

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Appropriations to which was referred Senate Bill No.
3 100 entitled “An act relating to housing opportunities made for everyone”
4 respectfully reports that it has considered the same and recommends that the
5 House propose to the Senate that the bill as amended by the Committees on
6 General and Housing and on Environment and Energy be further amended as
7 follows:

8 First: In Sec. 15a (Housing Resource Navigator for Regional Planning
9 Commissions) by striking out subsection (b) in its entirety and inserting in lieu
10 thereof a new subsection (b) to read:

11 (b) The duty to implement this section is contingent upon an appropriation
12 in fiscal year 2024 from the General Fund to the Vermont Association of
13 Planning and Development Agencies for the purpose of hiring the Housing
14 Navigators as described in subsection (a) of this section.

15 Second: In Sec. 24 (Rural Recovery Coordination Council) by striking out
16 subsection (h) in its entirety and inserting in lieu thereof a new subsection (h)
17 to read:

18 (h) The duty to implement this section is contingent upon an appropriation
19 in fiscal year 2024 from the General Fund to the Agency of Commerce and
20 Community Development to provide funding for the Council as follows:

1 (1) an appropriation to the Vermont Council on Rural Development to
2 convene meetings of the Council and provide administrative and policy
3 support; and

4 (2) an appropriation to provide per diem compensation and
5 reimbursement of expenses for members of the Council.

6 Third: By striking out Sec. 27 (Human Rights Commission; position;
7 appropriation) in its entirety and inserting in lieu thereof:

8 Sec. 27. [Deleted.]

9 Fourth: By striking out Sec. 30 (Housing Risk Mitigation Fund; Eviction
10 Rescue Fund) in its entirety and inserting in lieu thereof:

11 Sec. 30. [Deleted.]

12 Fifth: By striking out Sec. 31 (homesharing opportunities; appropriation) in
13 its entirety and inserting in lieu thereof a new Sec. 31 to read:

14 Sec. 31. HOMESHARING OPPORTUNITIES

15 In fiscal year 2024, it is the intent of the General Assembly to appropriate
16 funds, if available, from the General Fund to the Department of Housing and
17 Community Development funding to expand home-sharing opportunities
18 throughout the State.

19 Sixth: In Sec. 32 (mobile homes; mobile home parks; appropriation) by
20 striking out subsection (h) in its entirety and inserting a new subsection (h) to
21 read:

1 (h) In fiscal year 2024, it is the intent of the General Assembly to
2 appropriate funds, if available, from the General Fund to the Department of
3 Housing and Community Development to provide financial support for home
4 repair, home improvement, housing transition, park infrastructure, legal
5 assistance, and technical assistance.

6 Seventh: By striking out Sec. 34 (First Generation Homebuyer;
7 appropriation) in its entirety and inserting a new Sec. 34 to read:

8 In fiscal year 2024, it is the intent of the General Assembly to appropriate
9 funds, if available, from the General Fund to the Vermont Housing Finance
10 Agency for grants through the First Generation Homebuyer Program.

11 Eighth: By striking out Secs. 36 and 37 (Middle-Income Homeownership
12 Development Program) in their entireties and inserting in lieu thereof new
13 Secs. 36 and 37 to read:

14 Sec. 36. MIDDLE-INCOME HOMEOWNERSHIP DEVELOPMENT
15 PROGRAM

16 (a) The Vermont Housing Finance Agency shall establish a Middle-Income
17 Homeownership Development Program pursuant to this section.

18 (b) As used in this section:

19 (1) “Affordable owner-occupied housing” means owner-occupied
20 housing identified in 26 U.S.C. § 143(c)(1) or that qualifies under Vermont
21 Housing Finance Agency criteria governing owner-occupied housing.

1 (2) “Income-eligible homebuyer” means a Vermont household with
2 annual income that does not exceed 150 percent of area median income.

3 (c) The Agency shall use the funds appropriated in this section to provide
4 subsidies for new construction or acquisition and substantial rehabilitation of
5 affordable owner-occupied housing for purchase by income-eligible
6 homebuyers.

7 (d) The total amount of subsidies for a project shall not exceed 35 percent
8 of eligible development costs, as determined by the Agency, which the Agency
9 may allocate consistent with the following:

10 (1) Developer subsidy. The Agency may provide a direct subsidy to the
11 developer, which shall not exceed the difference between the cost of
12 development and the market value of the home as completed.

13 (2) Affordability subsidy. Of any remaining amounts available for the
14 project after the developer subsidy, the Agency may provide a subsidy for the
15 benefit of the homebuyer to reduce the cost of purchasing the home, provided
16 that:

17 (A) the Agency includes conditions in the subsidy, or uses another
18 legal mechanism, to ensure that, to the extent the home value has risen, the
19 amount of the subsidy remains with the home to offset the cost to future
20 homebuyers; or

1 (B) the subsidy is subject to a housing subsidy covenant, as defined
2 in 27 V.S.A. § 610, that preserves the affordability of the home for a period of
3 99 years or longer.

4 (3) The Agency shall allocate not less than 33 percent of the funds
5 available through the Program to projects that include a housing subsidy
6 covenant consistent with subdivision (2)(B) of this subsection.

7 (e) The Agency shall adopt a Program plan that establishes application and
8 selection criteria, including:

9 (1) project location;

10 (2) geographic distribution;

11 (3) leveraging of other programs;

12 (4) housing market needs;

13 (5) project characteristics, including whether the project includes the use
14 of existing housing as part of a community revitalization plan;

15 (6) construction standards, including considerations for size;

16 (7) priority for plans with deeper affordability and longer duration of
17 affordability requirements;

18 (8) sponsor characteristics;

19 (9) energy efficiency of the development; and

20 (10) the historic nature of the project.

1 (f)(1) When implementing the Program, the Agency shall consult
2 stakeholders and experts in the field.

3 (2) The Program shall include:

4 (A) a streamlined and appropriately scaled application process;

5 (B) an outreach and education plan, including specific tactics to reach
6 and support eligible applicants, especially those from underserved regions or
7 sectors;

8 (C) an equitable system for distributing investments statewide on the
9 basis of need according to a system of priorities that includes consideration of:

10 (i) geographic distribution;

11 (ii) community size;

12 (iii) community economic need; and

13 (iv) whether an application has already received an investment or
14 is from an applicant in a community that has already received Program
15 funding.

16 (3) The Agency shall use its best efforts to ensure:

17 (A) that investments awarded are targeted to the geographic
18 communities or regions with the most pressing economic and employment
19 needs; and

20 (B) that the allocation of investments provides equitable access to the
21 benefits to all eligible geographical areas.

1 (g) The Agency may assign its rights under any investment or subsidy
2 made under this section to the Vermont Housing and Conservation Board or
3 any State agency or nonprofit organization qualifying under 26 U.S.C. §
4 501(c)(3), provided such assignee acknowledges and agrees to comply with the
5 provisions of this section.

6 (h) The Department shall report to the House Committee on General and
7 Housing and the Senate Committee on Economic Development, Housing and
8 General Affairs on the status of the Program annually, on or before January 15.

9 Sec. 37. MIDDLE-INCOME HOMEOWNERSHIP; IMPLEMENTATION

10 The duty to implement Sec. 36 of this act is contingent upon an
11 appropriation of funds in fiscal year 2024 from the General Fund to the
12 Department of Housing and Community Development for a subgrant to the
13 Vermont Housing Finance Agency for the Middle-Income Homeownership
14 Development Program.

15 Ninth: By striking out Secs. 38 and 39 in their entirety and inserting in
16 lieu thereof new Secs. 38 and 39 to read:

17 Sec. 38. RENTAL HOUSING REVOLVING LOAN PROGRAM

18 (a) Creation; administration. The Vermont Housing Finance Agency shall
19 design and implement a Rental Housing Revolving Loan Program and shall
20 create and administer a revolving loan fund to provide subsidized loans for
21 rental housing developments that serve middle-income households.

1 (b) Loans; eligibility; criteria.

2 (1) The Agency shall adopt processes, procedures, and guidelines to
3 implement the Program consistent with this section, including a simple
4 application process that is accessible to small developers, builders, and
5 contractors.

6 (2)(A) To be eligible for a subsidized loan through the Program, a
7 project shall create two or more new rental housing units, which may include
8 market rate and affordable units, provided that at least 25 percent of the units
9 in the project are affordable to a household earning between 65 and 150
10 percent of the applicable area median income.

11 (B) Projects may include new construction, acquisition with
12 substantial rehabilitation, and preservation of naturally occurring affordable
13 housing.

14 (3) A loan is available only for the costs of the project allocable to the
15 affordable units.

16 (4)(A) The Agency shall calculate the maximum amount of a loan,
17 which shall not exceed the lesser of:

18 (i) 35 percent of the costs of the project allocable to the affordable
19 units; or

20 (ii) the following amounts based on area median income bands:

1 (I) \$150,000.00 per unit for each unit that is affordable to a
2 household earning from 65 percent to 80 percent of area median income; and

3 (II) \$100,000.00 per unit for each unit that is affordable to a
4 household earning from 81 to 150 percent of area median income.

5 (B) The Agency shall adopt and implement a method to adjust the
6 values specified in subdivision (A)(ii) of this subdivision (4) at least annually
7 for inflation and may adopt a smoothing mechanism to adjust the maximum
8 loan values within each band based on levels of affordability.

9 (5) The Agency shall determine the term and interest rate of a loan. The
10 Agency may adopt one or more mechanisms to provide an enhanced subsidy to
11 incentivize projects, including:

12 (A) a lower interest rate;

13 (B) an interest-only option with deferred principal repayment; and

14 (C) partial loan forgiveness.

15 (6) The Agency shall adopt a Program plan that allows for an enhanced
16 subsidy for a project that meets one or more of the following:

17 (A) The project receives five percent or more of the total funding
18 from an employer or employer-capitalized loan or grant.

19 (B) The project receives five percent or more of the total funding
20 from a municipal or regional housing fund, local fiscal recovery fund, or other
21 form of community investment.

1 (C) The project utilizes tax-exempt bond funding or federal low-
2 income housing tax credits for at least 20 percent of the project's total units.

3 (D) The project is small in scale and provides infill development
4 within a historic settlement pattern.

5 (7) The Agency shall use one or more legal mechanisms to ensure that:

6 (A) a subsidized unit remains affordable to a household earning the
7 applicable percent of area median income for the longer of:

8 (i) seven years; or

9 (ii) full repayment of the loan plus three years; and

10 (B) during the affordability period determined pursuant to
11 subdivision (A) of this subdivision (7), the annual increase in rent for a
12 subsidized unit does not exceed three percent.

13 (c) Program design.

14 (1) When designing and implementing the Program, the Agency shall
15 consult stakeholders and experts in the field.

16 (2) The Program shall include:

17 (A) a streamlined and appropriately scaled application process;

18 (B) an outreach and education plan, including specific tactics to reach
19 and support eligible applicants, especially those from underserved regions or
20 sectors;

1 (C) an equitable system for distributing investment statewide on the
2 basis of need according to a system of priorities that includes consideration of:

3 (i) geographic distribution;

4 (ii) community size;

5 (iii) community economic need; and

6 (iv) whether an application has already received an investment or
7 is from an applicant in a community that has already received Program
8 funding.

9 (3) The Agency shall use its best efforts to ensure:

10 (A) that investments are targeted to the geographic communities or
11 regions with the most pressing economic and employment needs; and

12 (B) that the allocation of investments provides equitable access to the
13 benefits to all eligible geographical areas.

14 (d) Revolving funds. The Agency shall retain payments of principal,
15 interest, and any fees in a revolving loan fund, the amounts of which it shall
16 use to issue future loans through the Program.

17 (e) The Agency shall report to the House Committee on General and
18 Housing and the Senate Committee on Economic Development, Housing and
19 General Affairs on the status of the Program annually, on or before January 15.

20 Sec. 39. RENTAL HOUSING REVOLVING LOAN PROGRAM;

21 IMPLEMENTATION

1 The duty to implement Sec. 38 of this act is contingent upon an
2 appropriation of funds in fiscal year 2024 from the General Fund to the
3 Department of Housing and Community Development for a subgrant to the
4 Vermont Housing Finance Agency for the Rental Housing Revolving Loan
5 Program.

6 Tenth: By striking out Sec. 41 (VHIP; appropriation) in its entirety and
7 inserting in lieu thereof a new Sec. 41 to read:

8 Sec. 41. VHIP; IMPLEMENTATION

9 In fiscal year 2024 it is the intent of the General Assembly to appropriate
10 funding, if available, from the General Fund to the Department of Housing and
11 Community Development for the Vermont Rental Housing Improvement
12 Program.

13 Eleventh: By striking out Sec. 42 (Vermont Housing and Conservation
14 Board; appropriation) in its entirety and inserting in lieu thereof a new Sec. 42
15 to read:

16 Sec. 42. VERMONT HOUSING AND CONSERVATION BOARD;
17 APPROPRIATION OF AVAILABLE FUNDING

18 In fiscal year 2024, it is the intent of the General Assembly to appropriate
19 additional funding, if available, from the General Fund to the Vermont
20 Housing and Conservation Board to provide affordable mixed-income income
21 rental housing and homeownership units; improvements to manufactured

1 homes and communities; recovery residences; and, if determined eligible,
2 housing available to farm workers and refugees. VHCB shall also use the
3 funds for shelter and permanent homes for those experiencing homelessness in
4 consultation with the Secretary of Human Services.

5 Twelfth: By striking out Secs. 43 (Reserved) and 44 (Effective Dates) and
6 their reader assistance headings in their entirety and inserting in lieu thereof
7 new Secs. 43–47 and reader assistance headings as follows:

8 * * * Housing Stabilization * * *

9 Sec. 43. RENTAL HOUSING STABILIZATION SERVICES

10 (a) Creation; purpose. The Champlain Valley Office of Economic
11 Opportunity shall create and administer a Rental Housing Stabilization
12 Services Program to provide tenants and landlords with access to services and
13 programs that assist in preserving a tenancy and avoid eviction, including
14 eligibility screening, direct referral, and follow-up services.

15 (b) Eligibility. A tenant or landlord is eligible to contact the Office at any
16 time prior to the filing of a summons and complaint for eviction or through
17 court referral.

18 (c) Screening. The Office shall employ resource specialists who shall
19 assess landlords and tenants for availability and eligibility for statewide or
20 local assistance, including:

21 (1) repair funds;

- 1 (2) the Rent Arrears Assistance Fund established;
- 2 (3) Housing Opportunity Grant Program funds;
- 3 (4) the Vermont Housing Improvement Program;
- 4 (5) existing State or federally funded project- or tenant-based subsidies;
- 5 (6) existing Economic Service Division programs;
- 6 (7) legal counsel at Vermont Legal Aid or Legal Services Vermont for
- 7 tenants and through the Vermont Lawyer Referral Service for tenants or
- 8 landlords;
- 9 (8) voluntary mediation;
- 10 (9) housing education and skills-building programs; and
- 11 (10) other available housing resources as needed.

12 (d) Referral. The Office shall:

- 13 (1) assist callers in contacting organizations operating programs or
- 14 available resources for which the caller may be eligible; and
- 15 (2) provide support and follow-up services and work with partner
- 16 organizations to ensure effective participation in identified programs and
- 17 services.

18 (e) Implementation. The duty to implement this section is contingent upon

19 an appropriation in fiscal year 2024 from the General Fund to the Office of

20 Economic Opportunity within the Department for Children and Families for a

1 subgrant to Champlain Valley Office of Economic Opportunity to administer
2 the Rental Housing Stabilization Services Program pursuant to this section.

3 Sec. 44. TENANT REPRESENTATION PILOT PROGRAM

4 (a) Creation; purpose. Vermont Legal Aid shall create and administer a
5 two-year Tenant Representation Pilot Program:

6 (1) to provide full representation to eligible and consenting tenants in
7 Lamoille and Windsor counties who have been served with a summons and
8 complaint for eviction; and

9 (2) to determine the impact of representation on the issuance of writs of
10 possession and homelessness prevention.

11 (b) Tenant eligibility. Vermont Legal Aid may enter a notice of appearance
12 on behalf of a residential tenant in Lamoille or Windsor County who is served
13 with a summons and complaint in an ejection action, consents to the
14 representation, and meets the following criteria:

15 (1) household income equals or is less than 120 percent of State area
16 median income;

17 (2) the cost of rent equals or exceeds 30 percent of household income; or

18 (3) household expenses exceed income.

19 (c) Scope of representation.

20 (1) Full representation through the Program is limited to eviction.

1 (2) The pursuit of counterclaims shall be at the discretion of appointed
2 counsel.

3 (d) Conflicts of interest.

4 (1) Vermont Legal Aid may subcontract to Legal Services Vermont if it
5 is unable to provide tenant representation due to a conflict of interest as
6 defined by the Vermont Rules of Professional Conduct.

7 (2) If Legal Services Vermont also has a conflict of interest, Vermont
8 Legal Aid may subcontract to one or more private counsels who are members
9 in good standing of the Vermont Bar.

10 (e) Report. Vermont Legal Aid shall provide interim reports on the
11 progress of the Program on or before November 15, 2023 and November 15,
12 2024 and a final report on or before July 30, 2025, which shall describe:

13 (1) the number of tenants represented;

14 (2) case outcomes, including:

15 (A) the number of cases fully or partially resolved through access to
16 the Rent Arrears Assistance Fund;

17 (B) the number of cases fully or partially resolved through the
18 Vermont Landlord’s Association mediation program; and

19 (C) the number of cases fully or partially resolved through access to
20 another resource identified through the Rental Housing Stabilization Services
21 Program; and

1 (3) recommendations for policy changes and for pilot expansion.

2 (f) Implementation. The duty to implement this section is contingent upon
3 an appropriation in fiscal year 2024 from the General Fund to the Agency of
4 Human Services for a subgrant to Vermont Legal Aid to provide representation
5 in eligible eviction cases in the two pilot counties of Lamoille and Windsor
6 beginning on July 1, 2023.

7 Sec. 45. RENT ARREARS ASSISTANCE FUND

8 (a) Creation; purpose. The Vermont State Housing Authority shall create
9 and administer a Rent Arrears Assistance Fund to provide funds to prevent
10 eviction in cases involving nonpayment of rent from residential rental units
11 subject to 9 V.S.A. chapter 137 and mobile home lot rentals subject to 10
12 V.S.A. chapter 153.

13 (b) Tenant eligibility. The Vermont State Housing Authority shall
14 establish eligibility guidelines for the Fund that ensure a streamlined
15 application process, including certification of past due rent and that tenants are
16 at risk of eviction, which shall address the following:

17 (1) Eligibility. Financial eligibility criteria that consider area median
18 income, rent burden, and ratio of household expenses to income up to 100
19 percent of area median income for the current federal fiscal year.

20 (2) Sustainability. Standards for assessing whether the tenancy is
21 sustainable while retaining a simple and straightforward application.

1 (3) Referral. If the tenancy is not sustainable, the parties shall be
2 referred to the Rental Housing Stabilization Services Program for assistance in
3 exploring other resources or services and to apply for a housing choice
4 voucher.

5 (c) Funds available.

6 (1) The Fund shall disburse only the amount necessary to cure the
7 tenant’s rent arrears, and, if necessary, court costs, and attorney’s fees capped
8 at an amount set by the Authority.

9 (2) The Fund is available on a first-come, first-served basis to eligible
10 tenants until the Fund is exhausted.

11 (d) Application.

12 (1) The Authority shall create a plain language form to collect only
13 information necessary to assess eligibility and provide clear instructions to
14 help tenants and landlords apply.

15 (2) The tenant shall certify all information on the application.

16 (3) The Authority shall provide assistance in completing the application,
17 either directly or through referral to Vermont Legal Aid.

18 (4) The Authority shall adopt guidelines and implement a process that
19 ensures:

20 (A) equitable and prompt approval of applications;

21 (B) notice of grant decisions within 10 days; and

1 (C) decisions on appeals within 10 days.

2 (e) Status of eviction pending application.

3 (1) If an eviction case is filed, the tenant or the landlord shall notify the
4 court when an application for Fund assistance is pending.

5 (2) Upon receiving notice that an application for Fund assistance is
6 pending, the court shall set a status conference within 30 days.

7 (3) While the application is pending, the landlord shall not issue a new
8 notice to quit or file or serve a new summons and complaint.

9 (f) Disbursement. The Authority shall disburse amounts from the Fund
10 directly to the landlord.

11 (g) Conditions for disbursement of funds. The Authority shall establish
12 guidelines for ensuring habitability, limitation on rent increases,
13 documentation for direct deposit, and dismissal of cases, including the
14 following:

15 (1) Habitability. The Authority shall adopt guidelines for identifying
16 violations of the Rental Housing Health Code and certifying that necessary
17 repairs to remediate the violations will be completed within 30 days or
18 pursuant to a plan developed for the remediation and approved by the
19 Authority.

1 (2) Documentation for direct deposit. The landlord shall provide the
2 Authority, on a form provided by the Authority, necessary banking information
3 to enable direct deposit of monies from the Fund.

4 (3) Dismissal. The Authority shall adopt guidelines for disbursement to
5 ensure that complaints based on nonpayment of rent and complaints for no
6 cause are dismissed, whether there is a single or multiple pending complaints.

7 (4) Notification form.

8 (A) The Authority shall adopt and provide to landlords and tenants a
9 standardized notification form that shows amounts paid for each category of
10 disbursement and date of payment.

11 (B) The form shall allow the landlord or tenant to easily notify the
12 court and request a dismissal due to payment.

13 (C) The form shall outline any certifications established in Authority
14 guidance that both parties have made as a part of their application, along with
15 the date of those certifications.

16 (h) Implementation. The duty to implement this section is contingent upon
17 an appropriation in fiscal year 2024 from the General Fund to the Vermont
18 State Housing Authority to create and administer the Rent Arrears Assistance
19 Fund pursuant to this section.

20 * * * Lead Inspectors; Financial Responsibility * * *

21 Sec. 46. 18 V.S.A. § 1764 is amended to read:

1 § 1764. LEAD INSPECTORS; FINANCIAL RESPONSIBILITY

2 (a) The Commissioner shall require that a licensee or an applicant for a
3 license under subsection 1752(e) of this chapter provide evidence of ability to
4 indemnify properly a person who suffers damage from lead-based paint
5 activities or RRPM activities such as proof of effective liability insurance
6 coverage or a surety bond in an amount to be determined by the
7 Commissioner, which shall not be less than \$300,000.00. This section shall
8 not restrict or enlarge the liability of any person under any applicable law.

9 (b) Owners of rental target housing who personally perform all work under
10 this chapter on properties in which they have an interest shall be exempt from
11 subsection (a) of this section.

12 * * * Effective Dates * * *

13 Sec. 47. EFFECTIVE DATES

14 This act shall take effect on July 1, 2023, except that:

15 (1) Secs. 1 (24 V.S.A. § 4414), 2 (24 V.S.A. § 4412) except for
16 subdivision (1)(D), and 3 (24 V.S.A. § 4413) shall take effect on December 1,
17 2024.

18 (2) Sec. 46 (lead inspectors) shall take effect on passage.

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4 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE