



Exempt State Designated Downtowns and Neighborhoods from Act 250 Review

WHAT: Reduce double-permitting by eliminating state Act 250 review in state designated downtowns and neighborhood development areas; and transition existing Act 250 permits to municipal review in these locations.

WHY: Encouraging development and reinvestment in our downtowns and adjoining neighborhoods helps revitalize our historic centers, supports small businesses, attracts private investment, employers and workers, improves access to jobs, increases property values and is responsive to the needs generated by the state's demographic shifts.

Municipalities that qualify for downtown and neighborhood development designation have demonstrated the capacity to guide development consistent with their community goals and standards. This can make Act 250 review redundant.

Exempting certain designated centers from Act 250 review means housing and commercial development within designated downtowns and neighborhoods will be less expensive and more predictable.

WHO: When municipal planners were asked what state benefit (other than funding) would be most beneficial to state designated centers, the top response was to eliminate Act 250 review in those areas. Doing so would help level the playing field with greenfield developments and allow small-scale home builders, developers, and businesses to secure permits more efficiently. The proposal aims to help first-time homebuyers and renters; downsizing older adults; middle-income and workforce Vermonters (80–120% AML); employers seeking workers and workforce housing; struggling downtowns, villages, and neighborhoods; landowners and homebuilders; and state and municipal revenue.

HOW: Update the Act 250 statute to eliminate the need for a permit and enhance municipal review in state designated downtowns and neighborhood development areas in the following ways:

- No development will be subject to Act 250 permitting in state designated downtown and neighborhood development areas.
- Update the local development review requirements for designated downtowns to ensure the local development review process adequately guides development.
- Improve the requirements for designated neighborhood development areas to better address flood resilience in vulnerable places.

FUNDING: No new funding needed. This will be part of a larger Act 250 reform package that may include a funding request to support other components of the bill.