

## Program Overview

This designation program increases housing options by reducing the time and cost of state permitting in areas within easy walking distance of commercial centers — whether converting a wing of a house into an apartment or developing an entirely new neighborhood. Municipalities or developers may use this designation to encourage the creation of new homes in development-ready locations near shops and services and to reduce pressure to develop on farm and forest land. Municipalities with an existing designated downtown or village center, with adopted plans and regulations that support housing and compact development can qualify for neighborhood development area designation.

Website: <http://accd.vermont.gov/community-development/designation-programs/neighborhood-development-areas>

## Municipalities with NDA Designation

Burlington, Essex Junction, Manchester, South Burlington, Westford, and Winooski

## By the Numbers [2015-2019]

**6**  
designated NDAs

**586**  
housing units qualified  
for NDA benefits

**7**  
months average time  
saved in state permitting

**\$50,000**  
average saved in  
state permit fees

## Burlington - Designation Lowers Housing Costs



Burlington's housing action plan recognizes the contribution of the neighborhood development area designation in lowering the cost of building well-designed, mixed-income housing, compatible with Burlington's existing character. Among recent projects was the Champlain Housing Trust's Bright Street Coop, a 42-unit mixed income, infill housing project on 1.35 acres of land in Burlington's Old North End. Located within Burlington's designated neighborhood development area, the project qualified for the Act 250 Priority Housing Project exemption - saving over \$50,000 in associated costs and an estimated three months of permitting time (out of an approximately \$6.5 million budget). Additionally, the project saved another \$3,000 in wastewater connection fees and reduced the risk of added costs from a permit appeal. Burlington's neighborhood development area designation continues to help the region address its acute housing shortage by lowering the cost of building new mixed-income development in and around the designated downtown.

For more information, please contact:

Jacob Hemmerick: [jacob.hemmerick@vermont.gov](mailto:jacob.hemmerick@vermont.gov)

802.828.5249

# Designated Neighborhood Development Areas

## Program Benefits

State designation of neighborhood development areas (NDAs) provides incentives for housing developers and municipalities to help increase the creation of new homes within walking distance of shops, jobs, services, and schools. Once designated the following benefits will be available within an NDA. (See [NDA Application Guide](#) for information on obtaining designation.)

## Benefits for NDA Housing Developers

### State Permitting

- Qualified mixed income housing projects are exempt from review. See [Priority Housing Project flow chart](#) to learn more on projects that qualify
- Act 250 projects not qualifying for the exemption receive a 50% discount on application fees
- Act 250 offsite mitigation fees are reduced for projects impacting primary agricultural soils in NDA's associated with a designated downtown, and that are subject to Act 250 review.
- If subject to Act 250, projects within an NDA (and other designated areas) are within an “existing settlement” and not required to provide additional analysis under Act 250 Criterion 9(L) that addresses scattered development.
- Agency of Natural Resources fees for wastewater review are capped at \$50.00 for projects that have received sewer allocation from an approved municipal system.

### Tax Benefits

- Exemption from the land gains tax for housing units that are sold.

### Municipal Regulation

- Local conditional use decisions that determine the “character of the area” criteria is met, cannot be appealed to the Environmental Court if the project is within an NDA.

## Benefits for Municipalities

- Priority consideration is available for various grants and incentives supporting projects within an NDA including:
  - Municipal Planning Grants (ACCD)
  - Vermont Community Development Program (CDBG) Grants (ACCD)
  - Better Connections (VTrans/ACCD)
  - Brownfield Revitalization (ANR/ACCD)
  - State affordable housing funds
- Training and technical assistance from ACCD on obtaining benefits.



For more information, please contact:

Jacob Hemmerick: [jacob.hemmerick@vermont.gov](mailto:jacob.hemmerick@vermont.gov)

802.828.5249