

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on General and Housing to which was referred House Bill
3 No. 829 entitled “An act relating to creating permanent upstream eviction
4 protections and enhancing housing stability” respectfully reports that it has
5 considered the same and recommends that the bill be amended by striking out
6 all after the enacting clause and inserting in lieu thereof the following:

7 * * * Housing Programs * * *

8 Sec. 1. 10 V.S.A. § 322 is amended to read:

9 § 322. ALLOCATION SYSTEM

10 (a) In determining the allocation of funds available for the purposes of this
11 chapter, the Board shall give priority to projects that combine the dual goals of
12 creating affordable housing and conserving and protecting Vermont’s
13 agricultural land, historic properties, important natural areas or recreation lands
14 and also shall consider, but not be limited to, the following factors:

15 (1) the need to maintain balance between the dual goals in allocating
16 resources;

17 (2) the need for a timely response to unpredictable circumstances or
18 special opportunities to serve the purposes of this chapter;

19 (3) the level of funding or other participation by private or public
20 sources in the activity being considered for funding by the Board;

21 (4) what resources will be required in the future to sustain the project;

1 (5) the need to pursue the goals of this chapter without displacing lower
2 income Vermonters;

3 (6) the long-term effect of a proposed activity and, with respect to
4 affordable housing, the likelihood that the activity will prevent the loss of
5 subsidized housing units and will be of perpetual duration;

6 (7) geographic distribution of funds; and

7 (8) the need to timely address Vermont’s housing crisis.

8 (b) The Board’s allocation system shall include a method, defined by rule,
9 that evaluates the need for, impact, and quality of activities proposed by
10 applicants.

11 Sec. 2. 10 V.S.A. § 699 is amended to read:

12 § 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

13 (a) Creation of Program.

14 (1) The Department of Housing and Community Development shall
15 design and implement the Vermont Rental Housing Improvement Program,
16 through which the Department shall award funding to statewide or regional
17 nonprofit housing organizations, or both, to provide competitive grants and
18 forgivable loans to private landlords for the rehabilitation, including
19 weatherization and accessibility improvements, of eligible rental housing units.

1 (2) The Department shall develop statewide standards for the Program,
2 including factors that partner organizations shall use to evaluate applications
3 and award grants and forgivable loans.

4 (3) A landlord shall not offer a unit created through the Program as a
5 short-term rental, as defined in 18 V.S.A. § 4301, for the period a grant or loan
6 agreement is in effect.

7 (4) The Department may utilize a reasonable percentage of
8 appropriations made to the Department for the Program to administer the
9 Program.

10 (5) The Department may cooperate with and subgrant funds to State
11 agencies and political subdivisions and public and private organizations in
12 order to carry out the purposes of this subsection.

13 (b) Eligible rental housing units. The following units are eligible for a
14 grant or forgivable loan through the Program:

15 (1) Non-code compliant.

16 (A) The unit is an existing unit, whether or not occupied, that does
17 not comply with the requirements of applicable building, housing, or health
18 laws.

19 (B) If the unit is occupied, the grant or forgivable loan agreement
20 shall include terms:

21 * * *

1 (d) Program requirements applicable to grants and forgivable loans.

2 (1)(A) A grant or loan shall not exceed:

3 (i) \$70,000.00 per unit, for rehabilitation or creation of an eligible
4 rental housing unit meeting the applicable building accessibility requirements
5 under the Vermont Access Rules; or

6 (ii) \$50,000.00 per unit, for rehabilitation or creation of any other
7 eligible rental housing unit.

8 (B) In determining the amount of a grant or loan, a housing
9 organization shall consider the number of bedrooms in the unit, ~~and~~ whether
10 the unit is being rehabilitated or newly created, whether the project includes
11 accessibility improvements, and whether the unit is being converted from
12 nonresidential to residential purposes.

13 (2) A landlord shall contribute matching funds or in-kind services that
14 equal or exceed 20 percent of the value of the grant or loan.

15 (3) A project may include a weatherization component.

16 (4) A project shall comply with applicable building, housing, and health
17 laws.

18 (5) The terms and conditions of a grant or loan agreement apply to the
19 original recipient and to a successor in interest for the period the grant or loan
20 agreement is in effect.

1 (6) The identity of a recipient, ~~and~~ the amount of a grant or forgivable
2 loan, the year in which the grant or forgivable loan was extended, and the year
3 in which any affordability covenant ends are public records that shall be
4 available for public copying and inspection and the Department shall publish
5 this information at least quarterly on its website.

6 (7) A project for rehabilitation or creation of an accessible unit may
7 apply funds to the creation of a parking spot for individuals with disabilities.

8 (e) Program requirements applicable to grants and five-year forgivable
9 loans. For a grant or five-year forgivable loan awarded through the Program,
10 the following requirements apply for a minimum period of five years:

11 (1) A landlord shall coordinate with nonprofit housing partners and local
12 coordinated entry organizations to identify potential tenants.

13 (2)(A) Except as provided in subdivision (2)(B) of this subsection (e), a
14 landlord shall lease the unit to a household that is:

15 (i) exiting homelessness; ~~or~~

16 (ii) actively working with an immigrant or refugee resettlement
17 program; or

18 (iii) composed of at least one individual with a disability who is
19 eligible to receive Medicaid-funded home and community based services.

20 (B) If, upon petition of the landlord, the Department or the housing
21 organization that issued the grant determines that a household ~~exiting~~

1 ~~homelessness~~ under subdivision (2)(A) of this subsection (e) is not available to
2 lease the unit, then the landlord shall lease the unit:

3 (i) to a household with an income equal to or less than 80 percent
4 of area median income; or

5 (ii) if such a household is unavailable, to another household with
6 the approval of the Department or housing organization.

7 (3)(A) A landlord shall accept any housing vouchers that are available to
8 pay all, or a portion of, the tenant's rent and utilities.

9 (B) If no housing voucher or federal or State subsidy is available, the
10 total cost of rent for the unit, including utilities not covered by rent payments,
11 shall not exceed the applicable fair market rent established by the Department
12 of Housing and Urban Development.

13 (4)(A) A landlord may convert a grant to a forgivable loan upon
14 approval of the Department and the housing organization that approved the
15 grant.

16 (B) A landlord who converts a grant to a forgivable loan shall receive
17 a ~~10-percent~~ prorated credit for loan forgiveness for each year in which the
18 landlord participates in the ~~grant program~~ Program.

19 (f) Requirements applicable to 10-year forgivable loans. For a 10-year
20 forgivable loan awarded through the Program, the following requirements
21 apply for a minimum period of 10 years:

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Sec. 3. VERMONT RENTAL HOUSING IMPROVEMENT

APPROPRIATION

The sum of \$6,000,000.00 is appropriated from the General Fund to the Department of Housing and Community Development in fiscal year 2025 for the Vermont Housing Improvement Program established in 10 V.S.A. § 699.

Sec. 4. 2023 Acts and Resolves No. 47, Sec. 36 is amended to read:

Sec. 36. MIDDLE-INCOME HOMEOWNERSHIP DEVELOPMENT

PROGRAM

* * *

(d) The total amount of subsidies for a project shall not exceed 35 percent of eligible development costs, as determined by the Agency, ~~which the~~ at the time of approval of the project, unless the Agency later determines that the project will not result in affordable owner-occupied housing for income-eligible homebuyers without additional subsidy, in which case the Agency may, at its discretion, reasonably exceed this limitation and only to the extent required to achieve affordable owner-occupied housing. The Agency may shall allocate subsidies consistent with the following:

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

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

5 (A) the Agency includes conditions in the subsidy; agreement or uses
6 another legal mechanism; to ensure that, ~~to the extent the home value has risen,~~
7 ~~the amount of the subsidy~~ upon sale of the home, to the extent proceeds are
8 available, the amount of the affordability subsidy either:

9 (i) remains with the home to offset the cost to future homebuyers;
10 or

11 (ii) is recaptured by the Agency upon sale of the home for use in a
12 similar program to support affordable homeownership development; or

13 (B) the subsidy is subject to a housing subsidy covenant, as defined
14 in 27 V.S.A. § 610, that preserves the affordability of the home for a period of
15 99 years or longer.

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

19 * * *

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

1 (2) The Program shall include:

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

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

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

8 (i) geographic distribution;

9 (ii) community size;

10 (iii) community economic need; and

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

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

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

18 ~~(B) that the allocation of investments provides equitable access to the~~
19 ~~benefits to all eligible geographical areas.~~

20 * * *

1 Sec. 5. REPEAL

2 2023 Acts and Resolves No. 47, Sec. 37 (middle-income homeownership;
3 implementation) is repealed.

4 Sec. 6. APPROPRIATION; MIDDLE-INCOME HOMEOWNERSHIP
5 DEVELOPMENT PROGRAM

6 The sum of \$25,000,000.00 is appropriated from the General Fund to the
7 Department of Housing and Community Development to grant to the Vermont
8 Housing Finance Agency in fiscal year 2025 for the Middle-Income
9 Homeownership Development Program established by 2022 Acts and Resolves
10 No. 182, Sec. 11, and amended from time to time.

11 Sec. 7. APPROPRIATION; VERMONT HOUSING CONSERVATION
12 BOARD; PERPETUALLY AFFORDABLE HOUSING

13 The sum of \$110,000,000.00 is appropriated from the General Fund to the
14 Vermont Housing Conservation Board in fiscal year 2025 for the following
15 purposes:

16 (1) to provide support and enhance capacity for the production and
17 preservation of affordable rental housing and homeownership units, including
18 support for manufactured home communities, permanent homes for those
19 experiencing homelessness, recovery residences, and housing available to farm
20 workers, ~~and~~ refugees, or individuals with disabilities who are eligible to
21 receive Medicaid-funded home and community based services;

1 (2) to fund the construction and preservation of emergency shelter for
2 households experiencing homelessness; and

3 (3) to fund permanent supportive housing.

4 Sec. 8. APPROPRIATION; FIRST GENERATION HOMEBUYER
5 PROGRAM

6 The sum of \$1,000,000.00 is appropriated from the General Fund to the
7 Department of Housing and Community Development in fiscal year 2025 for a
8 grant to the Vermont Housing Finance Agency for the First-Generation
9 Homebuyer Program established by 2022 Acts and Resolves No. 182, Sec. 2,
10 and amended from time to time.

11 * * * Eviction Prevention Initiatives * * *

12 Sec. 9. APPROPRIATION; RENTAL HOUSING STABILIZATION
13 SERVICES

14 The sum of \$400,000.00 is appropriated from the General Fund to the
15 Office of Economic Opportunity within the Department for Children and
16 Families in fiscal year 2025 for a grant to the Champlain Valley Office of
17 Economic Opportunity for the Rental Housing Stabilization Services Program
18 established by 2023 Acts and Resolves No. 47, Sec. 43.

19 Sec. 10. APPROPRIATION; TENANT REPRESENTATION PILOT
20 PROGRAM

1 The sum of \$1,025,000.00 is appropriated from the General Fund to the
2 Agency of Human Services in fiscal year 2025 for a grant to Vermont Legal
3 Aid for the Tenant Representation Pilot Program established by 2023 Acts and
4 Resolves No. 47, Sec. 44.

5 Sec. 11. APPROPRIATION; RENT ARREARS ASSISTANCE FUND

6 The sum of \$2,500,000.00 is appropriated from the General Fund to the
7 Vermont State Housing Authority in fiscal year 2025 for the Rent Arrears
8 Assistance Fund established by 2023 Acts and Resolves No. 47, Sec. 45.

9 Sec. 12. RESIDENT SERVICES PROGRAM; APPROPRIATION

10 (a) The sum of \$6,000,000.00 is appropriated from the General Fund to the
11 Agency of Human Services in fiscal year 2025 for a grant to the Vermont
12 Housing and Conservation Board for the Resident Services Program
13 established by this section. The Agency shall work in coordination with the
14 Board to develop the Resident Services Program for the purpose of distributing
15 funds to eligible affordable housing organizations to respond to timely and
16 urgent resident needs and aid with housing retention.

17 (b) For purposes of this section, an “eligible affordable housing
18 organization” is a Vermont-based nonprofit or public housing organization that
19 makes available at least 15 percent of its affordable housing portfolio to
20 homeless families and individuals, including those with special needs who
21 require service support and rental assistance to secure and maintain their

1 housing, consistent with the goal of Executive Order No. 03-16 (Publicly
2 Funded Housing for the Homeless).

3 Sec. 13. RENT PAYMENT REPORTING REPORT

4 (a) To facilitate the development of a pilot program for housing providers
5 to report tenant rent payments for inclusion in consumer credit reports, the
6 Office of the State Treasurer shall study:

7 (1) any entities currently facilitating landlord credit reporting;

8 (2) the number of landlords in Vermont utilizing rent payment software,
9 related software expenses, and the need for or benefit of utilizing software for
10 positive pay reporting;

11 (3) the impacts on tenants from rent payment reporting programs,
12 including, if feasible, data gathered from the Champlain Housing Trust's
13 program;

14 (4) any logistical steps the State must take to facilitate the program and
15 any associated administrative costs; and

16 (5) any other issues the Treasurer deems appropriate for facilitating the
17 development of the pilot program.

18 (b) On or before December 15, 2024, the Treasurer shall submit a report to
19 the Senate Committee on Economic Development, Housing and General
20 Affairs and the House Committee on General and Housing with its findings
21 and recommendations, which may be in the form of proposed legislation.

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* * * Manufactured Homes * * *

Sec. 14. 2022 Acts and Resolves No. 182, Sec. 3, as amended by 2023 Acts and Resolves No. 3, Sec. 75 and 2023 Acts and Resolves No. 78, Sec. C.119, is further amended to read:

Sec. 3. MANUFACTURED HOME IMPROVEMENT AND
REPLACEMENT REPAIR PROGRAM

(a) Of the amounts available from the American Rescue Plan Act (ARPA) recovery funds, \$4,000,000 is appropriated to the Department of Housing and Community Development for the purposes specified. Amounts appropriated to the Department of Housing and Community Development for the Manufactured Home Improvement and Repair Program shall be used for one or more of the following purposes:

* * *

(b) The Department administers the Manufactured Home Improvement and Repair Program and may utilize a reasonable percentage of appropriations made to the Department for the Program to administer the Program.

(c) The Department may cooperate with and subgrant funds to State agencies and political subdivisions and public and private organizations in order to carry out the purposes of subsection (a) of this section.

Sec. 15. MANUFACTURED HOME IMPROVEMENT AND REPAIR
PROGRAM APPROPRIATIONS; INFRASTRUCTURE; MOBILE

1 HOME REPAIR

2 The sum of \$2,000,000.00 is appropriated from the General Fund to the
3 Department of Housing and Community Development in fiscal year 2025 for
4 the following purposes:

5 (1) to improve mobile home park infrastructure under the Manufactured
6 Home Improvement and Repair Program established by 2022 Acts and
7 Resolves No. 182, Sec. 3, and amended from time to time; and

8 (2) to expand the Home Repair Awards program under the
9 Manufactured Home Improvement and Repair Program established by 2022
10 Acts and Resolves No. 182, Sec. 3, and amended from time to time.

11 Sec. 16. MOBILE HOME TECHNICAL ASSISTANCE APPROPRIATION

12 (a) The sum of \$700,000.00 is appropriated from the General Fund to the
13 Department of Housing and Community Development for a subgrant to the
14 Champlain Valley Office of Economic Opportunity in fiscal year 2025 to fund
15 the Mobile Home Park Technical Assistance Services Team, including
16 administration and direct project administration costs, such as advertising,
17 background check fees, office supplies, postage, staff mileage liability
18 insurance, training, service contracts, rent, utilities, telephone, space
19 maintenance, and staffing.

20 (b) The sum of \$300,000.00 is appropriated from the General Fund to the
21 Department of Housing and Community Development for a subgrant to the

1 Champlain Valley Office of Economic Opportunity in fiscal year 2025 to fund
2 individual resident emergency grants accessible to all income-eligible mobile
3 homeowners statewide to prevent loss of housing, remediate unsafe housing,
4 enhance housing safety, health, and habitability issues, and provide relief from
5 the impacts of natural disaster.

6 * * * Reporting * * *

7 Sec. 17. EMERGENCY HOUSING TRANSITION; AGENCY OF HUMAN
8 SERVICES; JOINT FISCAL COMMITTEE OVERSIGHT;
9 REPORTS

10 (a) As used in this act, “alternative housing placements” may include
11 shelter beds and pods; placements with family or friends; permanent housing
12 solutions, including tiny homes, manufactured homes, and apartments;
13 residential treatment beds for physical health, long-term care, substance use, or
14 mental health; nursing home beds; and recovery homes.

15 (b) On or before the last day of each month from July 2024 through March
16 2025, the Agency of Human Services, or other relevant agency or department,
17 shall report to the House Committees on Human Services and on General and
18 Housing, the Senate Committee on Health and Welfare, and the Joint Fiscal
19 Committee on its progress in assisting households housed in hotels and motels
20 with transitioning from the pandemic-era General Assistance Emergency

1 Housing Program to alternative housing placements and on the creation of
2 new, alternative housing solutions. Each update shall include:

3 (1) the number of households remaining in hotels and motels that have
4 not yet been transitioned to an alternative housing placement by household
5 size, by eligibility category, and by each Agency of Human Services district;

6 (2) the number of actual alternative housing placements made during the
7 previous reporting period compared with the targeted number of placements
8 for that period;

9 (3) of the households successfully transitioned to an alternative housing
10 placement during the previous month, the number of households whose
11 screening indicated a potential need for services from each department within
12 the Agency;

13 (4) the number of beds available for emergency housing in each Agency
14 of Human Services district in the State, with separate reporting on the number
15 of beds available in nursing homes and residential care homes for individuals
16 whose screening indicates they could meet the clinical criteria for those
17 settings and the number of emergency beds available for individuals whose
18 screening indicates they do not meet the clinical criteria, including low-barrier
19 shelters, beds for youth, and beds for individuals who have experienced
20 domestic violence;

1 (5) of the households that were housed in a hotel or motel for four
2 months or longer and transitioned out during the previous month, the number
3 that have had all or a portion of their security deposits returned to them since
4 leaving the hotel or motel or are awaiting the return of these funds;

5 (6) of the households that were housed in a hotel or motel for less than
6 four months and transitioned out during the previous month, the amount of
7 security deposit funds refunded to the State by the hotels and motels during
8 that month;

9 (7) the number of households that have been successfully transitioned to
10 an alternative housing placement since the previous report, the types of
11 housing settings in which they have been placed, and the supportive services
12 they are receiving in conjunction with their housing;

13 (8) the outlook for transitioning additional households to alternative
14 housing placements in the coming months, including an estimate of the number
15 of households likely to be placed per month;

16 (9) a projected timeline for transitioning the remaining households to
17 alternative housing placements;

18 (10) the average negotiated rate for rooms that the Agency paid to the
19 hotels and motels providing the temporary, continued hotel or motel housing
20 during the previous month;

1 (11) the status of responding to and implementing the letters of interest
2 from community partners and municipalities for housing and supportive
3 services;

4 (12) the status of contracts for housing and supportive services resulting
5 from the Agency’s requests for proposals (RFPs);

6 (13) the status of grants awarded through the Housing Opportunity
7 Grant Program and how those grants relate to the Agency’s efforts to assist
8 households with transitioning out of the pandemic-era General Assistance
9 Emergency Housing Program;

10 (14) once the Adverse Weather Conditions Policy takes effect again in
11 the fall of 2024, how the Agency plans to distinguish the households that
12 become eligible for the General Assistance Emergency Housing Program
13 under that Policy from the households that the Agency is assisting with
14 transitioning out of the pandemic-era General Assistance Emergency Housing
15 Program;

16 (15) the total amount of funds expended to date on housing placements
17 and supportive services for households transitioning out of the pandemic-era
18 General Assistance Emergency Housing Program; and

19 (16) beginning with the September 2024 reporting period, any State
20 rules and local regulations and ordinances that are impeding the timely

1 development of safe, decent, affordable housing in Vermont communities in
2 order to:

3 (A) identify areas in which flexibility or discretion are available; and

4 (B) advise whether the temporary suspension of relevant State rules
5 and local regulations and ordinances, or the adoption or amendment of State
6 rules, would facilitate faster and less costly revitalization of existing housing
7 and construction of new housing units.

8 (c) On or before the last day of each month from July 2024 through March
9 2025, the Vermont Housing and Conservation Board shall report to the House
10 Committees on Human Services and on General and Housing; the Senate
11 Committees on Health and Welfare and on Economic Development, Housing
12 and General Affairs; and the Joint Fiscal Committee on:

13 (1) the status of the Board’s initiatives to make additional housing units
14 available and how those initiatives support the Agency of Human Services’
15 efforts to assist households with transitioning out of the pandemic-era General
16 Assistance Emergency Housing Program; and

17 (2) the status of the Board’s efforts to expand emergency shelter
18 capacity, including the number of new beds available since the previous report,
19 the number of additional beds planned, and when the additional planned beds
20 are likely to become available.

1 (d) The Agency may hire temporary employees or contract with
 2 community-based organizations, or both, as needed to support the Agency in
 3 assisting households housed in hotels and motels with transitioning from the
 4 pandemic-era General Assistance Emergency Housing Program to alternative
 5 housing placements; to support the creation of new, alternative housing
 6 solutions; and to collect and report on the information required by subsection
 7 (b) of this section.

8 (e) On or before April 1, 2025, the Agency shall report to the House
 9 Committees on Appropriations, on Human Services, and on Housing and
 10 General Affairs; the Senate Committees on Appropriations, on Health and
 11 Welfare, and on Economic Development, Housing and General Affairs; and
 12 the Joint Fiscal Committee the number of households, if any, that were not
 13 successfully transitioned out of the pandemic-era General Assistance
 14 Emergency Housing Program into alternative housing placements and the
 15 reason why each such household was not successfully placed.

* * * Effective Date * * *

17 Sec. 18. EFFECTIVE DATE

18 This act shall take effect on July 1, 2024.

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(Committee vote: _____)

Representative _____

FOR THE COMMITTEE