



Project Funding Sources for Downtowns

January 2025

Downtown development projects in Vermont typically require numerous financing sources (the “capital stack”). Depending on the specific project, there are myriad programs that may be considered, each with its own eligibility requirements, benefits, constraints, and application process. Some funding sources may work for one project, but not another. Consequently, consideration of funding begins with understanding the project in detail, including its location, uses, anticipated tenants, population(s) being served, whether it’s a brownfield, new construction or historic renovation, whether there is any missing or inadequate public infrastructure holding it back, and numerous other considerations specific to each project. Once these are well understood, one can begin looking at possible sources of funding.

I) Two Powerful Programs for Community Development

Two of the most powerful financing programs are Tax Increment Financing (TIF) and New Market Tax Credits (NMTC). Both are limited to specific defined geographic areas.

a) Tax Increment Financing (TIF)

TIF can be used to finance public improvements *that directly support or incentivize private development*. Because it only uses *new incremental taxes that would not otherwise exist*, it finances public investment without increasing property taxes.

TIF cannot be used for operating expenses or for a municipality’s general capital needs. Public improvements financed with TIF to incentivize private investment may include utilities, transportation improvements, public facilities and amenities, and site preparation for development or redevelopment including acquisition, demolition, and environmental remediation of contaminated property. TIF funds cannot be directly invested in private development projects.

Experience with TIF in Vermont shows that often it can be powerfully used to leverage private development through site preparation investments described above and through development or expansion of public parking or other infrastructure.

b) New Market Tax Credits (NMTC)

NMTC is a federal program that provides tax credits for certain investments. It is one of the most powerful sources of funding for private investments. It is limited to certain designated geographic areas. It's a complex program and not for the faint-hearted, yet the effort can be well worth it because it can typically pay for 20% to 25% of the total project costs. That said, it has very high transaction costs, which can reach \$500,000 or more. Due to NMTC's complexity and transaction costs, it is generally not used for small projects costing less than, say, \$10 million. It also has limited funds and is highly competitive. Obtaining NMTC awards for a project are not assured.

Due to the competitive nature and complexities, specialized professionals are typically required. Both for-profit and non-profit businesses are eligible for NMTC. Government entities can facilitate acquisition of NMTC funding for private businesses but are not themselves eligible to use NMTC.

II) Other Powerful Programs for Community Development

Rarely is a single source of funding sufficient for downtown development projects. Even projects that use NMTC and/or TIF, most will also require multiple other founding as part of their capital stack. Among the more important ones for community development projects are Historic Preservation Tax Credits, brownfield remediation funding, and VEDA. Housing projects have their own list of significant funding sources.

a) Historic Preservation Tax Credits

Both the state and federal governments offer tax credits for renovation of historic buildings, so long as the renovations conform with the Secretary of the Interior's standards for historic rehabilitation. For the right projects these are a valuable financing source.

b) Brownfield Funding

There are numerous programs that help pay for environmental remediation of contaminated sites. The amount of funding, requirements to be eligible, and process vary from time to time. In all cases of which we are aware, accessing these funds requires working closely with the VT Department of Environmental Conservation (DEC) to develop and implement a corrective action plan. A good place to start is with your regional planning commission which often administers programs for funding brownfield remediation.

c) VEDA

The Vermont Economic Development Authority can be an excellent source of subordinate financing. This makes a project more attractive to a conventional lender by giving greater security. We have successfully used VEDA financing for downtown projects.

d) Other Sources

Attached is an extensive list of other funding sources for projects published by the VT Agency of Commerce and Community Development. At the end you'll find a list of further funding sources that are not included in ACCD's publication.

Designated Downtown and Village Centers

Funding Directory - Historic Buildings

1

Downtown and Village Center Tax Credit*

State tax credit for qualified historic rehabilitation, façade, and code improvements for properties at least 30 years old and located within a state designated downtown or village center.

Range: 10 – 50% of eligible expenditures

Eligibility: Income-producing and nonprofit properties within a [state designated downtown or village center](#)

Deadline: Annually the first week of July

Contact: Caitlin Corkins, (802) 828-3047, caitlin.corkins@vermont.gov

Website: <http://accd.vermont.gov/historic-preservation/funding/tax-credits>

Federal Rehabilitation Investment Tax Credit

Federal tax credit for 20% of the rehabilitation costs (including labor, materials and architects or other consultant fees) for income-producing buildings listed in the National Register of Historic Places.

Range: 20% of eligible expenditures

Eligibility: Owners of income-producing historic buildings

Deadline: Rolling application deadline; file application before construction

Contact: Caitlin Corkins, (802) 828-3047, caitlin.corkins@vermont.gov

Website: <http://www.nps.gov/tps/tax-incentives.htm>

State Historic Preservation Grants*

State 50:50 matching grants for the repair and restoration of historic buildings listed or eligible for listing in the National Register of Historic Places.

Range: \$1,000 - \$20,000

Eligibility: Municipalities and non-profit organizations

Deadline: Annually the first week in October

Contact: Caitlin Corkins, (802) 828-3047, caitlin.corkins@vermont.gov

Website: <http://accd.vermont.gov/historic-preservation/funding/historic-preservation-grants>

Cultural Facilities Grant Program

Matching state grants for community facilities used to provide cultural activities to the public and to enhance or expand the capacity of an existing building to provide cultural programming.

Range: \$1,000 - \$30,000

Eligibility: Municipalities and non-profit organizations

Deadline: Annually at the beginning of May

Contact: Michelle Bailey, (802) 828-3294, m Bailey@vermontartscouncil.org

Website: <http://www.vermontartscouncil.org/grants-and-services/organizations/cultural-facilities>

VHCB Outstanding Historic Building Grants*

Funding for acquisition or rehabilitation of “outstanding” historic buildings located in downtowns and village centers as determined by VHCB. Projects are protected by a historic preservation easement.

Range: Varies. Match required for locally significant historic projects; no match required for buildings of statewide significance, but matching funds make applications more competitive

Eligibility: Municipalities; nonprofit housing and conservation organizations

Deadline: Multiple, depending on the availability of funding; deadlines on VHCB website

Contact: Karen Freeman, (802) 828-5067, karen@vhcb.org

Website: <https://vhcb.org/our-programs/conservation/apply-for-funding>

Preservation Trust of Vermont

Implementation and planning grants available to preserve and rehabilitate historic buildings.

Range: Varies

Eligibility: Municipalities and nonprofit organizations

Deadline: Varies

Contact: Ben Doyle, (802) 839-9914, ben@ptvermont.org

Website: <https://ptvermont.org/grants/>

* *Grant program awards priority consideration for state designation.*

For more information, please contact:

Richard Amore: richard.amore@vermont.gov or 802.585.0061

Gary Holloway: gary.holloway@vermont.gov or 802.522.2444

Designated Downtown and Village Centers

Funding Directory - Buildings and Infrastructure

2

Human Services and Educational Facilities Grant Program

Matching state grants for capital costs associated with the major maintenance, renovation, and development of facilities used for human services and health care, or educational opportunities.

Range: \$1,000 - \$25,000

Eligibility: Municipalities and non-profit organizations Deadline: Annually in July

Contact: Judy Bruneau, (802) 828-3519, judy.bruneau@vermont.gov

Website: <https://bgs.vermont.gov/commissioner/building-communities-grants>

USDA Rural Development Programs

The USDA offers federal support for towns and villages through a variety of loan and grant programs aimed at enhancing rural quality of life through investing in housing, essential community facilities, municipal infrastructure, and economic development.

Range: Loan and grant support varies by program

Eligibility: Varies by program

Deadline: Varies by program

Contact: Sarah Waring, (802) 828-6066, sarah.waring@usda.gov

Website: <http://www.rd.usda.gov/vt>

Vermont Arts Council - Animating Infrastructure Grants

Animating Infrastructure Grants support community projects that integrate art with infrastructure improvements.

Range: Grants range from \$1,000 to \$15,000; no match required.

Eligibility: Projects must engage an artist to develop community projects that integrate public art with infrastructure

Deadline: Letters of intent due December 2020 with full proposals due March 2020.

Contact: Michele Bailey (802) 828-3294, mbailey@vermontartscouncil.org

Website: <https://www.vermontartscouncil.org/grants-and-services/organizations/animating-infrastructure>

ANR Clean Water State Revolving Loan Fund*

State Revolving Loan to assist in the planning, design, and construction of municipal wastewater and stormwater systems. Details on various programs on website.

Range: No maximum or minimum project amount

Eligibility: Municipalities

Deadline: Accepted on a continuing basis for planning and design loans. Construction loans must apply by February 15 of each year to be on the priority list for the year.

Contact: Tom Brown, (802) 622-4205, thomas.brown@vermont.gov

Website: <https://dec.vermont.gov/water-investment/water-financing/cwsrf>

ANR Drinking Water State Revolving Fund (DWSRF)*

Loans to assist in planning (preliminary engineering and design) and construction of infrastructure for existing community water systems and non-profit non-community water systems. These federal funds also support technical assistance via the Drinking Water and Groundwater Protection Division. Details on various programs on website.

Range: No minimum project amount. Some maximum amounts depending on project type. Loan principal forgiveness depends on availability, project type, local median household income, and user rates.

Eligibility: Municipalities, private developers and non-profit organizations

Deadline: Planning loan applications reviewed throughout the year. Asset Management Plan applications due in first calendar quarter. Construction loan projects must apply for priority list ranking (usually in February) for competitive funding.

Contact: Amy Galford (802) 585-4904, amy.galford@vermont.gov

Website: <https://dec.vermont.gov/water-investment/water-financing/dwsrf>

* Grant program awards priority consideration for state designation.

For more information, please contact:

Richard Amore: richard.amore@vermont.gov or 802.585.0061

Gary Holloway: gary.holloway@vermont.gov or 802.522.2444

Designated Downtown and Village Centers

Funding Directory - Transportation and Housing

3

Sales Tax Reallocation Program*

Municipalities and the developer of a qualified project jointly apply for a reallocation of sales taxes on construction materials. Qualified projects must be located within a state designated downtown.

Range: Based on sales tax generated in excess of \$100,000 to \$1M depending on the size of municipality

Eligibility: Joint application between municipality and developer located within Designated Downtown

Deadline: Annually the first week of July

Contact: Caitlin Corkins, (802) 828-3047, caitlin.corkins@vermont.gov

Website: <http://accd.vermont.gov/community-development/funding-incentives/sales-tax-reallocation>

Vermont Community Development Program (CDBG)*

Accessibility Modification Grants – Federal grants to bring existing municipal buildings and non-school libraries into compliance with the Americans with Disabilities Act (ADA).

Implementation Grants – Federal grants for economic development, housing, public facilities, and public services that will benefit low to moderate income individuals, eliminate slums or blight, or address an urgent need.

Planning Grants – Federal grants for community development planning, downtown planning studies, and project development to benefit people with low to moderate incomes and/or eliminate “slums and blight.”

Scattered Site Grants – Federal grants to rehabilitate scattered site housing projects to benefit people with low to moderate incomes and/or eliminate “slums and blight.”

Range: \$3,000 - \$1,000,000

Eligibility: Municipalities and/or municipalities on behalf of organizations and private owners

Deadline: Open application with funding decisions made throughout the year

Contact: Cindy Blondin, (802) 828-5219, cindy.blondin@vermont.gov

Website: <http://accd.vermont.gov/community-development/funding-incentives/vcdp>

Downtown Transportation Fund*

State grants for municipalities to finance transportation-related capital improvements in support of economic development, within or serving a state designated downtown, including construction or alteration of roads and highways, parking facilities, pedestrian and streetscape improvement, rail or bus facilities or equipment, and underground relocation of electric utility, cable and telecommunications lines.

Range: 80% of overall project costs up to maximum of \$200,000

Eligibility: Municipalities with a Designated Downtown or Designated Village Center with a Better Connections plan

Deadline: Annually in March

Contact: Gary Holloway, (802) 522-2444, gary.holloway@vermont.gov

Website: <http://accd.vermont.gov/community-development/funding-incentives/downtown-transportation-fund>

VTrans Transportation Alternative Program*

State matching grants for the construction, planning, and design of bike and pedestrian facilities (on or off road), sidewalks, bicycle infrastructure, lighting, and others.

Range: \$50,000 - \$300,000. Local match of 20% for construction and scoping studies

Eligibility: Municipalities, transit agencies, school district, and regional planning commissions

Deadline: Annually in November

Contact: Scott Robertson, (802) 793-2395, scott.robertson@vermont.gov

Website: <http://vtrans.vermont.gov/highway/local-projects/transport-alt>

VTrans Bicycle and Pedestrian Program*

State matching grants for the scoping, design, and construction of bike and pedestrian facilities, sidewalks, bicycle lanes, crosswalks, shared-use paths, and lighting.

Range: No minimum or maximum range. Local match of 20% for construction, 50% for state-funded small scale construction grants; and 20% for scoping projects

Eligibility: Municipalities, transit agencies, school district, and regional planning commissions

Deadline: Annually in July

Contact: Peter Pochop, (802) 477-3123, peter.pochop@vermont.gov

Website: <http://vtrans.vermont.gov/highway/local-projects/bike-ped>

* *Grant program awards priority consideration for state designation.*

For more information, please contact:

Richard Amore: richard.amore@vermont.gov or 802.585.0061

Gary Holloway: gary.holloway@vermont.gov or 802.522.2444

Designated Downtown and Village Centers

Funding Directory - Recreation and Conservation

4

ANR Recreational Trails Grant Program

Matching state 80/20 grants for the maintenance, restoration, design and construction of recreational trails. Both motorized and non-motorized trail projects may qualify for RTP funds.

Range: Maximum of \$50,000. Local match of 20%

Eligibility: Municipalities, non-profit organizations, and other governmental entities may apply.

Deadline: Annually February 1st. Mandatory pre-applications due in December

Contact: Sherry Winnie, (802) 760-8450, sherry.winnie@vermont.gov

Website: <https://fpr.vermont.gov/recreational-trails-program>

BGS Recreational Facilities Grants Program

State matching 50/50 grants for the development and creation of community recreational opportunities.

Range: \$1,000 - \$25,000

Eligibility: Municipalities and non-profit organizations

Deadline: Annually in July

Contact: Judy Bruneau, (802) 828-3519, judy.bruneau@vermont.gov

Website: <http://bgs.vermont.gov/commissioner/building-communities-grants>

ANR Ecosystem Restoration Grant Program

State grants for the design and construction projects that target nonpoint sources of pollution that cause or contribute to the state's surface waters.

Range: Maximum of \$250,000. Local match varies

Eligibility: Municipalities, regional organizations, non-profits associations, citizen groups, and state agencies

Deadline: Two rounds annually, varies depending on funding

Contact: Allison Lewis, (802) 490-6124, allison.lewis@vermont.gov

Website: <https://dec.vermont.gov/water-investment/cwi/grants/opportunities>

ANR Caring for Canopy Grant Program

State 50/50 matching grants to help communities care for tree canopy by taking the necessary actions to developing and sustaining a community-wide tree program, including tree plantings, inventories, maintenance, and planning.

Range: \$500 - \$5,000. Local match of 50%

Eligibility: Municipalities and non-profits associations

Deadline: Annually in January

Contact: Elise Schadler, (802) 522-6015, elise.schadler@vermont.gov

Website: <https://vtcommunityforestry.org/programs/financial-assistance/caring-canopy-grants>

ANR Land and Water Conservation Fund

Assists in acquiring land for parks and public outdoor recreation, as well as the development of new facilities and/or renovations of existing facilities or outdoor recreation.

Range: Not specified. Local match of 50%

Eligibility: Municipalities

Deadline: Annually in February, pre-applications due in the fall

Contact: Becca Washburn, (802) 793-3432, Becca.Washburn@vermont.gov

Website: <https://fpr.vermont.gov/land-and-water-conservation-fund>

VHCB Local Conservation Projects*

Local conservation projects for agricultural and recreational land, town parks and forests, swimming holes, green- ways, and historic buildings for public use.

Range: Up to \$150,000. Match required, at least 33%

Eligibility: Municipalities, eligible non-profit organizations and certain state agencies

Deadline: Multiple, depending on the availability of funding; deadlines on VHCB website

Contact: Ethan Parke, (802) 828-0795, ethan@vhcb.org

Website: <https://vhcb.org/our-programs/conservation/apply-for-funding>

* *Grant program awards priority consideration for state designation.*

For more information, please contact:

Richard Amore: richard.amore@vermont.gov or 802.585.0061

Gary Holloway: gary.holloway@vermont.gov or 802.522.2444

Designated Downtown and Village Centers

Funding Directory - Economic Development, Planning, and Efficiency

5

Northern Border Regional Commission Grants*

A federal/state partnership that invests in economic and community development projects in Vermont.

Range: Grants up to \$250,000. Match of 20%-50% of total project cost, depending on location.

Eligibility: Participating member states, local governments (city and county), nonprofit and Native American entities

Deadline: Annually in June

Contact: Kristie Farnham, (802) 398-5268, kristie.farnham@vermont.gov

Website: <http://accd.vermont.gov/economic-development/funding-incentives/Northern-Border-Regional-Commission>

BGS Regional Economic Development Grant Program

Matching state grants to stimulate the creation and development or retention of economic development of individual or regional Vermont communities.

Range: \$1,000 - \$25,000

Eligibility: Municipalities and non-profit organizations

Deadline: Annually in July

Contact: Judy Bruneau, (802) 828-3519, judy.bruneau@vermont.gov

Website: <https://bgs.vermont.gov/commissioner/building-communities-grants>

Certified Local Government Program

Federal grants available for resource identification and planning, National Register nominations, downtown planning, public education, archeological studies, and building feasibility studies.

Range: \$500 - \$25,000

Eligibility: Municipalities that are enrolled as Certified Local Governments

Deadline: Annually in December

Contact: Devin Colman, (802) 585-8246, devin.colman@vermont.gov

Website: <http://accd.vermont.gov/historic-preservation/funding/clg-grants>

VTrans Park and Ride Grant Program

Supports the engineering and construction of small municipal owned park and ride facilities to reduce the number of single occupancy vehicles on the roadway.

Range: No minimum or maximum range

Eligibility: Municipalities. Location must be on a municipal, state or leased property on or near a state highway

Deadline: Annually, in August

Contact: Tina Bohl, (802) 793-1743, tina.bohl@vermont.gov

Website: <http://vtrans.vermont.gov/highway/parkandrides>

Efficiency Vermont Incentives*

Efficiency Vermont offers technical assistance, incentives, and financing for energy-related projects for homeowners and businesses seeking to use less energy, save money, and support a clean energy future.

Range: Varies by program.

Eligibility: Homeowners and business owners. Contact us for details

Deadline: Ongoing, no deadline

Contact: Customer Support, (888)-921-5990, info@efficiencyvermont.com

Website: <https://www.efficiencyvermont.com/rebates>

Vermont Community Foundation

A variety of grants are available to support projects to improve environmental sustainability, cultural heritage, social justice, historic preservation, and vitality of Vermont communities

Range: Up to \$25,000. No local match required

Eligibility: Municipalities, nonprofit organizations, grant availability varies by geographic area

Deadline: Varies by grant, throughout the year

Contact: Kate McCarthy (802) 388-3355, x. 234, kmccarthy@vermontcf.org

Website: <http://www.vermontcf.org/Nonprofits/AvailableGrants.aspx>

* *Grant program awards priority consideration for state designation.*

For more information, please contact:

Richard Amore: richard.amore@vermont.gov or 802.585.0061

Gary Holloway: gary.holloway@vermont.gov or 802.522.2444

Designated Downtown and Village Centers

Funding Directory - Planning and Financing

6

Municipal Planning Grant Program*

State grants for a wide range of municipal planning projects including municipal land use plans, zoning and subdivision bylaws, designated downtown, village and neighborhood planning.

Range: \$2,500 - \$20,000. Local match required

Eligibility: Municipalities with adopted plans confirmed by their regional planning commission

Deadline: Annually in September

Contact: Jennifer Lavoie, (802) 828-1948, jennifer.lavoie@vermont.gov

Website: <http://accd.vermont.gov/community-development/funding-incentives/municipal-planning-grant>

Hazard Mitigation Grant Program

Provides grants to implement long-term hazard mitigation actions that reduce structure damage or loss of life due to natural disasters. Examples include upsizing culverts, floodproofing buildings and mitigation planning.

Range: No minimum or maximum. Local match of 25%

Eligibility: Municipalities, state agencies, regional planning agencies, non-profits in select circumstances. Eligible entities on behalf of private owners.

Deadline: Funding available after a major disaster declaration. Rolling application deadlines

Contact: Ben Rose, 802-241-5386, ben.rose@vermont.gov

Website: <https://vem.vermont.gov/funding/mitigation>

Vermont State Infrastructure Bank

State low interest loan program for the construction or reconstruction of highways, roads and bridges, and pedestrian facilities, as well as certain capital facilities related to rail transit, public transit or electric vehicle charging stations.

Range: No minimum or maximum range. Loan term may not exceed 30 years and requires borrower equity of 10-20%.

Eligibility: Municipalities, Regional Development Corporations, or political subdivisions of the state or private sector companies that have entered into a contract with a public authority.

Deadline: No deadline, ongoing loan program

Contact: Cassie Polhemus, (802) 828-5627, cpolhemus@veda.org

Website: <http://www.veda.org/financing-options/other-financing-option/state-infrastructure-bank-program/>

VEDA Commercial Loan Programs

Low interest loans are available to for profit and non-profit companies to finance downtown revitalization projects under VEDA's Direct Loan Program and its Vermont Small Business Loan Program.

Range: Loans for 40% of project costs to a maximum of \$1.5 million or for \$2 million on renewable energy projects

Eligibility: Projects involving redevelopment of vacant or significantly under-utilized buildings or lots in downtowns or villages that spur employment and economic vitality

Deadline: No deadline, ongoing loan program

Contact: Thomas Porter, (802) 828-5627, tporter@veda.org

Website: <http://www.veda.org/financing-options/>

Brownfield Revitalization Fund*

Grants and loans for remediation of brownfield sites.

Range: Grants are capped at \$200,000

Eligibility: Municipalities, non-profit organizations and private developers

Deadline: Rolling

Contact: Kristie Farnham, (802) 398-5268, kristie.farnham@vermont.gov

Website: <http://accd.vermont.gov/economic-development/funding-incentives/brownfields-initiative>

Local Motion

Local Motion is Vermont's statewide advocate for active transportation, vibrant communities, and safe streets. The organization provides technical assistance to communities and helps build local capacity, advocates for safer, more livable streets at the local and state level, and teaches bike skills to students and adults.

Eligibility: Vermont communities

Contact: Jonathon Weber, info@localmotion.org or (802) 861-2700

Website: <https://www.localmotion.org/>

* *Grant program awards priority consideration for state designation.*

For more information, please contact:

Richard Amore: richard.amore@vermont.gov or 802.585.0061

Gary Holloway: gary.holloway@vermont.gov or 802.522.2444

Designated Downtown and Village Centers

Funding Directory - Planning, Placemaking, and Capacity Building

7

DHCD's Better Places Program*

Better Places is a non-competitive, community matching placemaking grant program empowering Vermonters to create inclusive and vibrant public places serving Vermont's designated downtowns, village centers, new town centers, or neighborhood development areas.

Range: \$5,000 to \$40,000. Local match of 33% through crowdfunding

Eligibility: Municipalities, nonprofits, or community groups with a fiscal sponsor. Projects must be located in a designated center.

Deadline: Rolling

Contact: Richard Amore, (802) 585.0061, richard.amore@vermont.gov

Website: <https://accd.vermont.gov/community-development/funding-incentives/better-places>

VTrans/ACCD Better Connections Program*

State 90/10 matching grants for planning that align land use planning and community revitalization with transportation investments.

Range: No minimum. Maximum is \$67,500. Local match of 10%

Eligibility: Municipalities, located outside of Chittenden County with a confirmed planning process

Deadline: Fall 2022 and every other year.

Contact: Matthew Arancio, (802) 793-7489, matthew.arancio@vermont.gov or Richard Amore, richard.amore@vermont.gov

Website: <http://vtrans.vermont.gov/planning/projects-programs/better-connections>

VNRC's Small Grants for Smart Growth*

Provides seed money for community-based initiatives related to smart growth, including efforts related to housing, transportation, community revitalization, conservation, public participation, and advocacy.

Range: \$500 - \$1,500.

Eligibility: Local or multi-town entities, such as a municipality, municipal commission or committee; non-profit organization; or citizens group that is either working with a non-profit or seeking 501(c)(3) status

Deadline: Rolling throughout year

Contact: Kate McCarthy, (802) 223-2328, x. 114, kmccarthy@vnrc.org

Website: <https://vnrc.org/small-grants-for-small-growth/>

AARP Vermont Placemaking Projects for Changing the Built Environment Grants*

Provides funding for small projects that will employ temporary or semi-permanent changes with the goal of leading to permanent change to enhance the livability of the community for people of all ages and abilities.

Range: Up to \$3,000

Eligibility: Statewide, regional and local government entities and non-profit organizations

Deadline: Annually in the spring

Contact: Kelly Stoddard Poor, (802) 393-9187, kstoddardpoor@aarp.org

Website: <https://states.aarp.org/vermont/>

Vermont Council of Rural Development (VCRD) Community Visits

The Community Visit program is a way for towns to engage and bring together their residents, set common goals, and directions in a neutral and facilitated structure, and access resources that will help them take action on those goals.

The Community Visit program, provided at no cost to communities by VCRD, gets citizens engaged in *workingfortheir* communities and connects them to the resources they need to be successful.

Range: Municipal commitment to a community dinner and mailing

Eligibility: Vermont communities

Deadline: Rolling throughout the year

Contact: Jenna Koloski, (802) 225-6091, jenna@vtrural.org

Website: <https://www.vtrural.org/programs/community-visits/about>

* Grant program awards priority consideration for state designation.

For more information, please contact:

Richard Amore: richard.amore@vermont.gov or 802.585.0061

Gary Holloway: gary.holloway@vermont.gov or 802.522.2444



Funding Sources and Techniques to Supplement ACCD's Funding Directory for Designated Downtowns and Village Centers

January 2025

I. General Economic Development Funding Programs

- 1) **US Department of Agriculture (USDA).** USDA has several programs that can support economic development projects in downtowns. These include Rural Business Development Grants, Rural Cooperative Development Grants, Business and Industry Loan Guarantees, Rural Economic Development Loan and Grant program and more.
- 2) **US Small Business Administration (SBA).** The SBA has at least two programs that can be used for some projects – 504 loans and 7(a) loans.
- 3) **Infrastructure Investment and Jobs Act.** This approximately \$1 trillion funding program was passed by congress and signed by the President in November 2021. It is focused on hard infrastructure projects. With many diverse programs, it is much too complex to summarize here. It should be watched closely for possible uses in downtowns.
- 4) **Community Heart & Soul.** The Community Heart & Soul Seed Grant Program is uniquely designed for small cities and towns (population 2,500-30,000). Successful applicants will receive \$10,000 grants to match funding from a participating municipality or a partnering organization. Apply [Here](#). Read the [Grant Guidelines](#) for more information. Awards are made on a rolling basis.
- 5) **Better Places.** The Better Places program will provide “placemaking” grants ranging from \$5,000 to \$40,000 that improve the vitality of [state designated downtowns, village centers, new town centers, or neighborhood development areas](#). The Better Places partnership is a place-based economic development program.
- 6) **Vermont Community Foundation.** In addition to direct grants described in ACCD's Funding Directory, VCF also occasionally makes Program Related Investments. These are typically low interest loans that help fill financial gaps in projects that have a social benefit.

The concept is that VCF must invest their funds to maintain and grow their resources so that they can continue making grants. Instead of putting all their funds into conventional investments, such as stocks and bonds, a portion of those investments can be made in community projects that support their mission. This can provide subordinate debt with lower interest cost, and other flexible terms.

- 7) **Patient Capital.** In many communities there are potential investors that will make an investment in a project because they want to support the community benefits the project is expected to provide. These can be individual investors, institutions, or major employers. The recent Putnam Block project in Bennington, VT included several such investors who were critical to its success.
- 8) **Master Leasing.** Sometimes a lender is reluctant to commit to a project because of uncertainty around whether the planned spaces will fully lease up at the projected lease rates. One way of handling this is for one or more entities that have financial strength to master lease some or all of the space, thus effectively guaranteeing the rental income. This moves the risk from the bank to the entity that signs the master lease.
- 9) **Rent Guarantees.** A similar approach is for an entity to sign a rent guarantee that commits that entity to paying any shortfall in rental income from some agreed threshold, which is generally the amount of rental income required to pay all operating expenses and all debt service. In effect this guarantees the lender there will be sufficient income to make debt service payments to them.

II. Housing Programs

There are numerous funding programs for housing projects serving low- and moderate-income people. There are few for so-called “workforce housing” and none that we know of for fully market rate housing. We will not describe these in detail, but among the main housing sources are:

- Low Income Housing Tax Credits (LIHTC)
- Vermont Housing and Conservation Board (VHCB)
- Vermont Community Loan Fund (VCLF)
- Vermont Community Development Program (VCDP) which allocates Community Development Block Grant (CDBG) funds.
- VT Act 181 includes a three-year exemption from increased property taxes (tax stabilization) in certain eligible areas for new housing development and substantial housing redevelopment projects.
- VHFA has a rental revolving loan fund and is jointly administering the Vermont treasurer’s “10% for Vermont” program.
- ACCD’s Vermont Housing Improvement Program (VHIP) offers grants or forgivable loans to rehabilitate existing vacant units, rehabilitate structural elements effecting multiple units, such as the roof of a multi-family property, develop a new Accessory

Dwelling Unit (ADU) on an owner-occupied property, create new units within an existing structure, create a new structure with five or fewer residential units, and repairs necessary for code compliance in occupied units.

III. Energy Efficiency Programs

Several energy efficiency programs are available for housing projects depending on the specifications of the thermal envelope, equipment, and other energy related design elements. These incentives include:

- Efficiency Vermont. Up to \$3,700 per housing unit if the project meets Efficiency Vermont's "high performance" criteria.
- Federal Tax Credit. Up to \$5,000 per unit federal tax credit through the 45L program if the project is certified as "net zero" ready. Information here: <https://home.treasury.gov/news/featured-stories/the-inflation-reduction-act-benefits-for-builders-of-multifamily-housing>.
- Geo-Thermal Tax Credit. 30% tax credits for installation of geo-thermal heating and cooling. Information here: <https://www.energystar.gov/about/federal-tax-credits/geothermal-heat-pumps>. Additional 10% tax credit for geothermal for brownfield redevelopment projects.
- Green Mountain Power has incentives for investments that reduce use of fossil fuels.