

Understanding the HOME Act & Act 181



Increasing Housing with Updated Land Use Policies

In recent years, lawmakers have adopted notable policies and investments to promote well-planned housing development in Vermont. The HOME Act (Act 47 of 2023) and Act 181 (2024) made significant changes to land use laws in Vermont to encourage housing development, specifically more affordable and multi-unit housing in and around our community centers.

While work remains to finalize rules and ensure effective implementation, these policies and state investments are already working to spur more housing.

Act 181 largely followed the consensus recommendations of a diverse stakeholder group created by the HOME Act and led by the Scott Administration's Natural Resources Board. This consensus was supported by groups ranging from VNRC to the Vermont Chamber of Commerce, and was based on the foundational agreement that:

"...facilitating the development of new housing while ensuring that we are maintaining our rural working lands and ecologically important natural resources are not mutually exclusive goals. In fact, exempting designated areas from Act 250 jurisdiction to increase the state's housing stock, advance equity and diversity through affordable and workforce housing, and expand economic development opportunities while protecting rural lands and natural resources are the basis for these recommendations."



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The HOME Act promotes the expansion of housing availability through small-scale infill on lots serviced by existing infrastructure

- **Act 250 Exemptions**

- Provides temporary Act 250 exemptions for housing projects in areas planned for growth; these exemptions were expanded in Act 181

- **Municipal Zoning**

- Prohibits towns from requiring more than 1 parking space/housing unit in districts served by municipal sewer and water
- In residential districts, zoning bylaws must:
 - Allow duplexes where single-family homes are allowed
- In residential districts served by municipal sewer and water, zoning bylaws must:
 - Permit 3 and 4-unit buildings where single-family homes are allowed;
 - allow 5 or more homes per acre;
 - not require standards for multi-unit homes that are more restrictive than those required for single-family homes; and,
 - allow affordable housing development, including mixed-use, to exceed density and height limitations
- Removes the ability of local boards to require larger lot sizes, more parking spaces, limit the building size or height, or limit the density otherwise allowed by the bylaws

- **Appeals**

- Prohibits zoning appeals by "any 10 people" based on "character of the area" if a project has an affordability component

- **Regional Planning**

- Requires regional plans to identify and plan for affordable housing needs, and for Regional Planning Commissions (RPCs) to study how to better align regional and municipal plans



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Act 181 overhauls Vermont's planning framework for coordinating state, regional, and municipal land use

- **Board**
 - Replaces the Natural Resources Board with a professional Land Use Review Board (LURB)
- **Location-Based Jurisdiction**
 - Transitions Act 250 jurisdiction to location-based "tiers" with a community-guided approach to more effectively promote smart growth
- **Land Use Maps**
 - Improves standards for regional future land use maps and charges the LURB with approval, including areas targeted for housing growth
- **Interim Housing Exemptions**
 - Provides an on-ramp to location-based jurisdiction by expanding Act 250 exemptions for housing (as initiated in the HOME Act), including:
 - Housing projects of any size in designated downtowns;
 - Housing projects with 75 units or fewer in designated growth centers, new town centers or neighborhood development areas;
 - Housing projects with 50 units or fewer within ¼ mile around a designated village center and urbanized transit routes;
 - Priority Housing Projects of any size within ½ mile of a designated downtown, neighborhood development area, or growth center
- **Other Housing-Related Provisions**
 - Further loosens municipal parking requirements
 - Exempts hotel/motels converted to permanently affordable housing
 - Until 2028, exempts new ADUs and does not count new ADUs toward unit thresholds
 - Until 2028, exempts commercial to residential conversions with 29 or fewer housing units
- **State Designation Program**
 - Updated to increase accessibility to non-regulatory benefits, particularly for small towns. Integrated with municipal/regional planning processes. Initial designations occur automatically upon approval of regional plans (Dec 2026)
- **Appeals**
 - Raises "Any 10 people" appeals threshold to 20 people;
 - Requires the LURB to conduct a formal study this year to review how appeals should be addressed, including whether the LURB should hear Act 250, zoning and ANR permit appeals and how to expedite housing project appeals
- **Implements new Act 250 criteria** to promote proactive site design for development in forest blocks and wildlife connectivity areas; requires LURB to adopt rules to implement the new criteria
- Requires the LURB to adopt rules to **determine whether and how statewide environmental review should occur** in critical natural resources (Tier 3)
- Requires the LURB to **prepare a report that addresses development** in Tier 2 areas



