



Expand Tax Credits and Improve Rental Housing

WHAT: Expand the successful [downtown and village center tax credit program](#) to support the improvement of rental housing in neighborhood development areas; and strengthen community flood preparedness by providing tax credits to floodproof buildings within flood hazard areas.

WHY: The downtown and village tax credits are a proven way to jump start the revitalization seen in Vermont's historic centers. These investments in community vitality support small businesses, attracts private investment, employers and workers, improves access to jobs, and increases property values. Expanding this existing program to improve rental housing would increase the supply, quality, and flood resilience of rental housing in and around Vermont's historic centers.

WHO: The proposal would help community supported enterprises, small businesses and employers, private and non-profit housing, and commercial property developers. Enhancing the tax credits to increase private investment in existing housing stock, helps attract younger Vermonters seeking housing opportunities near work, downsizing older adults wanting to live closer to shops and services, employers struggling to fill open jobs because of a lack of adequate housing, and help qualified owners flood proof their property. For municipalities, stimulating rental housing investment increases the value of the grand list, improves flood readiness, helps maintain the population needed to ensure their long-term vitality and viability, and makes the operation of schools, and the repair and maintenance of municipal infrastructure, more affordable.

HOW: Amend the tax laws to enable rental properties within neighborhood development areas to qualify for downtown and village center tax credits; and expand tax credit-eligible building improvements to include flood mitigation work within special flood hazard areas.

FUNDING: Increase the cap by \$1.4M, for a total of \$4M.