

Summary of S.237 Dr. 9.1 as Recommended by the Senate Committee on Economic Development, Housing, and General Affairs

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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 must allow up to four units per dwelling.
- Amends the definition of accessory dwelling unit (ADU) by removing the requirements that it has to be owner occupied and that it has to be one bedroom or fewer. It also allows the size of the ADUs to be 30 percent of the single-family dwelling or 900 square feet, whichever is greater.
- Prohibits municipalities from banning development on existing lots 1/8 acre in size if able 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 the creation of 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.
 - Duplexes are required to go through the same review as single-family units.
 - 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 restrictive deeds and covenants that prohibit 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.

Sec. 5 amends a few definitions in Act 250. It makes technical corrections to “mixed income housing” in order to reflect VFHA’s current practice. It strikes the references in “priority housing project” to Downtown Development Districts (DDD) and Neighborhood Development Areas (NDAs).

Sec. 6 makes multiple changes to Act 250 to exempt DDDs and NDAs from Act 250 and allows existing Act 250 permits in those areas to be extinguished.

Sec. 7 repeals two sections of Act 250 related to DDDs and NDAs.

Sec. 8 requires municipal panels to add existing Act 250 permit conditions to the municipal land use permit for a development, unless the conditions are no longer needed.

Sec. 9 adds the executive director of the Vermont Housing and Conservation Board as a member of the Vermont Downtown Development Board.

Sec. 10 amends the requirements for a Downtown Development District by striking the references to Act 250 and by requiring an additional housing element to promote affordable housing.

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

Sec. 12 amends the Neighborhood Development Area statutes in multiple ways. It strikes the references to Act 250. It requires an additional housing element to promote affordable housing. It also amends the requirement that the NDA not include areas that are in flood hazard areas or river corridors unless the area contains preexisting development and is suitable for infill.

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

Sec. 14 exempts a person who receives a wastewater connection permit from the municipality from needing a State permit.

Sec. 15 states that a municipality may issue wastewater connection permits if the municipality owns a public water system.

Sec. 16 requires ANR to report back to the General Assembly on whether municipalities should have jurisdiction to issue subdivision permits.

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 finds that additional investments should be made to the Vermont Housing and Conservation Board (VHCB) to build on the success of the 2017 Housing for All Revenue Bond, states intent to create permanent affordable housing throughout the State, and appropriates \$13,073,840.00 to VHCB, which represents an increase of \$2,269,000.00 from the fiscal year 2020 appropriation to VHCB from property transfer tax revenues. It also states the intent that the increased appropriation amount to VHCB shall be used for housing projects, of which approximately \$750,000.00 shall be used for mobile home park infrastructure needs.

Sec. 19 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. 20 authorizes municipalities to regulate STRs, provided that the ordinance or bylaw does not adversely impact the availability of long-term rental housing.

Sec. 21 directs AHS to take reasonable measures and to report on its steps to reduce the loss of specialized federal rental assistance vouchers.

Sec. 22 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 identify changes necessary to expand State assistance from certain special Funds.

Sec. 23 authorizes the Treasurer to use funds available through the credit facility for local investments to provide financing for mobile home park infrastructure projects.

Sec. 24 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. 25 appropriates funds:

- \$150,000 to RPCs to assist municipalities in updating bylaws for inclusionary housing;
- \$150,000 to municipal planning commissions for that purpose;
- \$50,000 to ACCD to provide technical assistance for the development of accessory dwelling units;
- \$800,000 to AHS to increase case management services for homeless Vermonters
- \$1m for the Vermont Housing Incentive Program

Sec. 26 allows the incentives for the Inclusive Development provisions to be available immediately for towns that comply before July 1, 2023.

Sec. 27 states that the bill goes into effect on July 1, 2020, except for the Inclusive Development provisions which are effective July 1, 2023.