MEMORANDUM

TO: Selectboard
VIA: Peter Elwell, Town Manager
FROM: Sue Fillion, Planning Director
DATE: December 26, 2019
RE: Intent to apply for Neighborhood Development Area designation

Recommendation: No action is required

Vermont has been working to identify barriers to housing creation. The Planning Services Department has been doing the same, most recently participating in a workshop with the Congress for New Urbanism to explore changes that we can make to the land use regulations. These will be adjustments that could resolve minor inconsistencies, reduce unnecessary complexity, and ensure that the regulations will allow desirable forms of development that may not be approvable under the current regulations. Another tool that we have identified is Neighborhood Development Area (NDA) designation.

The NDA is a one of 5 designations that the Vermont Agency of Commerce and Community Development offers to align policies and provide incentives that encourage new development in compact, developed areas. Brattleboro currently has a designated Downtown and Village Center. The NDA designation is intended for land that is within ½ mile walking distance from a downtown designation boundary (1/4 mile from a village center designation). We intend to apply for NDA for the ½ mile area surrounding the downtown designation (see attached map) with an extension up Canal Street to the interstate interchange. This would encourage the creation of new homes in development-ready locations near shops and services with an aim to reduce pressure to develop on farm and forest land.

The benefits of the NDA are special permit and tax incentives for communities and developers that commit to building mixed-income housing in the designated area. These include:

- qualified “mixed income” projects are exempt from Act 250 regulations
- Act 250 projects not qualifying for the exemption receive a 50% discount on application fees
- 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
- Exemption from the land gains tax
- Limitation on appeals of conditional use permits for residential development
- Municipalities receive priority consideration for state grants (Municipal Planning Grants, Vermont Community Development Program, Better Connections, and State affordable housing funds)

The application process is straightforward and includes mapping and analysis of flood hazards, natural resources, water and wastewater systems, historic resources, and land use regulations as policies pertaining to residential densities, block pattern, land uses, and complete streets. We intend to submit this application by February 3 and will be heard by the Vermont Downtown Board at the end of February. If we receive designation, renewal would occur when the underlying downtown designation is renewed.