

MEMORANDUM

To: Charlotte Planning Commission
Copy: Nate Bareham, Town Administrator; Rebecca Kaplan, Planning & Zoning Assistant
From: Darren Schibler & Kate McCarthy, Senior Planners
Date: May 9, 2025
Re: Act 181 – Regional Future Land Use Map, Housing Targets, and Act 250 Tier 1B feedback

There are three connected topics contained within this agenda item. Each is addressed below. Chittenden County Regional Planning Commission (CCRPC) staff will be on hand to present/receive feedback on all of these.

Background

Acts 47 and 181 laid out several new requirements for regional planning commissions (RPCs) that directly impact local planning. The State has set a new, common format for Future Land Use Map and related Act 250 Tier 1B status eligibility. It also assigned housing targets to each regional planning commission and tasked RPCs with allocating these to the municipal level.

CCRPC staff attended a Planning Commission meeting in January to present the first draft of the Future Land Use Map using the [eleven statewide categories](#) and their [associated statutory criteria](#), as well as to share a draft outreach plan for the Town. Since that meeting, we have held engagement events throughout the region, and are refining the map based on community input. Town staff also have been involved in developing the region-wide methodology for the allocation of housing targets through the CCRPC's Planning Advisory Committee.

Public feedback on each of the topics is invited through May 19th. Each of CCRPC's member municipalities will receive regional summaries of public comments. Comments specific to Charlotte are included in this memo.

1. Regional Future Land Use Map

In addition to reviewing a draft map at the January PC meeting, CCRPC released the public-facing draft map and housing targets in late March. Once finalized, the map, along with CCRPC's regional plan, will be submitted to the State's new Land Use Review Board for review and eventual approval. The Map is relevant to local planning in a few ways:

- Municipal plans (like the next Town Plan) will need to be consistent with the Regional Plan
- Certain land use designations on the regional map will be eligible for the new Community Investment Program incentives that will replace the former State Designation Program (actual designation is a separate action by the Land Use Review Board).
 - Existing Downtowns and Village Centers, including the West Charlotte Village Center and East Charlotte Village Center, are eligible for the "Center" designation, with different "Steps" reflecting the level of change and investment the community desires. Existing designated villages automatically qualify as "Step 2" centers.



- Planned Growth Areas and Village Areas are eligible for the “Neighborhood” designation, which focuses on enabling residential development to support the associated Center.
- Downtown Centers and Village Centers, Planned Growth Areas, and Village Areas are those eligible for Act 250 Tier 1B and Tier 1A status (obtaining these statuses requires separate actions – see below).

Note that the Regional Future Use Map may not have the same level of specificity as the Town’s Zoning map in its categories (except as required by law, such as for river corridors), especially for centers and their surrounding areas, and the Regional Future Land Use Map is not a zoning map. Village Areas, for example, may include locally identified and regulated parks and habitat blocks, or may include both residential & commercial zoning districts of different kinds. Regionally mapped Village Areas may also be more expansive or limited than corresponding areas in municipal zoning due to statutory guidance about walkability or infill development opportunity.

A revised map will be published after the close of the public comment period on May 19th. Based on region-wide feedback and comments specific to Charlotte, CCRPC staff already anticipate a few changes to the draft map that is currently out for public comment:

- Region-wide, Floodplains and River Corridors will be shown as a cross-hatched overlay instead of only as “Rural Conservation.”
- Any parcels included in Charlotte’s conserved lands inventory will be changed to Rural Conservation.

Planning Commission / Selectboard action:

No action required. Commissioners and Board members are invited to provide additional feedback on the draft map if there is any.

2. Act 250 Tier 1B Opt-In

Under Act 181, the Regional Planning Commission identifies areas eligible for Act 250 Tier 1B status. If the local legislative body decides to “opt in” to Tier 1B – a partial exemption from Act 250 - the RPC then submits the Tier 1B areas to the Land Use Review Board for approval. Local legislative bodies are requested to submit their decision on whether to “opt in” by June 30th. The Commission is asked to provide a recommendation to the Selectboard at this meeting.

Tier 1B status extends the present [Interim Act 250 Exemptions in Act 181](#) and aligns their geographic boundaries to the Regional Future Land Use Map. [Interim Exemptions](#) have been in place for the past year and capture areas within and ¼ mile around Charlotte’s Village Centers as delineated by the existing state planning designation program. Without Tier 1B status, upon expiration of the Interim Exemptions in 2027, all areas would revert to prior Act 250 thresholds (in which jurisdiction would apply to projects with 10 or more homes, including any other projects from the same developer within 5 miles within 5 years prior).

If a municipality obtains Tier 1B status for an area, new development projects in those areas consisting of 50 or fewer dwelling units on 10 acres or less are exempt from Act 250. Importantly, Tier 1B status does

not override local zoning. All development would still be subject to applicable local zoning reviews as well as any applicable state regulations and permits. Existing Act 250 permit conditions would still apply and be enforced, but new permits and conditions would not be added. It is also important to note that the Tier 1B exemption applies only to residential development; Act 250's jurisdictional thresholds for commercial development would not be affected by Tier 1B status.

Analysis and Recommendations

In Charlotte, potential Tier 1B areas include the two Village Centers and surrounding Village Areas shown on the Regional Future Land Use Map. It is important to note that under Charlotte's existing land use regulations, which require a minimum lot size of 5 acres per dwelling unit for residential development, any project of 2 or more units would require 10 or more acres of land, which would trigger Act 250 jurisdiction anyway. In fact, all but one existing parcel in the Villages would likely fall below Act 250's conventional jurisdictional threshold of 10 or more units on 10 or more acres.

CCRPC's ongoing work with the Town on the Land Use Regulations for Charlotte's Village districts contemplates reducing minimum lot sizes and increasing residential density in the Village Commercial District(s). If those changes are made, the Commission should consider whether Act 250 exemptions for housing would be appropriate in those areas, or whether Act 250 jurisdiction should remain as-is.

CCRPC also staff heard interest from the Planning Commission in pursuing Act 250 exemption for Charlotte's Commercial zoning district. Under the current regional future land use map, this area would **not** be eligible for Tier 1B since it lies outside the Village Center and Village Area. Act 181's mapping criteria may allow for CCRPC to extend the Village Area to include the Commercial zoning district, which would make it eligible for Tier 1B. However, projects in that district would not benefit from the exemption unless the Town enacted changes to minimum lot size and/or residential density.

Planning Commission Action:

The Planning Commission is requested to make a recommendation to the Selectboard. Potential motions:

"I move to recommend to the Selectboard that they request Tier 1B status for all eligible areas within the Village Centers and Village Areas of the Regional Future Land Use Map."

"I move to recommend to the Selectboard that they request Tier 1B status for a portion of eligible areas of the Regional Future Land Use Map to include _____."

"I move to recommend to the Selectboard that they do not request Tier 1B status for any areas within the Town of Charlotte."

3. Act 47 & 181 Housing Targets

As established under Act 47, this winter the VT Department of Housing and Community Development released a statewide [Housing Needs Assessment](#) and [Housing Targets for each region](#) for 2030 and 2050. Under the Act, Regional Planning Commissions must allocate these to the municipal level, which will then

be incorporated into municipal plans. Enclosed with your packet are materials prepared by the CCRPC, including the targets themselves and summary of the methodology. Town staff have been closely involved in preparation of the draft allocation between the CCRPC's 19 municipalities. The focus has been on the 2050 "Middle" target, which represents a meaningful planning target for the region and municipalities.

Methodology

As the materials describe, separate methodologies were established for the region's four cities, the mixed urban/rural towns, and the rural towns, as a reflection of their different infrastructure capacities and land use patterns. The methodology allocates housing in a way that builds our resilience as a region and within each community - environmental, fiscal, economic, and social. It also lays out a roadmap for thoughtful infrastructure investment over the next 25 years. Importantly, the targets do not assume that every municipality has the capacity for the entire target today. It's a 25-year plan that lays out a thoughtful, strategic approach to investment.

Rural Communities

The region's seven municipalities classified as "Rural" by CCRPC currently contain 7.62% of all the housing in our region. The draft housing targets anticipate that growth will continue in these rural communities, but at a slower rate than the four cities classified as "Urban" (which are allocated 60% of the regional housing target) and the remaining "Mixed Urban and Rural" communities (which are allocated 36.2% of the regional target). Each rural municipality's target is set so that by 2050, they would contain 50% less of the regional target than they do today (collectively, they will contain 3.8% of the region's housing by 2050). This is also the share of the regional housing target for all seven Rural municipalities.

Consistent with the state planning goals in [24 V.S.A. § 4302](#) and specifically [subsection \(c\)\(1\)\(A\)](#), communities must plan for compact development surrounded by open countryside, directing a substantial majority of their target for housing growth to be accommodated within Downtown Centers, Village Centers, Planned Growth Areas, and Village Areas. Compact development supports viable transit, access to services, thoughtful investment in infrastructure, and conservation of natural resources and working lands. Importantly, these targets are complementary to the Town's own land use goals, map, and plan.

The municipal plan must include actions to reach the targets in this manner; taking advantage of the benefits of the Community Investment Program and requesting Tier 1B exemption are two examples of actions that would advance this goal and potentially others in the municipal plan.

Planning Commission / Selectboard Action

No action required. Commissioners are invited to ask questions of CCRPC staff on the methodology and next steps.