



## Regional Plan Committee Meeting Packet Overview

1. <a href="#">Agenda .....</a>	<a href="#">2</a>
2. <a href="#">Draft minutes from 1 July 2025 meeting .....</a>	<a href="#">3</a>
3. <a href="#">Aspiration, Goals, Strategies &amp; Policies Review: Housing Chapter.....</a>	<a href="#">6</a>
4. <a href="#">Housing Chapter Updates .....</a>	<a href="#">15</a>

## **Regional Plan Committee**

Tuesday, 15 July 2025

4:00 PM – 5:30 PM

29 Main Street, Suite 4, Montpelier VT

### **Hybrid Meeting with Remote Participation via Zoom**

<https://us02web.zoom.us/j/87815276521?pwd=Mmw5U080SGpCTUFNVHZFSErQUiI0dz09>

Meeting ID: 878 1527 6521, Passcode: 783374

One tap mobile (929)436-2866 or 1(301)715-8592

### **Agenda**

- 4:00 Call to order & Roll Call
- 4:05 Updates to Agenda
- 4:10 Public Comment
- 4:15 Review & approve minutes from the 1 July 2025 meeting (action)
- 4:20 Goals, Strategies & Policies Review: Housing Chapter (discussion)
- 4:50 Housing Chapter updates (discussion)
- 5:05 Future Land Use Map updates (discussion)
- 5:25 Topics for next meeting (discussion)
- 5:30 Adjourn

*Persons with disabilities who require assistance or alternate arrangements to participate in programs or activities are encouraged to contact Nancy Chartrand at 802-229-0389 or [chartrand@cvregion.com](mailto:chartrand@cvregion.com) at least 3 business days prior to the meeting for which services are requested.*

**CENTRAL VERMONT REGIONAL PLANNING COMMISSION**  
**Regional Plan Committee**  
**Special Meeting**

**July 1, 2025, 4:00 – 5:30 pm**

29 Main Street, Suite 4, Montpelier, VT 05602

Remote Access Via Zoom

<b>Committee Members:</b>	
x	Alice Peal, Waitsfield Alternate Representative
x	Doug Greason, Waterbury Representative
x	John Brabant, Calais Representative
x	Mike Miller, Montpelier Alternate Representative
x	Rich Turner, Williamstown Representative

**Staff:** Brian Voigt (via Zoom), Christian Meyer, Eli Toohey (via Zoom), Lorraine Banbury

**Public:** Stewart Clark (Berlin Planning Commission), Renee Carpenter (East Montpelier)

**Call to Order & Roll Call**

Alice Peal Called the meeting to order at 4:03.

**Adjustments to the Agenda**

No adjustments to the agenda.

**Public Comment:**

**Act 250 Tier System, Land Use Review Board and Future Land Use Map**

Stewart Clark came with questions following a presentation to the Planning Commission in Berlin. That meeting focused on discussing the new land use map development and the new Act 250 tier system from the passage of Act 181. He inquired about the factual basis for assigning these tiers, to which Brian Voigt responded that a standardized methodology based on state legislation is used. Alice Peal explained that there are three tiers, with the Land Use Review Board having committees responsible for rulemaking for each tier. Tier 3 will be an overlay district for protected/conserved land. Tiers 1 and 2 are further along than Tier 3.

The Committee also confirmed that towns can opt-in for Tier 1A and 1B status and self-certify that they have the technical capacity to manage the Act 250 requirements internally. John Brabant shared concerns that towns in Tier 1A only

need to show adequate water supply and wastewater disposal capacity, regardless of existing violations in wastewater treatment. Further conversation talked concerns over the about the high price of new housing in Vermont and possible development in Riverton in Berlin.

Alice discussed the importance of submitting comments to the Land Use Review Board and the committees responsible for rulemaking for Tier 1 and Tier 1B status. Alice emphasized that while Tier 1B status might give landowners more control, it does not eliminate the need for permitting. Tier 1A or 1B can be revoked by the state, which would push a project back into Tier 2 status (the former Act 250 process). Information can be accessed through the Act 250 website, <https://act250.vermont.gov/>

### **Election of Officers**

John nominated Alice to continue as chair and Doug to continue as co-chair. Doug seconded and the motion passed unanimously.

### **Approval of Minutes**

John Brabant moved to approve the draft June 4, 2025 and June 17, 2025 meeting minutes. Doug seconded. Motion carried unanimously.

### **Goals, Strategies, Policies Review: Housing Chapter**

Brian will have an updated draft of the Housing Chapter Aspirations, Goals, Strategies and Policies for the committee to review prior to the next meeting. There was discussion about how to cross-reference goals, strategies and policies across chapters. It was suggested that the Committee ensure all goals are captured in the document but allow staff to decide final placement in the Regional Plan and how to cross reference goals. Eli provided a recap of a housing finance workshop she attended. Topics included low-income housing tax credits, tax increment financing and new market tax credits. Eli plans to supplement the housing chapter with this information.

### **Future Land Use Map Updates**

Brian continues to work on the map and intends to have a draft ready by July 11.

Email correspondence was sent to all 23 member municipalities requesting a meeting with municipal Selectboards and Planning Commissions to discuss the regional future land use map. Five municipal meetings have been scheduled and several others are being planned. Staff hope to conclude these meetings by October 2025.

Alice shared her conversation with Alex Weinhagen from the Tier 3 rulemaking committee and said that he was open to hearing more about the Waistfield Town Plan's process to inform their protected and conserved areas. Staff and public participants were urged to share comments with the Tier 3 Rulemaking Committee. Some other topics that were mentioned were how upstream development affects downstream flood hazards, and about habitat destruction and pinch points affected habitat. Doug Greason mentioned that the LURB made clear that they did not have the bandwidth to review all the municipal and regional plans.

### **Topics for Next Meeting**

The next Committee meeting will be Tuesday, July 15. Proposed agenda items include reviewing the draft Housing Chapter Aspirations, Goals, Strategies and Policies and the draft Future Land Use map.

John moved to adjourn, **WHO** seconded, all in favor.  
A. Peal adjourned meeting at 5:30 PM.

*Respectfully submitted by L. Banbury*

# MEMO

Date: 8 July 2025  
To: CVRPC Regional Plan Committee  
From: Brian Voigt, Program Manager  
Re: Housing Chapter Updates

## **Aspiration, Goals, Strategies & Policies Review: Housing Chapter**

The housing chapter Aspiration, Goals, Strategies & Policies have been substantially revamped to extend the reach of the Goals and offer specific Strategies and Policies for each Goal.

### **Revised Goals (w/definitions)**

Goal 1: Encourage new housing in areas with existing infrastructure and services.

Definition: This goal supports smart growth, reduces public costs, minimizes environmental impacts, and aligns with sustainable land use principles.

Goal 2: Coordinate housing development with transportation, jobs, and essential services.

Definition: This goal focuses on aligning housing growth with access to transit, employment centers, schools, healthcare, childcare, and other key services. The aim is to reduce reliance on personal vehicles, promote economic opportunity, and support equitable, climate-smart communities.

Goal 3: Advance housing equity and reduce barriers to fair and inclusive housing.

Definition: This goal focuses on ensuring that everyone—regardless of race, income, ability, age, or background—has equal access to housing opportunities. It addresses historical and current inequities, promotes fair housing, and works toward inclusive, accessible communities.

Goal 4: Expand the supply of affordable housing across the cost continuum.

Definition: This goal recognizes that affordability challenges affect a wide range of households—from extremely low-income renters to moderate-income homebuyers—and aims to increase the availability of housing at various price points through proactive planning, incentives, and partnerships.

Goal 5: Diversify housing options to meet needs across household types, use cases and life stages.

Definition: This goal ensures the housing stock meets the evolving needs of individuals and families—from young adults and seniors to multi-generational and single-person households—by expanding the variety of housing forms, sizes, and tenures available in the region.

Goal 6: Limit housing development in areas with known hazard risk.

Definition: This goal aims to reduce long-term risks to people, property, and public investment by preventing development in areas prone to flooding, erosion, and other natural hazards—while aligning with climate resilience, hazard mitigation, and environmental protection priorities.

Goal 7: Increase the resilience of housing and neighborhoods to climate change.

Definition: This goal focuses on ensuring that housing—both existing and new—is better able to withstand climate-related threats such as flooding, heat, severe storms, and power outages. It includes both physical resilience (design, siting, materials) and community resilience (access to services, infrastructure, and emergency support).

Goal 8: Reduce greenhouse gas emissions from the housing sector.

Definition: This goal supports the region’s broader climate and energy commitments by addressing emissions from both building energy use and transportation related to housing location. The strategies below emphasize building performance, land use efficiency, renewable energy, and climate-smart planning.

## **Complete draft of revised Aspiration, Goals, Strategies & Policies** **Housing: Aspirations, Goals, Strategies & Policies**

### **Aspiration**

Ensure safe, affordable, and resilient housing choices by planning for development in appropriate locations, addressing the diversity of housing needs, and fostering inclusive, connected communities that promote equity and long-term sustainability.

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### **Goal 1: Encourage new housing in areas with existing infrastructure and services.**

#### **Strategies:**

- 1.1. Concentrate new housing in Downtown Centers, Village Centers, Planned Growth Areas, and Village Areas.
- 1.2. Encourage a mix of housing types in walkable locations that provide access to jobs, services, and transit.
- 1.3. Promote:
  - a. infill development and the redevelopment of underutilized or vacant properties,
  - b. public investment and incentives to support development in areas already served by water, sewer, and transportation infrastructure.

- 1.4. Limit the extension of infrastructure into undeveloped, outlying areas to reduce sprawl and protect rural landscapes (*see also Goal 2*).
- 1.5. Provide technical assistance to municipalities updating zoning and subdivision regulations to ensure transparent and predictable local permitting for housing.
- 1.6. Participate in the Act 250 process to support housing development in appropriate locations and discourage development in areas that conflict with regional goals.

**Policies:**

- 1.1. Identify and map priority growth areas with existing or planned water, wastewater and transportation infrastructure, including sidewalks, bike paths, and fixed-route or on-demand transit.
- 1.2. Support zoning amendments that allow higher residential density and mixed-use development in Downtown Centers, Village Centers, Planned Growth Areas, and Village Areas.
- 1.3. Provide technical assistance and model bylaws to facilitate infill housing, adaptive reuse, and upper-story residential conversions.
- 1.4. Encourage flexible lot sizes, reduced setback requirements, and relaxed parking standards in municipal zoning bylaws to enable infill and small-scale housing development (*see also Goal 6*).
- 1.5. Support public infrastructure upgrades in areas targeted for housing growth.
- 1.6. Oppose public funding for infrastructure expansion that facilitates sprawling, uncoordinated development.

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**Goal 2: Coordinate housing development with transportation, jobs, and essential services.**

**Strategies:**

- 2.1. Align housing development with transportation access and mobility options, including transit, sidewalks, and bike infrastructure (*see also Goal 8*).
- 2.2. Support mixed-use development near employment and service centers.
- 2.3. Integrate housing and transportation planning across regional and local levels.
- 2.4. Improve transportation options that connect homes with jobs, schools, and services.
- 2.5. Site affordable and workforce housing near essential services.



**Policies:**

- 2.1. Encourage
    - a. higher-density, transit-oriented residential development near bus stops, park-and-rides, and along multimodal transportation corridors,
    - b. streamlined permitting for housing in areas with existing infrastructure
  - 2.2. Promote:
    - a. land use patterns that reduce travel distances and enable multimodal access,
    - b. mobility hubs and first-/last-mile transportation options in residential areas.
  - 2.3. Prioritize:
    - a. transit investment in areas with existing or planned housing growth,
    - b. safe routes to schools, jobs, and services through sidewalk, bike lane, and lighting improvements,
    - c. housing near critical services like healthcare, grocery stores, and early childhood education
  - 2.4. Use walkability and transit access as scoring criteria in project reviews and funding recommendations.
  - 2.5. Allow residential uses in commercial, institutional, and employment zones.
  - 2.6. Provide pre-development support for housing near job centers, healthcare, schools, and childcare.
  - 2.7. Foster partnerships between housing developers and providers of essential services.
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**Goal 3: Advance housing equity and reduce barriers to fair and inclusive housing.****Strategies:**

- 3.1. Identify systemic and local barriers to fair and inclusive housing.
- 3.2. Promote inclusive zoning and land use practices that expand housing choice and prevent exclusion.
- 3.3. Support housing accessibility for people with disabilities and aging populations.
- 3.4. Advance fair housing education, outreach, and enforcement.
- 3.5. Expand housing options for historically underserved populations, including Black, Indigenous, and People of Color (BIPOC), people with disabilities, and low-income households.
- 3.6. Ensure equitable access to housing programs and assistance.

**Policies:**

- 3.1. Encourage:
  - a. housing retrofits that support accessibility and aging in place,

- b. elimination of single-family-only zoning, and
- c. municipalities to evaluate and address exclusionary zoning in local plan and bylaw updates.

3.2. Promote:

- a. multi-unit housing in residential zones,
- b. community land trusts and shared equity/co-op housing to maintain long-term affordability,
- c. the preservation of affordable housing in high-demand or gentrifying areas,
- d. housing affordability by developing model zoning overlays that guard against displacement, and
- e. public education campaigns on tenant rights and anti-discrimination laws.

3.3. Prioritize public funding for developments that exceed ADA requirements and include accessible units.

3.4. Partner with fair housing organizations to train municipal officials, landlords, and real estate professionals.

3.5. Expand transitional and supportive housing for people exiting homelessness or institutional settings.

3.6. Ensure housing assistance programs are accessible, language-inclusive, and targeted to those most in need.

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## **Goal 4: Expand the supply of affordable housing across the cost continuum.**

### **Strategies:**

- 4.1. Plan for mixed-income and inclusionary housing in growth areas.
- 4.2. Preserve and rehabilitate the existing affordable housing stock.
- 4.3. Align development incentives with regional housing priorities.
- 4.4. Provide financial literacy and homebuyer education programs, including awareness of public housing programs and tax initiatives.
- 4.5. Assist municipalities with zoning updates to support a diversity of housing types.
- 4.6. Identify nonprofit and private partners engaged in affordable housing development.

### **Policies:**

- 4.1. Encourage inclusionary zoning that reserves a portion of units in new developments as affordable.
- 4.2. Prioritize public investment and permitting support for housing projects that meet affordability thresholds.

- 4.3. Promote:
  - a. long-term affordability covenants for publicly funded housing,
  - b. housing trusts and municipal support for home repair and code improvement programs to maintain housing stock,
  - c. the development of smaller unit sizes to increase housing affordability, and
  - d. affordable starter homes and modular construction models through local planning and zoning standards.
- 4.4. Support:
  - a. the development of permanently affordable housing for low- and moderate-income households,
  - b. municipalities interested in developing short-term rental registries and local ordinances, and
  - c. local housing groups and committees through technical assistance,
  - d. nonprofit acquisition of vulnerable properties to prevent displacement, and
  - e. the use of public lands, housing trust funds, tax credits, and infrastructure investments for affordable housing in priority areas.
- 4.5. Seek funding for weatherization, energy efficiency, and accessibility improvements in aging or substandard housing.
- 4.6. Advocate for federal and state housing funds:
  - a. for projects aligned with regional and municipal plans, and
  - b. that increase housing opportunities across the cost continuum.
- 4.7. Explore tax increment financing to support development of mixed-income housing.

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## **Goal 5: Diversify housing options to meet needs across household types, use cases and life stages.**

### **Strategies:**

- 5.1. Encourage a range of housing types to meet diverse income levels, use cases and household sizes in all residential zones, and
- 5.2. Promote:
  - a. homes that support aging in place and accessibility.
  - b. the development of accessory dwelling units.
- 5.3. Build awareness of the need for intergenerational and multi-household living.
- 5.4. Align housing variety with evolving regional and community demographics.

### **Policies:**

- 5.1. Encourage:
  - a. senior housing in walkable, service-rich locations,

- b. development of micro-units, cohousing, manufactured homes, and modular housing,
    - c. review of demographic trends during local plan and bylaw updates, and
    - d. municipalities to demonstrate how their zoning supports diverse housing needs.
  - 5.2. Promote:
    - a. compact, clustered housing and infill development that preserve open space and minimize land use through reductions in minimum lot sizes, setback requirements, and parking mandates,
    - b. development of workforce and middle-income housing within mixed-use projects
  - 5.3. Support:
    - a. home modification programs for older adults and individuals with disabilities,
    - b. zoning that allows multi-family housing near transit, job centers, and downtown/village cores,
    - c. residential use in commercial districts through mixed-use zoning, and
    - d. cooperative housing models with shared infrastructure and amenities
  - 5.4. Provide technical assistance and pre-approved designs to expand accessory dwelling unit development.
  - 5.5. Use local housing needs assessments to guide zoning and land use decisions.
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## **Goal 6: Limit housing development in areas with known hazard risk.**

### **Strategies:**

- 6.1. Align regional and municipal planning efforts with the most up-to-date hazard maps and data.
- 6.2. Discourage new development in high-risk areas, including mapped river corridors, floodplains, and other hazard-prone locations.
- 6.3. Promote:
  - a. voluntary relocation, strategic retreat, and buyout programs for existing homes in high-hazard zones,
  - b. risk reduction and increased resilience through redevelopment and retrofits of existing housing in vulnerable areas.
- 6.4. Educate municipalities, developers, and homeowners about the risk(s) from natural hazards, planning for a resilient future, and how to comply with relevant regulations.

**Policies:**

- 6.1. Provide technical assistance to municipalities to help ensure residents have access to the National Flood Insurance Program and understand related requirements.
- 6.2. Use FEMA Flood Insurance Rate Maps, the State of Vermont's River Corridor Map, and local hazard assessments when reviewing development proposals.
- 6.3. Incorporate known hazard zones into future land use maps to steer new growth away from high-risk areas.
- 6.4. Deny Regional Plan conformance for projects that propose new housing in, or the extension of water, sewer, or road infrastructure into, identified high-hazard areas.

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**Goal 7: Increase the resilience of housing and neighborhoods to climate change.****Strategies:**

- 7.1. Avoid siting new housing in high-risk hazard areas.
- 7.2. Encourage resilient design and construction standards in new homes.
- 7.3. Retrofit existing housing to improve resilience to flooding, storms, and extreme temperatures.
- 7.4. Use nature-based solutions to reduce neighborhood-scale climate risks.
- 7.5. Improve the resilience of infrastructure serving residential areas.
- 7.6. Ensure resilience planning addresses the needs of vulnerable populations.
- 7.7. Incorporate resilience goals into regional housing policies, project evaluations, and funding programs.

**Policies:**

- 7.1. Align land use regulations with local hazard mitigation plans.
- 7.2. Promote:
  - a. green building certifications that include resilience standards,
  - b. green infrastructure like rain gardens, permeable surfaces, and bioswales in housing projects, and
  - c. tree planting and green roofs for urban heat mitigation.
- 7.3. Provide technical assistance to stakeholders for programs that fund resilience retrofits such as elevating homes, reinforcing roofs, and installing storm windows.
- 7.4. Restore wetlands, riparian buffers, and floodplains near Downtown Centers, Village Centers, Planned Growth Areas, and Village Areas.
- 7.5. Prioritize:
  - a. undergrounding or hardening utility lines in residential areas,

- b. resilience investments in climate-vulnerable, low-income, historically marginalized communities, and
    - c. resilience as a key consideration for assessing support for housing projects being developed with public funding.
  - 7.6. Encourage:
    - a. municipalities to consider hazard exposure in siting and prioritizing projects included in their capital improvement plan, and
    - b. municipalities to include resilience upgrades in their capital improvement plan.
  - 7.7. Coordinate regional housing planning with Vermont's climate adaptation strategies and hazard mitigation goals.
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## **Goal 8: Reduce greenhouse gas emissions from the housing sector.**

### **Strategies:**

- 8.1. Promote energy-efficient construction and retrofitting existing housing to improve energy performance and reduce emissions.
- 8.2. Encourage compact, location-efficient housing that minimizes vehicle miles traveled.
- 8.3. Support the electrification of homes and the transition from fossil fuel heating and appliances.
- 8.4. Expand the use of renewable energy in new and existing housing by including energy efficiency considerations in regional housing project reviews and funding recommendations.

### **Policies:**

- 8.1. Support:
  - a. weatherization, insulation, and HVAC upgrades for existing homes—especially for low- and moderate-income households,
  - b. higher residential densities in mixed-use areas to reduce transportation and building emissions, and
  - c. net-metering policies that allow households to offset their energy use with renewable generation.
- 8.2. Prioritize:
  - a. new housing in walkable neighborhoods, village centers, and areas with existing transit, and
  - b. public investment in housing that lowers total lifecycle emissions,
- 8.3. Discourage development of new housing in remote locations that require long commutes or high car dependency.

- 8.4. Provide technical assistance for funding programs that support the installation of electric heat pumps, solar panels, and energy efficient appliances to expand access to rebates and services.
- 8.5. Encourage rooftop and shared/community solar for residential use.
- 8.6. Promote adaptive reuse of existing buildings to reduce construction waste and preserve embedded carbon.
- 8.7. Advocate for emissions reduction and energy efficiency criteria to be embedded in state and federal housing programs.

## **Housing Chapter updates**

Per our discussion at the last meeting, Eli has updated text in the housing chapter to include additional details on innovative financing alternatives for supporting the development of affordable housing. I only include the updated section. The rest of the chapter remains the same as the last time it was reviewed by the Regional Plan Committee. Some of the program specifics for these alternatives may be moved to the Economy chapter (at a minimum, cross-referencing will be built into the document here to reflect the close connection to economic development).

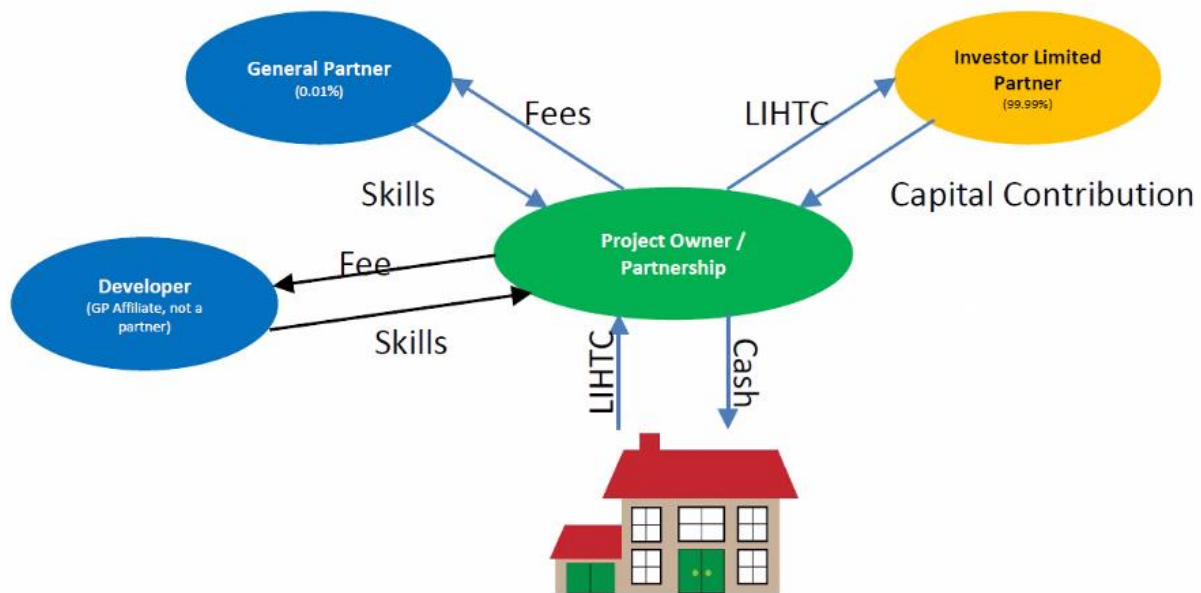
## **2.2: Affordable Housing Development in Central Vermont**

Developing affordable housing in Vermont involves a combination of state, federal, and local efforts, as well as collaboration between public agencies, private developers, non-profit organizations, and community groups. The process can be complex due to Vermont's unique geography, housing market, and the desire to preserve the state's rural character and environmental resources. Below is an overview of how affordable housing is typically developed in Vermont:

Affordable housing development in Vermont often relies on a combination of state and federal funding sources. Below are some of the funding sources for affordable housing development in our region;

- **Low-Income Housing Tax Credits (LIHTC):** A federal program administered by the Vermont Housing Finance Agency (VHFA) to incentivize private investment in affordable rental housing.

# LIHTC - How It Works



- **Vermont Housing and Conservation Board (VHCB):** The VHCB supports affordable housing and land conservation projects through grants, loans, and technical assistance. It often works with non-profit housing developers.
- **HOME Investment Partnerships Program:** A federal program that provides funds to state and local governments for the development of affordable housing for low-income families. These funds are administered in Vermont by the Vermont Agency of Commerce and Community Development (ACCD).
- **CDBG (Community Development Block Grants):** Another federal program, administered by the state, that provides funding for various community development projects, including affordable housing.
- **Vermont Affordable Housing Tax Credit (VTAHTC):** A state-level program that mirrors LIHTC, providing additional tax incentives to developers of affordable housing.

**New Markets Tax Credits (NMTCs)** are a federal tax incentive in the United States designed to encourage private investment in low-income communities that are traditionally underserved by capital markets. They are used to spur economic development and job creation in distressed communities by attracting private investment.

- Investors (typically large financial institutions) receive a **tax credit equal to 39%** of the total investment, claimed over **7 years**.
  - 5% annually for the first 3 years
  - 6% annually for the next 4 years
- Investors invest in a Community Development Entity (CDE).
- CDEs use the capital to make Qualified Low-Income Community Investments (QLICIs) in Qualified Active Low-Income Community Businesses (QALICBs).
- Investments must be made in Qualified Low-Income Communities, defined by census data (based on poverty rate or median income).

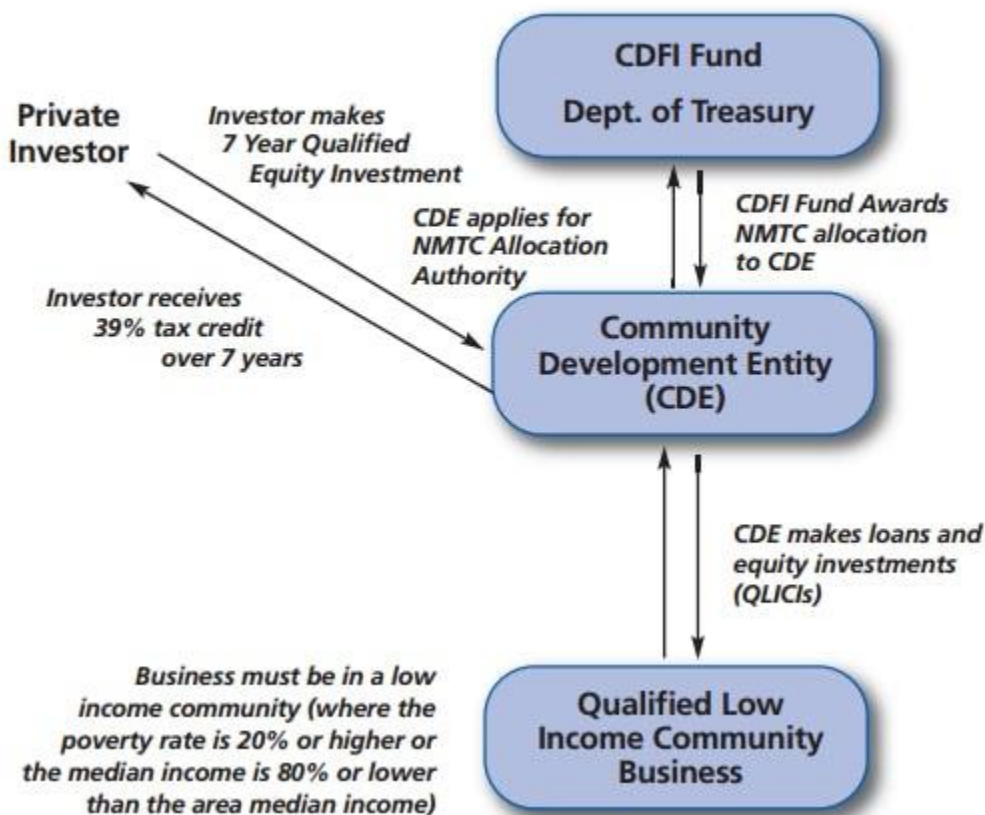


- CDEs must be certified by the U.S. Department of the Treasury's Community Development Financial Institutions (CDFI) Fund.

#### How New Market Tax Credits can be used to support housing:

- Mixed-Use Projects (Primarily Commercial)
  - NMTCs can be used for developments that include housing if the majority of the project's income comes from commercial or community uses, not residential rent.
  - Example: A building with ground-floor retail and upper-floor apartments, where less than 80% of the building's income is from residential rent.
- Community Facilities with Housing Components
  - NMTCs can help finance projects like shelters, transitional housing, or community centers that provide housing as part of a broader social mission.
- Supportive or Special Needs Housing
  - If the housing is part of a facility offering services such as job training, health care, or addiction recovery, it may qualify under NMTC guidelines.
- Standalone Residential Housing Projects (like standard apartment complexes) are not eligible for NMTC financing.
  - NMTCs are primarily intended to support commercial, industrial, and community facility projects that stimulate job creation and economic growth in low-income communities.

### How the New Markets Tax Credit Works



## **Tax Increment Financing (TIF)**

Tax Increment Financing is a financing tool used by local governments to encourage economic development and redevelopment for underutilized or blighted properties or areas.

**Traditional TIF** often applies to a whole district (a geographic area).

A city designates a TIF district. Property values in the district are initially frozen at a base level. As redevelopment occurs, property values increase. The increase in tax revenue (above the base) is used to repay development costs or debt.

**Project-Based TIF** focuses only on one specific project or property, rather than a whole district. The tax increment generated by that specific project pays for eligible costs (such as infrastructure, site preparation, or environmental remediation). Often used in **smaller communities** or for **infill development** where a full TIF district may not be justified.

Eligible infrastructure for TIF can be:

- Streets, utilities, sidewalks
- Demolition and site prep
- Public amenities like parks or parking
- Environmental cleanup
- Developer reimbursement for certain private improvements (subject to agreement)

**Vermont Community Housing and Infrastructure Program (CHIP)** is included in Act 69 (2025) and is a tax-increment financing (TIF) program that helps Vermont towns build housing infrastructure—like roads, water, sewer, and broadband—by borrowing against future property tax growth, without raising current taxes.

### **How it Works:**

- Towns enter agreements with developers; funds from future property tax increases (the “increment”) repay the bonds.
- Unlike traditional TIF, CHIP is tailored for small towns—one property or project at a time.
- Bridges a roughly \$240 million funding shortfall for water/sewer infrastructure statewide.
- Enables municipalities/developers to retain up to 60% of education tax increment (80% for middle-income housing) plus 85% of municipal increment for up to 20 years to fund necessary infrastructure.

### **How CHIP Works for Housing Development:**

- *CHIP authorizes a sponsor—any of a municipality, a developer, or an independent agency that meets State lending standards— to finance the costs of infrastructural improvements (housing infrastructure projects) using future property tax revenues from the parcel or parcels on which a housing development is constructed, subject to Vermont Economic Progress Council (VEPC) approval and the terms of a housing infrastructure agreement that governs the relationship among the municipality, the developer constructing the housing development, and the sponsor.* prepared by the staff of the Office of Legislative Counsel
- Housing Infrastructure costs (for roads, water/wastewater, broadband) add to the costs associated with housing. CHIP allows a flexible funding mechanism for municipalities and developers to finance housing projects.
  - These debts are then repaid over time using the *incremental* property tax growth generated by the new development.
- The program requires this public investment goes to affordable housing by wouldn’t proceed including a “but-for” test for most developments though affordable housing is exempt from this hurdle.

- Funding is strictly for infrastructure directly tied to housing that are located in existing settlements, thus avoiding sprawl and maintaining Smart Growth principles.
- Many Vermont towns lack municipal sewer or water systems. CHIP lowers these infrastructure barriers, enabling projects that otherwise wouldn't pencil out.

