

Summary of S.237 as Passed the Senate

Prepared by Ellen Czajkowski, Legislative Counsel, August 25, 2020

Sec. 1 requires a municipal plan map to include water supply and sewer disposal lines, facilities, and service areas. It also requires the plan to comply with the housing requirements of 24 V.S.A. § 4412.

Sec. 2 makes numerous changes to 24 V.S.A. § 4412 including:

- In a district that allows multiunit dwellings, a municipality can't prohibit four units per dwelling based on character of the area.
- Amends the definition of accessory dwelling unit (ADU) by removing the requirements that it must be owner occupied and have one bedroom or fewer. It also allows the size of the ADUs to be 30% of the single-family dwelling or 900 square feet, whichever is greater.
- A municipality may ban development on existing lots 1/8 acre in size if unable to connect to municipal sewer and water.
- Establishes Inclusive Development provisions. These provisions are voluntary until they go into effect on July 1, 2023. A municipality may opt out of these requirements by filing a Substantial Municipal Constraint Report.
 - A municipality cannot prevent residential lots 1/4 acre or larger if able to connect to municipal water or 1/8 acre or larger if able to connect to municipal water and sewer.
 - Must condition subdivision approval on receiving State wastewater permit.
 - Cannot prohibit or require conditional use approval for duplexes in residential zoning districts with municipal water and sewer.
 - Parking spaces that are leased separately from housing units shall count as double towards the parking minimum if located within 1/2 mile of a transit stop.
 - Municipalities that comply with the Inclusive Development provisions are eligible for incentives including priority funding and tax credits. Also, a municipality that has adopted the provisions may enforce the language in Sec. 3, which invalidates deed restrictions that conflict with the provisions.

Sec. 3 invalidates new restrictive deeds and covenants that conflict with land development allowed under the Inclusive Development provisions of § 4412. It includes language so conservation easements and housing subsidy covenants are not unintentionally preempted.

Sec. 4 requires the Dept. of Housing and Community Development to report back to the General Assembly by January 15, 2023 on a Substantial Municipal Constraint Reports received.

Secs. 5 -10 Deleted

Sec. 11 condenses the references to the Downtown and Village Center Tax Credit Program in the Village Center Designation statute.

Sec. 12 Deleted

Sec. 13 amends the Downtown and Village Center Tax Credit Program to include NDAs and qualified flood mitigation projects.

Secs. 14-16a Deleted

Sec. 17 charges DHCD and DAIL to conduct a study and provide recommendations for an age-specific housing plan and policies focused on older Vermonters.

Sec. 18 authorizes DHCD to adopt emergency rules to collect data concerning short-term rentals and submit a report concerning the data in conjunction with a housing needs assessment, a compilation of laws governing STRs, and recommendations for statutory and municipal regulation of STRs.

Sec. 19 authorizes municipalities to regulate STRs, provided that the ordinance or bylaw does not adversely impact the availability of long-term rental housing.

Sec. 20 Deleted

Sec. 21 directs DEC to assist the Town of Brattleboro and the Tri-Park Cooperative in implementing Tri-Park's master plan, including through loan forgiveness or restructuring, to allow for improvements to infrastructure, to provide similar assistance to other parks, and to identity changes necessary to expand State assistance from certain special Funds.

Sec. 22 authorizes the Treasurer to use funds available through the credit facility for local investments to provide financing for mobile home park infrastructure projects.

Sec. 23 creates the Vermont Housing Incentive Program to provide matching grants to landlords to improve rental housing that is vacant, blighted, or otherwise does not comply with health and safety regulations.

Sec. 24 allows the incentives for the Inclusive Development provisions in Sec. 2 to be available immediately for towns that comply before July 1, 2023.

Sec. 25 states that the bill goes into effect on July 1, 2020, except for the Inclusive Development provisions which are effective July 1, 2023.