Community Investment Package

WHAT: The community investment package helps the state tackle its housing, revenue, and demographic challenges by aligning state and local regulations with new funding to increase housing quality, supply, and affordability within Vermont's downtowns, villages, and neighborhoods.

WHY: Jobs are going unfilled, employees are driving farther and farther from work to find homes they can afford, and the most vulnerable among us are struggling to find or maintain the foundation to well-being – a decent, warm, dry, safe, and secure place to call home.

A recent survey by the Department of Housing and Community Development found that high land and construction costs, unnecessarily complicated regulations (local zoning and Act 250), limited water and wastewater infrastructure, and too few tools or incentives to help cities and towns support new development have constrained the market's ability to meet Vermont's housing needs.

Aligning regulations and funding within Vermont's walkable centers will create more housing opportunities, supercharge successful community revitalization efforts, help expand the workforce, and ensure the state's economy can meet its full potential.

WHO: The proposal aims to help first-time homebuyers and renters; downsizing older adults; middle-income and workforce Vermonters (80–120% AMI); employers seeking workers and workforce housing; struggling downtowns, villages, and neighborhoods; landowners and homebuilders; and state and municipal revenue.

HOW: The package takes a comprehensive approach to address Vermont's housing, revenue, and demographic challenges. Specifically, the proposal:

1. **Speeds permitting for new and rehabilitated housing units by exempting certain state designated centers from Act 250 and state water and wastewater connections permits.**
2. **Provides new tools, funding, and training to help municipalities adopt 'housing ready' bylaws.**
3. **Trains the next generation of builders and landlords to help jump-start housing investment in all counties.**
4. **Makes rental housing in state designated Neighborhood Development Areas eligible for Downtown and Village Center Tax Credits.**
5. **Offers new grants to bring unsafe, blighted, and vacant rental units up to code and back online.**
6. **Eliminates the capital gains on the sale of improved homes located within federally designated Opportunity Zones.**
7. **Establishes a framework to leverage funding for 'placemaking' projects within state designated centers.**

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