

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on General, Housing and Military Affairs to which was
3 referred Senate Bill No. 135 entitled “An act relating to promoting economic
4 development” respectfully reports that it has considered the same and
5 recommends that the House propose to the Senate to amend the bill by
6 inserting reader assistance and Secs. H.11–H.17 to read:

7 * * * Vermont Housing and Conservation Board; Housing for All * * *

8 Sec. H.11. 10 V.S.A. § 314 is added to read:

9 § 314. AFFORDABLE HOUSING BOND; INVESTMENT

10 (a) Findings and purpose.

11 (1) The General Assembly finds that investments are needed to help
12 house the most vulnerable as well as creating more homes for workers.

13 (2) The shortage of affordable and available homes has been highlighted
14 recently by:

15 (A) the Vermont Futures Project of the Vermont Chamber of
16 Commerce, which set a growth target of 5,000 new and improved housing
17 units annually;

18 (B) a national consultant’s recommendations for a Roadmap to End
19 Homelessness, which calls for 368 new units for permanent supportive housing
20 and 1,251 new homes affordable at 30 percent of median or below over the
21 next five years; and

1 (C) the 2015 statewide housing needs assessment by Bowen National
2 Research, which found the largest gaps in housing affordable to households
3 below 30 percent of median and between 85 percent and 120 percent, and a
4 lack of housing availability across the income spectrum.

5 (3) The purpose of this section is to promote the development and
6 improvement of housing for Vermonters.

7 (b) The Vermont Housing and Conservation Board shall use the proceeds
8 of bonds, notes, and other obligations issued by the Vermont Housing Finance
9 Agency pursuant to subdivision § 621(22) of this title and transferred to the
10 Vermont Housing and Conservation Trust Fund to fund the creation and
11 improvement of ownership and rental housing for Vermonters with very low to
12 middle income in areas targeted for growth and reinvestment, as follows:

13 (1) not less than 25 percent of the housing shall be targeted to
14 Vermonters with very low income, meaning households below 50 percent of
15 area median income;

16 (2) not less than 25 percent of the housing shall be targeted to
17 Vermonters with moderate income, meaning households between 80 and 120
18 percent of area median income; and

19 (3) the remaining housing shall be targeted to Vermonters whose
20 income is less than or equal to 120 percent of area median income, consistent
21 with the provisions of this chapter.

1 Sec. H.12. 32 V.S.A. § 9610 is amended to read:

2 § 9610. REMITTANCE OF RETURN AND TAX; INSPECTION OF
3 RETURNS

4 (a) Not later than 30 days after the receipt of any property transfer return, a
5 town clerk shall file the return in the office of the town clerk and electronically
6 forward a copy of the acknowledged return to the Commissioner; provided,
7 however, that with respect to a return filed in paper format with the town, the
8 Commissioner shall have the discretion to allow the town to forward a paper
9 copy of that return to the department.

10 (b) The copies of property transfer returns in the custody of the town clerk
11 may be inspected by any member of the public.

12 (c) Prior to distributions of property transfer tax revenues under 10 V.S.A.
13 § 312, 24 V.S.A. § 4306(a), and ~~32 V.S.A. §~~ subdivision 435(b)(10) of this
14 title, one percent of the revenues received from the property transfer tax shall
15 be deposited in a special fund in the Department of Taxes for Property
16 Valuation and Review administration costs.

17 (d)(1) Prior to any distribution of property transfer tax revenue under
18 10 V.S.A. § 312, 24 V.S.A. § 4306(a), subdivision 435(b)(10) of this title, and
19 subsection (c) of this section, \$2.5 million of the revenue received from the
20 property transfer tax shall be transferred to the Vermont Housing Finance
21 Agency to pay the principal of and interest due on the bonds, notes, and other

1 obligations authorized to be issued by the Agency pursuant to 10 V.S.A.
2 § 621(22), the proceeds of which the Vermont Housing and Conservation
3 Board shall use to create affordable housing pursuant to 10 V.S.A. § 314.

4 (2) As long as the bonds, notes, and other obligations incurred pursuant
5 to subdivision (1) of this subsection remain outstanding, the rate of tax
6 imposed pursuant to section 9602 of this title shall not be reduced below a rate
7 estimated, at the time of any reduction, to generate annual revenues of at least
8 \$12 million.

9 * * * Vermont Housing Finance Agency; Authority to Issue Bonds for

10 Affordable Housing * * *

11 Sec. H.13. 10 V.S.A. § 621 is amended to read:

12 § 621. GENERAL POWERS AND DUTIES

13 The Agency shall have all of the powers necessary and convenient to carry
14 out and effectuate the purposes and provisions of this chapter, including
15 without limitation those general powers provided a business corporation by
16 11A V.S.A. § 3.02 and those general powers provided a nonprofit corporation
17 by 11B V.S.A. § 3.02 and including, without limiting the generality of the
18 foregoing, the power to:

19 * * *

1 (22) issue bonds, notes, and other obligations secured by the property
2 transfer tax revenues transferred to the Agency pursuant to 32 V.S.A.
3 § 9610(d).

4 Sec. H.14. 10 V.S.A. § 631(1) is added to read:

5 (1)(1) The bonds, notes, and other obligations authorized to be issued
6 pursuant to subdivision 621(22) of this title shall be secured by a pledge of the
7 property transfer tax revenues to be transferred to the Agency pursuant to
8 32 V.S.A. § 9610(d) and shall mature not later than June 30, 2038.

9 (2) The Agency may issue the bonds, notes, and other obligations in one
10 or more series at one time or from time to time, provided that the aggregate
11 annual debt service on the bonds, notes, and other obligations shall not exceed
12 \$2.5 million at any time.

13 (3) The Agency shall transfer the proceeds of the bonds, notes, and other
14 obligations, less issuance fees and costs and required reserves, to the Vermont
15 Housing and Conservation Trust Fund established pursuant to section 312 of
16 this title, for use by the Vermont Housing and Conservation Board as provided
17 in section 314 of this title.

18 (4) The Agency, the Vermont Housing and Conservation Board, and the
19 State Treasurer may execute one or more agreements governing the terms and
20 conditions under which the property transfer tax revenues that secure the

1 bonds, notes, and obligations will be transferred to the Agency, and any other
2 issues they determine appropriate.

3 Sec. H.15. REPEAL

4 The following shall be repealed on July 1, 2038:

5 (1) 32 V.S.A. § 9610(d) (property transfer tax priority for affordable
6 housing debt repayment).

7 (2) 10 V.S.A. § 621(22) (Vermont Housing Finance Agency (VHFA)
8 authority to issue debt obligations secured by property transfer tax).

9 (3) 10 V.S.A. § 631(l) (debt obligations issued by VHFA).

10 (4) 10 V.S.A. § 314 (Vermont Housing and Conservation Board;
11 affordable housing bond and investments).

12 Sec. H.16. 10 V.S.A. § 323 is amended to read:

13 § 323. ANNUAL REPORT

14 Prior to January 31 of each year, the ~~board~~ Board shall submit a report
15 concerning its activities to the ~~governor~~ Governor and legislative committees
16 on agriculture, natural resources and energy, appropriations, ways and means,
17 finance, and institutions. The report shall include, ~~but not be limited to,~~ the
18 following:

19 (1) a list and description of activities funded by the ~~board~~ Board during
20 the preceding year, including commitments made to fund projects through

1 housing bond proceeds pursuant to section 314 of this title, and project
2 descriptions, levels of affordability, and geographic location;

3 * * *

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10 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE