%	42,500	48,550	54,600	60,650

Effective August 2018	
Targeted area purchase price limit*	
90%	\$300,000
85%	\$255,000

PHP: Requires Mixed-Income Housing

**PHP: MIXED-INCOME HOUSING REQUIREMENT**

- To be a priority housing project, it must be mixed-income.
- What does that mean?
- For rental units, the units must be affordable for people making less than average income for the area for at least 15 years.
- A qualifying income in AC is less than \$42,500 for a 1 person HH.
- For units to be sold, at least 15% must be at a price less than \$255,000, or at least 20% must be sold at a price less than \$300,000.
- Tables: <http://www.vhfa.org/rentalhousing/forms-and-documents>



**PHP: ALLOWS MIXED-USE SITES IN CORE**

- PHP's can also be mixed-use so long as 40% of the GFA is housing that meets the mixed-income definition AND
- They must be located in the civic and commercial core associated with the NDA: village, downtown, or new town center.

## Population and Number of Units

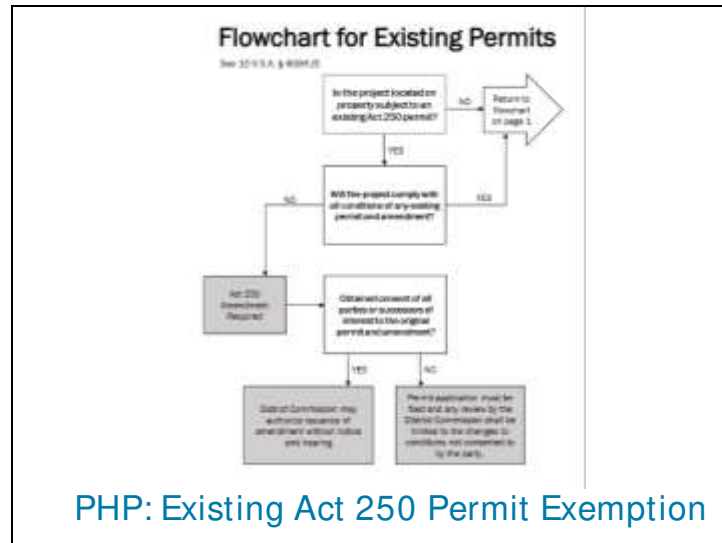
Priority Housing Projects do not exceed the following limits based on municipal population. See annual [population estimates](#).

- 10,000 or more people – NO CAP ON NUMBER OF UNITS\*
- 6,000 to 9,999 people – 75 UNIT CAP
- 3,000 to 5,999 people – 50 UNIT CAP
- Less than 3,000 people – 25 UNIT CAP

PHP: Caps Number of Units by Population

**PHP: CAPS NUMBER OF UNITS BY POPULATION**

- Finally, there's a cap on the number of units per project for municipalities with populations less than 10,000.
- For example, Middlebury has about 8,500 people so the project unit cap is 75 units.

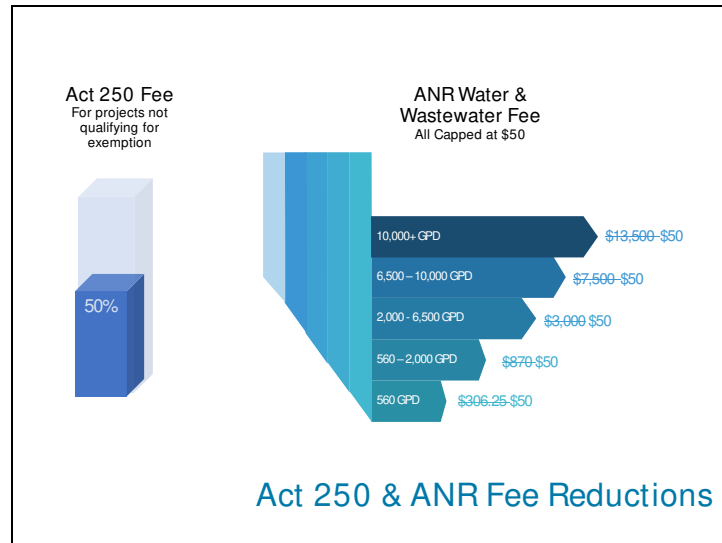


### PHP: EXISTING ACT 250 PERMIT EXEMPTION

- PHP projects that are proposed on properties that already have an existing Act 250 permit are treated differently, and the process can be wonky.
- Although no permit or amendment is required for a priority housing project that meets underlying permit conditions and jurisdictional thresholds, in some instances, the permit conditions may have to be modified.
- In that case, the developer notifies the parties to the existing permit of the proposed changes and give them an opportunity to object.
- The administration has a proposal for an "enhanced" designation that would provide a complete Act 250 exemption for all designations except a village center, which would simplify this process if enacted – although it seems that the legislation may not move forward this year.
- We understand that the Natural Resources Board is vesting the exemption at the time of JO issuance -- even if the NDA expires -- so developers will want to get a Jurisdictional Opinion.



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### ACT 250 & ANR FEE REDUCTIONS

- Another benefit is fee reductions.
- The ACT 250 fee is cut in half and ANR's water and wastewater fees are all capped at \$50.
- For instance, a project using more than 10,000 gallons per day would save \$12,450.



**ACT 250: PRIME AGRICULTURAL SOIL MITIGATION**

- NDA projects going through Act 250 can also get a break on their agricultural soil mitigation fees, going down from a 2 or 3:1 ratio to a 1:1 ratio.
- The current mitigation cost per acre varies by district.
- In District 9 (here in Addison County), it's \$1,584 per acre. In Chittenden County it's \$5,295 per acre.



**CHARACTER OF THE AREA APPEALS**

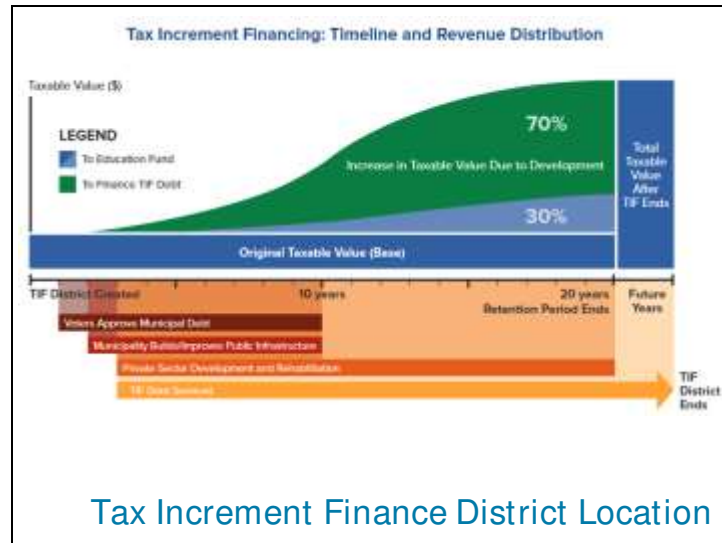
- Recognizing the importance of housing affordability, the designation also narrows the scope of appealable matters by removing the most subjective *local* conditional use criterion, “character of the area”, as a basis for appeal.
- Essentially saying that the local planning work has been done up front and the standard in place will ensure that housing is consistent with the character of the area.

Years Land Held	Gain, as a Percentage of Basis		
	0-99%	100-199%	200%+
Less than 4 months	60%	70.0%	80%
4 months, but less than 8	35%	52.5%	70%
8 months, but less than 1 year	30%	45.0%	60%
1 year, but less than 2	25%	37.5%	50%
2 years, but less than 3	20%	30.0%	40%
3 years, but less than 4	15%	22.5%	30%
4 years, but less than 5	10%	15.0%	20%
5 years, but less than 6	5%	7.5%	10%

**Land Gains Tax Exemption**

**LAND GAINS TAX EXEMPTION**

- Developments within the NDA are also exempt from land gains tax, which would otherwise discourage a speculative turnover and quick capital gain.



#### TAX INCREMENT FINANCE DISTRICTS

- And ... despite some very impressive revitalization results, TIFs remains limited by statute.
- If opportunities for a TIF open in Addison County, having an NDA would help meet the location requirement for a TIF District.
- (Keep in mind that there are many other requirements to meet for this complex financing tool.)





HOW HAS THE PORGRAM MADE A DIFFERENCE?

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Shelburne: Harrington Village  
36 Senior units  
42 Mixed income units  
4 Habitat homes

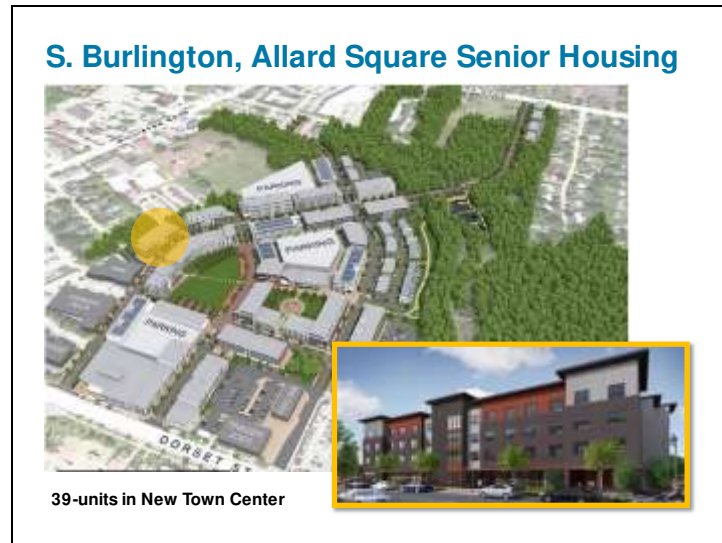
Winooski: Mill House Redevelopment  
25 Market Rate Apartments  
10 Townhouses

Burlington: BHA Community Home  
Supportive housing with caretaker  
apartment

**RESULTS**

RESULTS:

- Several projects have been developed using NDA benefits, including these sites in Shelburne, Burlington, and Winooski.



The Act 250 exemption for priority housing projects has saved time, reduced costs and supported the development of 600 new housing units within designated areas. This is a senior housing project in South Burlington's NDA.

### Burlington – Bright Street Cooperative



**Project Savings**

**Act 250 Savings \$51,000**  
+3 months time  
+ risk of appeal

**Wastewater Fee savings - \$2,950**

**Land Gains Tax - None**

**Prime Ag Mitigation - None**

**RESULTS**

**Project Details**

- 42 Units (1BR to 4BR)
- Rents: \$650-\$1425 (Includes heat)
- Mixed Income
- 1.35 Acres (58% lot coverage)

#### RESULTS

- The Bright Street Co-op Priority Housing Project in Burlington saved \$54,000 in fees and 3 months' review time using the NDA.

**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



RESULTS

RESULTS

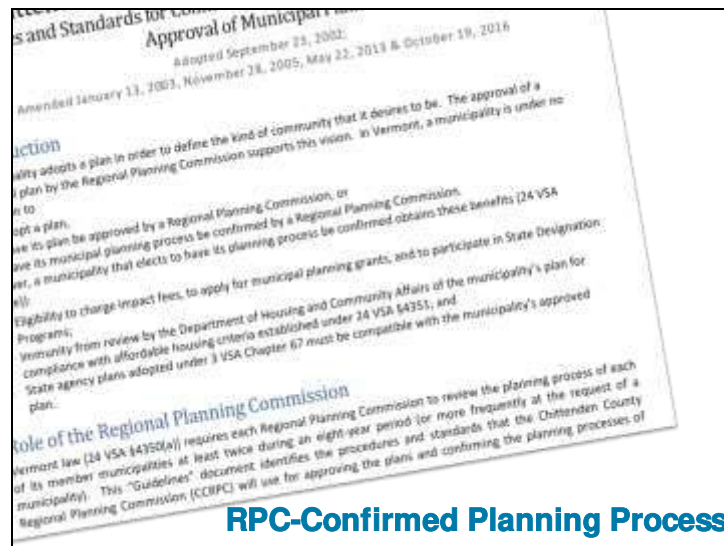
- Overall, the NDA has supported over 600 housing units, saving an average of \$50,000 in fees per project, and reducing the project permit timeline by 7 months.



## How to prepare an application?

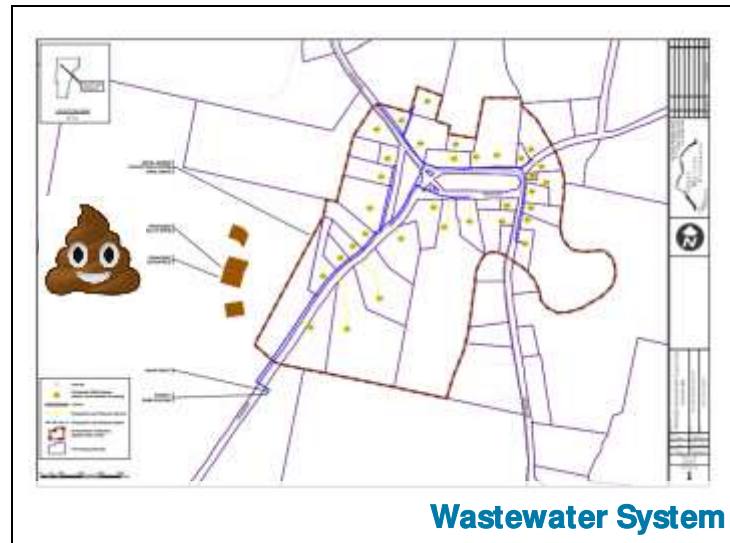
### HOW TO PREPARE AN APPLICATION

- How can your community be designated?



### CONFIRMED PLANNING PROCESS

- The municipality must have a confirmed planning process.
- Unlike other designations, your plan doesn't have to have specific language about the NDA.



#### WASTEWATER SYSTEM

- The NDA must also be served by a municipal wastewater system or have a community alternative wastewater system approved by ANR.
- The Town of Westford has planned a decentralized wastewater system to serve the village center and prospective NDA.
- If you have areas that are not served by wastewater, they cannot be included in the NDA.



#### NEIGHBORHOOD PLANNING AREA

- As we mentioned earlier, any municipality with a civic and commercial core designation is eligible for a NDA.
- To determine what can be included in your NDA, begin by drawing a walkable radius around your downtown, village center, new town center ( $\frac{1}{2}$  mile for downtowns,  $\frac{1}{4}$  mile for village and new town centers).
- If you have an existing designation, we have an online widget on the State's Planning Atlas that does this for you.
- The area encompassed by the core designation and the radius is referred to as the "Neighborhood Planning Area".
- Keep in mind that a NDA can bisect individual parcels, so if you have really large parcels that's okay.



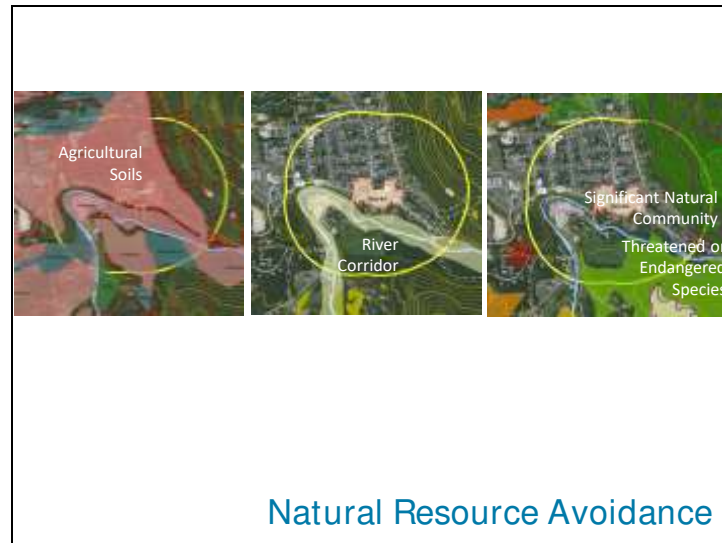
**EXTENSIONS BEYOND THE PLANNING AREA:**

- In some cases, you may have good reasons to go beyond the planning area, and the Downtown Board can approve designation boundaries that go beyond the planning area radius if certain criteria are met.
- For example, the Board approved Burlington’s NDA boundary shown in blue because a good portion of the planning area is in Lake Champlain.
  - The expanded boundaries logically relate to the planning and zoning delineations for those neighborhoods.
- Similar approval was granted to Winooski because the Winooski river, natural areas, and land in Burlington make up a good portion of the city’s neighborhood planning area.



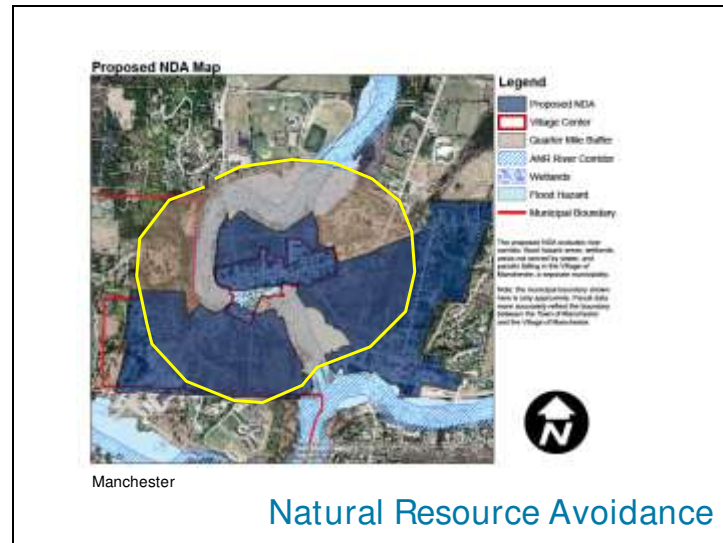
#### SITE-BASED, DEVELOPER-LED DESIGNATION

- Most of program's benefits are developer benefits, and accordingly ...
- A developer can also apply for designation – best done in partnership with the municipality.
- This has been done twice in Chittenden County for specific parcels in Hinesburg and Shelburne.
- In South Hero, the program has created a new opportunity for developers to begin talking with the municipality on regulatory and infrastructure work that can address needs beyond the site.



#### NATURAL RESOURCE AVOIDANCE


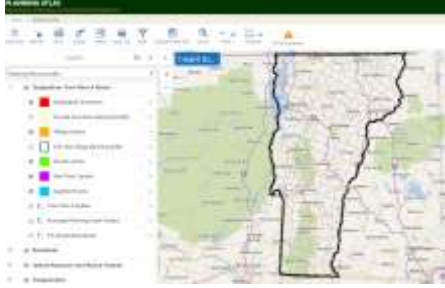
- Unlike other designations, not all land within the planning area may be included, and applicants are required to map natural resources and minimize disturbances that would otherwise be closely reviewed by Act 250.
- Here you can see natural resource mapping in Bristol.
- While river corridors must always be excluded, the Board can adapt boundaries or evaluate local bylaw provisions related to important natural resources to ensure that any disturbance is minimized.
- In the case of agricultural soils, the Board recognizes the value of compact connected settlement, even where agricultural soils may be present.
- The division is investigating if the river corridor exclusion could be relaxed where adequate local bylaws are in place.



#### NATURAL RESOURCE AVOIDANCE

- In Manchester, Vermont's newest NDA, the neighborhood planning area included flood hazard areas, river corridor, and endangered species.
- As a result, the town proposed non-contiguous boundaries surrounding the village center that go beyond the planning area to the east and west.
- These were approved by the Board.

**Vermont Planning Atlas**



**Neighborhood Development Area Designation Program**

**Application Guidelines**

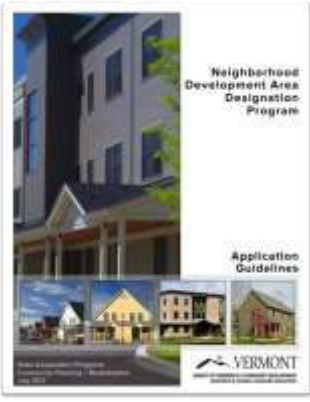
**Website:**  
<http://maps.vermont.gov/ACCD/PlanningAtlas/index.html?viewer=PlanningAtlas>

**Mapping & Program Guide**

#### APPLICATION MAPPING & PROGRAM GUIDE

- All of the maps here can be produced on the Vermont Planning Atlas and the program guide goes through these in detail.

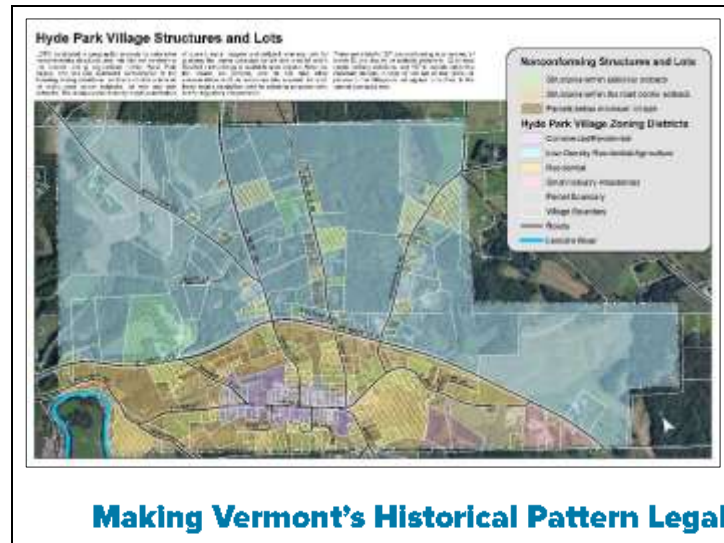
1	<b>Density</b> Minimum 4 DU/Acre
2	<b>Building &amp; Lot Patterns</b>
3	<b>Uses</b>
4	<b>Complete Streets</b>



**Policies & Bylaw Requirements**

#### POLICIES AND BYLAW REQUIREMENTS

- Finally, the designation has specific requirements related to density, building and lot patterns, uses, and complete streets.



#### MAKING VERMONT'S HISTORIC PATTERN LEGAL

- A key goal of the program is to make Vermont's historic pattern of traditional neighborhood design legal.
- Although the bar for smart growth regulation isn't set very high for the NDA program, this has been the biggest hurdle for many communities, which highlights how much work is needed to link our statewide policies and regional and local plans with bylaws.
- Throughout the State, local regulations continue to favor sprawling single-use and auto-oriented development over smart growth approaches.
- In an analysis done for Hyde Park how many of the lots and structures do you think conformed to the setbacks and minimum lot size requirements in their zoning?
- ANSWER: 63%
- In the village (the warm colored area), it's worse: 80% of the structures are non-conforming in a place most people think is very livable and attractive.
- The local regulations prohibited the historic pattern, rendering 2/3 non-conforming and leading to variances requests for many minor changes.
- It prohibited all but spread-out suburban style, auto-oriented homes to be built.
- We hope the NDA prompts more communities to ask if their zoning allows the types of places we know and love around the state – or places you're more likely to find at an interstate exit in Tennessee.



## DENSITY

- The program requires a conventional base density of four units per acre for all zoning districts included in the NDA -- without density bonuses.
- If using a PUD, this must ensure a minimum outcome of 4 units per acre in the bylaws.
- However, if the existing pattern of development is greater than 4 units per acre, the community must meet or exceed that.
- You can see here what 4 units an acre looks like in St. Johnsbury, and that a typical 2,600 square foot single-family home of can be easily accommodated on a quarter-acre lot with plenty of space for a yard, garden, and garage.



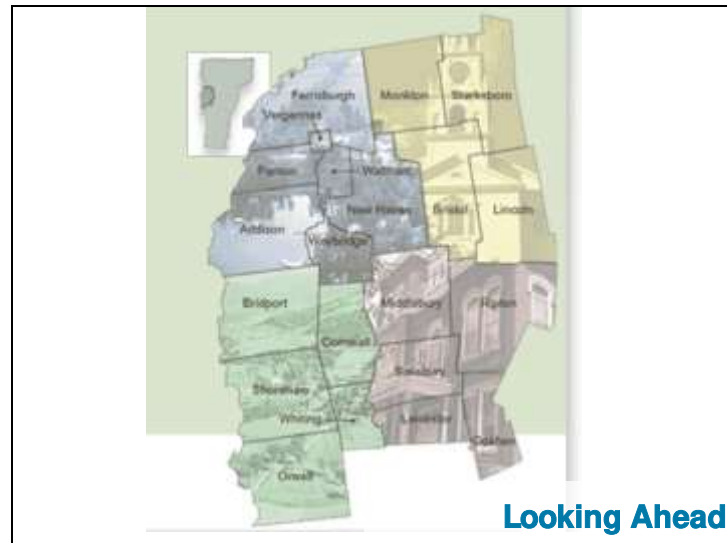
#### USES, LOTS, AND BUILDING

- All districts included in the NDA also have to meet 8 out of 10 standards that relate to traditional neighborhood design standards, such as:
  - A mix of housing types;
  - Dimensional standards that allow infill;
  - Buildings oriented to the street; and
  - Vehicles to the side and rear.
- Pictured here is a setback measurement project done by Duxbury's Planning Commission; most people are surprised by how big their setbacks are when they go out and measure what's there.



#### COMPLETE STREETS

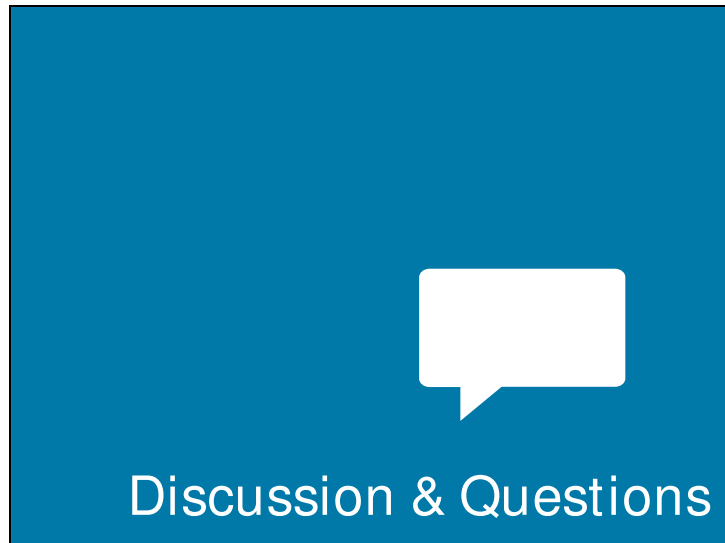
- There's a similar 8 out of 10 checklist for complete streets that looks at:
  - Road extensions;
  - Existing and planned pedestrian facilities;
  - Minimum widths;
  - Underground utilities; and
  - Parking Requirements
- Please schedule a pre-application meeting with us well before you begin any bylaw work to prepare for an NDA.



**LOOKING AHEAD**

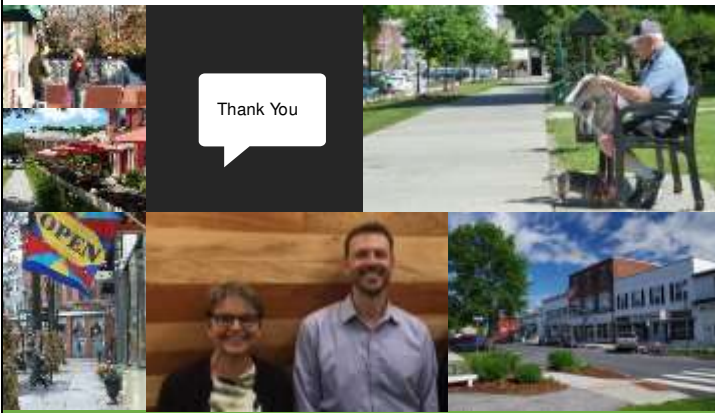
- As we look to the future of the program, we're excited by the planning projects in Addison County, and we'd like to hear your thoughts about the program and any plans you have.

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General discussion about what's working and what's not, and opportunities in the county.

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Thank You

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Thank you.