

# Vermont Has Taken Major Steps to Spur Housing

This document summarizes the major legislative changes, the scale of state investment, and gives examples of specific housing projects currently underway across Vermont.



## Recent Major Policies to Encourage Housing

### The HOME Act (2023) Promotes the Expansion of Housing

- **Act 250 Exemptions:** Provides interim Act 250 exemptions for housing projects in areas planned for growth; these exemptions were cemented in Act 181.
- **Re-Legalized “Missing Middle” Housing through Municipal Zoning Modernization:**
  - Prohibits towns from requiring more than 1 parking space per housing unit in districts served by municipal sewer and water
  - Allows 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;
    - 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 Reform:** Prohibits zoning appeals of affordable housing based on “character of the area,” and for housing developments within certain designated areas.
- **Regional Planning:** Requires regional plans to plan for affordable housing needs, and for Regional Planning Commissions (RPCs) to study how to better align regional and municipal plans.
- **Housing Targets:** Requires municipal plans to include new housing targets consistent with the Vermont Statewide Housing Needs Assessment.

### Act 181 (2024) Makes it Easier to Build Housing in Smart Locations:

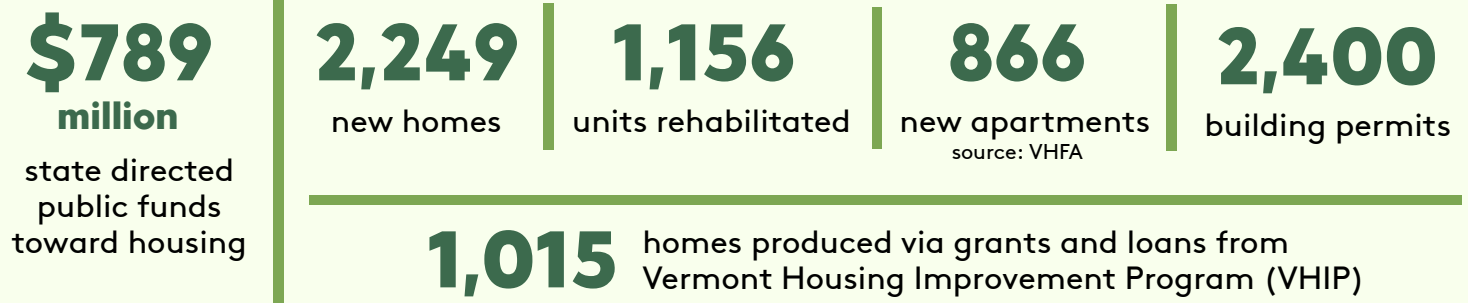
- **Takes a Smart Growth Approach to Development:**
  - Modernizes Act 250 to streamline permitting for homes in and around village centers and downtowns—places with existing infrastructure and services—as well as areas planned for future growth with adequate soils for wastewater.

- Focuses Act 250 review on development outside growth areas to keep farms, forests, and sensitive natural resources intact and working.
- **Strengthens Local and Regional Planning:** updates regional maps to coordinate municipal and regional plans with state investments and regulations so communities can effectively guide growth.
- **Expands State Designations and Investment Opportunities:** Automatically enrolls mapped downtowns and village centers and simplifies access to investments for development and revitalization projects.

## Act 69 (2025) Created a New Infrastructure Funding Program

- **Created the Community and Housing Infrastructure Program (CHIP):** provides a new tool for tax-increment financing for public infrastructure supporting housing.
- **Amended the Vermont Rental Housing Improvement Program:** allows 10-year forgivable loans for landlords and expand service to those displaced by natural disasters
- **Created the Vermont Infrastructure Sustainability Fund:** provides low-interest loans for municipal infrastructure projects that support housing.

## BY THE NUMBERS: Vermont's Housing Investments (2020-2024) source: VT Digger



## New Housing Projects All Across Vermont

- **Johnson** 25 units (13 senior and 12 family apartments) are coming online in former college classrooms, within walking distance of the village, college campus, general store, health center, elementary school, and childcare.
- **Lyndon** 15 buildings - a mix of condos, duplexes, and family homes - being developed (Miller Run project).
- **St. Albans** 33 one- and two-bedroom apartments at Reid Commons, opened in 2025, with a range of rents to serve a mixed-income community.
- **St. Johnsbury** 26 units of affordable senior housing at Packard Court are under construction.
- **Fairlee** Village Ventures and Réal Hazen Construction have built nearly 20 infill development homes and are in the planning stages for 45 more.
- **Windsor** 25 highly-efficient, affordable homes have opened on a previously vacant lot in historic downtown.
- **Shelburne** 94 new homes were brought online through the Bay Ridge project on Shelburne Road.
- **West Rutland** 24 new housing units were brought online with the completion of Marble Village Apartments.
- **Rutland City** 30 units built by Cornerstone Housing Partners and Evernorth are part of 220 permitted housing units now in the works.
- **Newport** 40 new units are being developed in the former Sacred Heart Convent property and two newly constructed buildings in Newport Center.
- **Putney** 25-unit housing project opened in May.

Vermont has enacted major laws to make it easier to build housing while also protecting our farms, forests, and critical natural resources. **We have invested close to a billion dollars into housing.** Those efforts are paying off with new projects coming online across the state. We must implement these new land use laws effectively and keep investing in housing to maintain progress.

