



# Act 250 Housing Exemption Guidance (Act 181)

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## Purpose:

Provide guidance on how the housing exemptions of [Act 181 \(2024\)](#) are to be implemented consistent with the Act's purpose to protect and conserve the environment of the State while supporting the construction of housing in areas with capacity for growth.

## Important Notes:

- **Utilize the Interim Housing Exemption Map.** This map shows areas where the exemptions likely apply and can be used for planning purposes. Here is the [Interim Housing Exemption Map](#). The map will be revised as changes such as updates to state designated areas occur.
- **Resources and Tips.** Look for this symbol ( ✓ ) throughout this guidance for resources, links, and tips.
- **Contact your District Coordinator.** District Coordinators can determine whether these exemptions apply to a particular project. They can also provide helpful advice on utilizing the [Interim Housing Exemption Map](#). Find your [district coordinator here](#).
- **Jurisdictional Opinion recommended.** Only the Priority Housing Project exemption requires a person to [receive a jurisdictional opinion](#) from a District Coordinator prior to utilizing the exemption. However, you are strongly encouraged to discuss your project with a District Coordinator prior to construction to ensure that your project fits one of the exemptions. A jurisdictional opinion stating that your project qualifies for an exemption may be beneficial for financing or other purposes.
- **Unit Counts.** Unit counts generated by these exempt projects are attributed to each exempt project only, unless the project includes a larger plan of development. In that case, all units created as part of the larger plan would be counted for the purposes of determining whether the exemption applies. Unit counts attributed to these exempt projects do not count towards an individual's total units constructed.
- **Scope of Jurisdiction Exemptions.** These exemptions limit Act 250 permitting based on unit count, but may not limit jurisdiction based on other triggers, such as subdivision jurisdiction, which may require an Act 250 permit for a project otherwise exempt.

**Follow the links below to find information about each exemption:**

**Temporary Exemptions**

[Priority Housing Projects \(unlimited units\)](#)

[Designated Downtowns \(unlimited units\)](#)

[New Town Center, Growth Center, Neighborhood Development Areas \(75 units\)](#)

[Transit Corridors \(50 units\)](#)

[Village Centers \(50 units\)](#)

[Commercial Building Conversions \(29 units\)](#)

[Accessory Dwelling Units \(1 unit per dwelling\)](#)

**Permanent Exemption**

[Hotel Conversions \(unlimited units\)](#)

**Repeal**

[Repeal of 24-unit Exemption and 1 unit = 4 units Provision](#)

## Priority Housing Projects (unlimited units)

### Summary:

Until January 1, 2027, Priority Housing Projects in Designated Downtowns, Neighborhood Development Areas, or Growth Centers or within ½ mile of those areas do not require an Act 250 permit.

### Statutory language:

Notwithstanding any other provision of law to the contrary, until January 1, 2027, the construction of a priority housing project located entirely within areas of a designated downtown development district, designated neighborhood development area, or a designated growth center or within one-half mile around such designated center with permanent zoning and subdivision bylaws served by public sewer or water services or soils that are adequate for wastewater disposal. For purposes of this subdivision (III), in order for a parcel to qualify for the exemption, at least 51 percent of the parcel shall be located within one-half mile of the designated center boundary. If the one-half mile around the designated center extends into an adjacent municipality, the legislative body of the adjacent municipal may inform the Board that it does not want the exemption to extend into that area. 10 V.S.A. § 6001(3)(D)(viii)(III).

### Requirements checklist and resources:

- Qualifies as a Priority Housing Project (PHP)
  - ✓ [PHP Flowchart](#) with definitions
- Construction commenced before January 1, 2027
- Located entirely within the following designated areas:
  - Downtown Development District,
  - Neighborhood Development Area, or
  - Growth Center,

**OR**

- within ½ mile of one of the above designated areas **AND**
- The municipality has permanent zoning and subdivision bylaws, and
  - ✓ Check list on the [Municipal Planning Data Center](#)
  - ✓ Municipal bylaw filings are available on the [Plan & Bylaw Database](#)
  - ✓ Review [Interim Housing Exemption Map](#)
- The priority housing project has either: (1) public sewer or water services or (2) soils that are adequate for wastewater disposal.

- ✓ Review [Interim Housing Exemption Map](#)
  - ✓ An engineering solution or municipal connection authorization may be appropriate to meet these requirements.
  - ✓ the public water, sewer services, or soils only need be available to serve the priority housing project and do not necessarily need to exist on the project tract or in the designated center. For example, suitable soils may be on an adjacent tract.
  - ✓ For those tracks with parcels beyond the 1/2 mile buffer area, at least 51% of the priority housing project parcel must be within the 1/2 mile buffer area. The priority housing project may be located anywhere within a qualifying parcel. Mapping is sufficient to determine whether a priority housing project qualifies and a professional survey is not required.
  - ✓ Use the [Interim Housing Exemption Map](#)'s polygon area measurement tool to determine whether the parcel is 51% within the buffer area as necessary.
- Request a jurisdictional opinion from your District Coordinator by June 30, 2026 and substantially complete the construction of the project by June 30, 2029. See Act 47 (2023, sec. 16a. )
- ✓ Find out more about requesting a [Jurisdictional Opinion from your District Coordinator](#).

## **New Town Center, Growth Center, Neighborhood Development Areas (≤ 75 units)**

### **Summary:**

Until January 1, 2027, the construction of housing projects with 75 or fewer units in the following designated areas: New Town Center, Growth Center, Neighborhood Development Area do not require an Act 250 permit or permit amendment.

### **Statutory language:**

(dd) Interim housing exemptions.

(1) Notwithstanding any other provision of law to the contrary, until January 1, 2027, no permit or permit amendment is required for the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, with 75 units or fewer, constructed or maintained on a tract or tracts of land, located entirely within the areas of a designated new town center, a designated growth center, or a designated neighborhood development area served by public sewer or water services or soils that are adequate for wastewater disposal. Housing units constructed pursuant to this subdivision shall not count towards the total units constructed in other areas. This exemption shall not apply to areas within mapped river corridors and floodplains except those areas containing preexisting development in areas suitable for infill development as defined in 29-201 of the Vermont Flood Hazard Area and River Corridor Rule. 10 V.S.A. § 6081(dd).

### **Requirements checklist and resources:**

- Construction of housing project (cooperative, condominiums, dwellings, or mobile homes, etc.)
  - ✓ For the definition of dwelling, see [Act 250 Rule 2\(C\)\(10\)](#).
- Construction commenced before January 1, 2027.
  - ✓ For the definition of “commencement of construction” see [Act 250 Rule 2\(C\)\(2\)](#).
- Involves 75 or fewer units created.
- The housing project and infrastructure incidental to use is located entirely within the following designated areas served by public sewer or water or soils adequate for disposal:
  - New Town Center,
  - Neighborhood Development Area, or
  - Growth Center,
- ✓ Review the [Interim Housing Exemption Map](#) showing these designated areas.

✓ Only the housing project and areas “incidental to the use” as described in [Act 250 Rule 2\(C\)\(5\)\(b\)](#) of the housing project need be within the designated area, not the entire project tract.

✓ Only one of the following need to serve the project: Public sewer or public water or soils adequate for wastewater disposal. Mapped areas indicate the presence of one or more of these attributes.

✓ Review [Interim Housing Exemption Map](#) for these service areas.

✓ An engineering solution or municipal connection authorization may be appropriate to meet these requirements.

✓ the public water, sewer services, or soils only need be available to serve housing project and do not necessarily need to exist on the project tract or in the designated center. For example, suitable soils may be on an adjacent tract.

The housing project and infrastructure incidental to its use is **not** within the mapped river corridor or floodplain, unless the area is considered infill development according to ANR rule.

✓ Review [Interim Housing Exemption Map](#) showing these designated areas.

✓ Infill development is defined as “surrounded by existing development”. See [29-201 of the Vermont Flood Hazard Area and River Corridor Rule](#).

## Village Center + ¼ Mile (≤ 50 units)

**Summary:** Until July 1, 2027, the construction of housing projects with 50 or fewer units on a 10-acres or smaller parcel located in a designated village center or within ¼ mile of a village center with zoning and subdivision bylaws and served by public sewer or water services or soil adequate for waste disposal, do not require an Act 250 permit or permit amendment.

### Statutory language:

(dd)(2)(A) Notwithstanding any other provision of law to the contrary, until July 1, 2027, no permit or permit amendment is required for the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, with 50 or fewer units, constructed or maintained on a tract or tracts of land of 10 acres or less, located entirely within:

(i) areas of a designated village center and within one-quarter mile of its boundary with permanent zoning and subdivision bylaws and served by public sewer or water services or soils that are adequate for wastewater disposal;

...

(B) Housing units constructed pursuant to this subdivision (2) shall not count towards the total units constructed in other areas. This exemption shall not apply to areas within mapped river corridors and floodplains except those areas containing preexisting development in areas suitable for infill development as defined in 29-201 of the Vermont Flood Hazard Area and River Corridor Rule. For purposes of this subdivision, in order for a parcel to qualify for the exemption, at least 51 percent of the parcel shall be located within one-quarter mile of the designated village center boundary or the center line of the transit route. If the one-quarter mile extends into an adjacent municipality, the legislative body of the adjacent municipal may inform the Board that it does not want the exemption to extend into that area. 10 V.S.A § 6081(dd)(2)(A)(i).

### Requirements checklist:

- Construction of housing project (cooperative, condominiums, dwellings, or mobile homes, etc.)
  - ✓ For the definition of dwelling, see [Act 250 Rule 2\(C\)\(10\)](#).
- Construction commenced before July 1, 2027.
  - ✓ For the definition of “commencement of construction” see [Act 250 Rule 2\(C\)\(2\)](#).
- Involves 50 or fewer units created.
- Constructed or maintained on 10 acres or less.
  - ✓ The [Interim Housing Exemption Map](#) shows parcel sizes.
- Located entirely within a designated village center or within ¼ mile of its boundary.

- ✓ For those parcels on the boundary of the ¼ mile buffer area, at least 51% of the housing project parcel must be within the ¼ mile boundary buffer area. The housing project may be located anywhere within a qualifying parcel. Mapping is sufficient to determine whether a project qualifies. A professional survey is not required.
- ✓ Use the [Interim Housing Exemption Map](#) to identify the qualifying designated village centers and ¼ mile buffer areas, and use the map's polygon measuring tools to determine whether the parcel is 51% within the buffer area as necessary.
- The municipality has permanent zoning and subdivision bylaws.
  - ✓ Check list on the [Municipal Planning Data Center](#)
  - ✓ Municipal bylaw filings are available on the [Plan & Bylaw Database](#)
  - ✓ Review [Interim Housing Exemption Map](#)
- The housing project will be served by either: (1) public sewer or water services or (2) has soils that are adequate for wastewater disposal
  - ✓ Review [Interim Housing Exemption Map](#)
  - ✓ An engineering solution or municipal connection authorization may be appropriate to meet these requirements.
  - ✓ the public water, sewer services, or soils only need be available to serve housing project and do not necessarily need to exist on the project tract or in the designated center. For example, suitable soils may be on an adjacent tract.
- The housing project and infrastructure incidental to use is **not** within the mapped river corridor or floodplain, unless the area is considered infill development according to ANR rule.
  - ✓ Review [Interim Housing Exemption Map](#) showing these designated areas.
  - ✓ Infill development is defined as “surrounded by existing development”. See [29-201 of the Vermont Flood Hazard Area and River Corridor Rule](#).
- If the exemption area extends into another municipality, the other municipality has not objected to its extension into that municipality.



## Transit Route + ¼ Mile (≤ 50 units)

### Summary:

Until July 1, 2027, Housing projects constructed with 50 units or less within a ¼ mile buffer of certain transit routes in designated urbanized areas, do not require an Act 250 permit or permit amendment.

### Statutory language:

(dd)(2)(A) Notwithstanding any other provision of law to the contrary, until July 1, 2027, no permit or permit amendment is required for the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, with 50 or fewer units, constructed or maintained on a tract or tracts of land of 10 acres or less, located entirely within:

...

(ii) areas of a municipality that are within a census-designated urbanized area with over 50,000 residents and within one-quarter mile of a transit route.

(B) Housing units constructed pursuant to this subdivision (2) shall not count towards the total units constructed in other areas. This exemption shall not apply to areas within mapped river corridors and floodplains except those areas containing preexisting development in areas suitable for infill development as defined in 29-201 of the Vermont Flood Hazard Area and River Corridor Rule. For purposes of this subdivision, in order for a parcel to qualify for the exemption, at least 51 percent of the parcel shall be located within one-quarter mile of the designated village center boundary or the center line of the transit route. If the one-quarter mile extends into an adjacent municipality, the legislative body of the adjacent municipal may inform the Board that it does not want the exemption to extend into that area.

(51) “Transit route” means a set route or network of routes on which a public transit service as defined in 24 V.S.A. § 5088 operates a regular schedule. 10 V.S.A. § 6001(51).

### Requirements checklist:

- Construction of housing project (cooperative, condominiums, dwellings, or mobile homes, etc.)
  - ✓ For the definition of dwelling, see [Act 250 Rule 2\(C\)\(10\)](#).
- Construction commenced before July 1, 2027.
  - ✓ For the definition of “commencement of construction” see [Act 250 Rule 2\(C\)\(2\)](#).
- Involves 50 or fewer units created.
- Constructed or maintained on 10 acres or less.
  - ✓ The [Interim Housing Exemption Map](#) shows parcel sizes.

- Located entirely within a census-designated urbanized area with over 50,000 residents and within ¼ mile of a transit route.
  - ✓ Review [Interim Housing Exemption Map](#) which shows the ¼ mile buffer on transit routes of the qualifying census-designated urbanized area of the state. Municipalities within this area include portions of: Burlington, Colchester, Essex Junction, Williston, Winooski, South Burlington, and Shelburne.
  - ✓ “Transit route” means a set route or network of routes on which a public transit service as defined in 24 V.S.A. § 5088 operates a regular schedule. 10 V.S.A. § 6001(51).
  - ✓ The map at the time of commencement of construction shall determine the exempt areas in effect and may be subject to change.
  
- The housing project and infrastructure incidental to use is **not** within the mapped river corridor or floodplain, unless the area is considered infill development according to ANR rule.
  - ✓ Review [Interim Housing Exemption Map](#) showing these designated areas.
  - ✓ Infill development defined as “surrounded by existing development”. See [29-201 of the Vermont Flood Hazard Area and River Corridor Rule](#).
  
- If the exemption area extends into another municipality, the other municipality has not objected to its extension into that municipality.

## Downtown Development Districts (unlimited units)

### Summary:

Until January 1, 2027, an unlimited number of housing projects can be constructed within designated downtowns without an Act 250 permit or permit amendment.

### Statutory language:

(dd)(3) Notwithstanding any other provision of law to the contrary, until January 1, 2027, no permit or permit amendment is required for the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, constructed or maintained on a tract or tracts of land, located entirely within a designated downtown development district with permanent zoning and subdivision bylaws served by public sewer or water services or soils that are adequate for wastewater disposal. Housing units constructed pursuant to this subdivision shall not count towards the total units constructed in other areas. This exemption shall not apply to areas within mapped river corridors and floodplains except those areas containing preexisting development in areas suitable for infill development as defined in 29-201 of the Vermont Flood Hazard Area and River Corridor Rule. 10 V.S.A. § 6081(dd)(3).

### Requirements checklist:

- Construction of housing project (cooperative, condominiums, dwellings, or mobile homes, etc.)
  - ✓ For the definition of dwelling, see [Act 250 Rule 2\(C\)\(10\)](#).
- Commencement of construction by January 1, 2027.
  - ✓ For the definition of “commencement of construction” see [Act 250 Rule 2\(C\)\(2\)](#).
- Unlimited units created on the tract.
- Located entirely within the designated downtown development district.
  - ✓ Review [Interim Housing Exemption Map](#) for designated downtown areas.
- The municipality has permanent zoning and subdivision bylaws.
  - ✓ Check list on the [Municipal Planning Data Center](#)
  - ✓ Municipal bylaw filings are available on the [Plan & Bylaw Database](#)
  - ✓ Review [Interim Housing Exemption Map](#)
- The housing project will be served by either: (1) public sewer or water services or (2) has soils that are adequate for wastewater disposal.
  - ✓ Review [Interim Housing Exemption Map](#)

- ✓ An engineering solution or municipal connection authorization may be appropriate to meet these requirements.
  - ✓ the public water, sewer services, or soils only need be available to serve housing project and do not necessarily need to exist on the project tract or in the designated center. For example, suitable soils may be on an adjacent tract.
- The housing project and infrastructure incidental to use is **not** within the mapped river corridor or floodplain, unless the area is considered “infill development” according to Agency of Natural Resources Rule definition.
- ✓ Review [Interim Housing Exemption Map](#) showing these designated areas.
  - ✓ Infill development is defined as “surrounded by existing development”. See [29-201 of the Vermont Flood Hazard Area and River Corridor Rule](#).

## Commercial Conversion to Housing ( $\leq 29$ units)

### Summary:

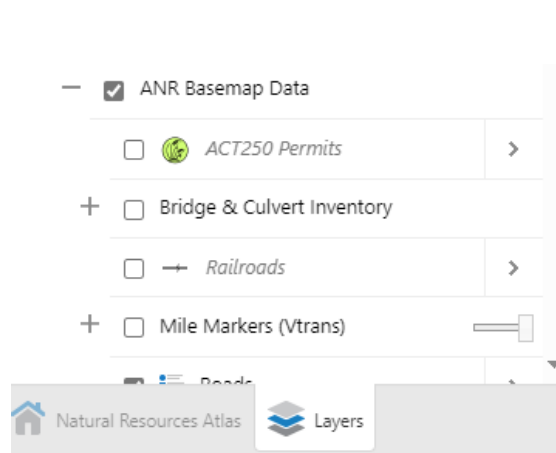
Until July 1, 2028, the conversion of a commercial structure to 29 or fewer housing units anywhere in the state, does not require an Act 250 permit amendment.

### Statutory language:

(cc) Until July 1, 2028, no permit amendment is required for the construction of improvements for converting a structure used for a commercial purpose to 29 or fewer housing units. 10 V.S.A. §6081(cc).

### Requirements checklist:

- Commencement of construction by July 1, 2028.
  - ✓ For the definition of “commencement of construction” see [Act 250 Rule 2\(C\)\(2\)](#).
- Construction of improvements to an existing Act 250 permitted commercial structure.
  - ✓ Not location-based. Construction can occur anywhere in the state.
  - ✓ Units created must be within the original footprint of the commercial structure but may extend upward.
  - ✓ *De minimis* construction would also not require a permit amendment. See [Act 250 Rule 2\(C\)\(5\)](#).
  - ✓ Maintaining existing commercial uses in portions of the building are allowed. Construction of improvements for purely commercial portions unrelated to the housing may require a permit amendment. Consult with your [district coordinator](#).
- Creates 29 or fewer units.
- Previously permitted commercial structure.
  - ✓ Use the Act 250 database to identify previous permits. Search by name, address, or other term. [Act 250 database](#).
  - ✓ Permitted project can also be identified by viewing Act 250 Permits on the Agency of [Natural Resources Atlas](#) and checking the box of “Act 250 Permits” as shown below:



**Note:** not all permitted projects have been mapped, consult with your [district coordinator](#).

## Accessory Dwelling Units (1 unit per dwelling)

### Summary:

Until July 1, 2028, a single-family house may construct an ADU without obtaining an Act 250 permit or permit amendment.

### Statutory language:

(bb) Until July 1, 2028, no permit or permit amendment is required for the construction of improvements for one accessory dwelling unit constructed within or appurtenant to a single-family dwelling. Units constructed pursuant to this subsection shall not count towards the total units constructed in other projects. 10 V.S.A. § 6081(bb).

(50) “Accessory dwelling unit” means a distinct unit that is clearly subordinate to a single-family dwelling, located on an owner-occupied lot and has facilities and provisions for independent living, including sleeping, food preparation and sanitation, provided there is compliance with all of the following:

(A) the unit does not exceed 30 percent of the habitable floor area of the single-family dwelling or 900 square feet, whichever is greater; and

(B) the unit is located within or appurtenant to a single-family dwelling, whether the dwelling is existing or new construction. 10V.S.A. §6001(50)

### Requirements checklist:

- Construction of improvements.
  - ✓ Can be built as part of new construction or added to an existing dwelling (even those with previous Act 250 permits).
  - ✓ Not location -based. Construction can occur anywhere in the state.
  - ✓ *De minimis* construction would also not require a permit amendment. See [Act 250 Rule 2\(C\)\(5\)](#).
- Is an Accessory Dwelling Unit.
  - 30 percent of the habitable floor area of the single-family dwelling or 900 sq. ft., whichever is greater.
    - ✓ Habitable floor area does not include garages, unfinished basements, porches, or decks.
  - Has facilities for independent living including sleeping, food preparation and sanitation.
    - ✓ Utilities may be on a separate or connected system.

- located next to or within, but not necessarily attached to, a single-family dwelling.
- Construction commenced before July 1, 2028.
  - ✓ For the definition of “commencement of construction” see [Act 250 Rule 2\(C\)\(2\)](#).



## Hotel/Motel Conversion (permanent)

### Summary:

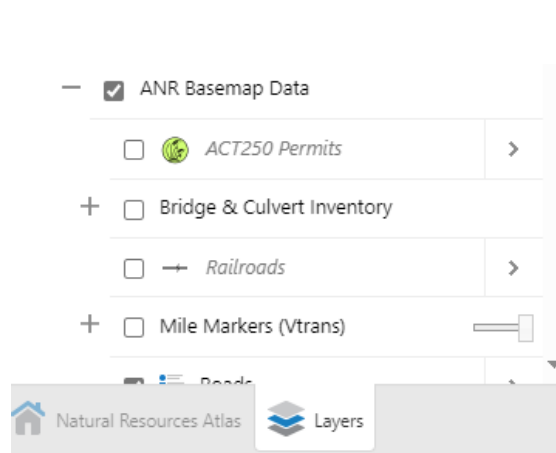
Conversion of an existing hotel or motel to permanently affordable housing does not require an Act 250 permit amendment.

### Statutory language:

(aa) No permit amendment is required for the construction of improvements for a hotel or motel converted to permanently affordable housing developments as defined in 24 V.S.A. § 4303(2). 10 V.S.A. § 6081(aa).

### Requirements checklist:

- Construction of improvements to an existing Act 250 permitted hotel or motel
  - ✓ Exemption does not expire
  - ✓ Not location -based. Construction can occur anywhere in the state
  - ✓ May involve any number of units including additional units outside the original footprint of the motel or hotel.
  - ✓ *De minimis* construction would also not require a permit amendment. See [Act 250 Rule 2\(C\)\(5\)](#).
- Converted to permanently affordable housing developments.
  - ✓ “Affordable housing development” means a housing development of which at least 20 percent of the units or a minimum of five units, whichever is greater, are affordable housing units. Affordable units shall be subject to covenants or restrictions that preserve their affordability for a minimum of 15 years or longer as provided in municipal bylaws. [24 V.S.A. §4303\(2\)](#).
- Previously permitted hotel or motel.
  - ✓ Use the Act 250 database to identify previous permits. Search by name, address, or other term. [Act 250 database](#).
  - ✓ Permitted project can also be identified by viewing Act 250 Permits on the Agency of [Natural Resources Atlas](#) and checking the box of “Act 250 Permits” as shown below:



**Note:** not all permitted projects have been mapped, consult with your [district coordinator](#).

## Repeal of 24-Unit Exemption and 1 Unit = 4 Units Provision

### Summary:

Previous statutory language allowing for the construction of housing projects with less than 25 units in certain designated areas without a permit has been repealed. Additionally, statutory provisions allowing four units to be counted as one unit has been repealed.

### Statutory language Repealed:

~~(xi) Notwithstanding any other provision of law to the contrary, until July 1, 2026, the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, with 25 or more units, constructed or maintained on a tract or tracts of land, located entirely within a designated downtown development district, a designated neighborhood development area, a designated village center with permanent zoning and subdivision bylaws, or a designated growth center, owned or controlled by a person, within a radius of five miles of any point on any involved land and within any continuous period of five years. For purposes of this subsection, the construction of four units or fewer of housing in an existing structure shall only count as one unit towards the total number of units. [Repealed.] 10 V.S.A. § 6001(3)(A)(xi)~~