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S.226

Representative Stevens of Waterbury moves that the House propose to the Senate that the bill be amended by striking out Sec. 4 in its entirety and inserting in lieu thereof a new Sec. 4 to read as follows:

Sec. 4. COMMUNITY PARTNERSHIP FOR NEIGHBORHOOD DEVELOPMENT

(a) The Department of Housing and Community Development shall lead a Community Partnership for Neighborhood Development Program, which shall be a collaborative among municipalities, nonprofit and for-profit developers, State agencies, employers, and other relevant stakeholders to develop a pilot neighborhood and demonstrate how new partnership models for targeted and coordinated investments can support the development of at least 300 homes in inclusive, smart growth neighborhoods.

(b) The Program shall be steered by a Housing Equity Council with representatives from the Vermont Department of Housing Community Development, the Vermont Housing Finance Agency, the Agency of Natural Resources, the Agency of Transportation, the Department of Public Service, the Vermont Bond Bank, the Vermont Economic Development Authority, the Vermont Housing and Conservation Board, the Vermont Association of Planning and Development Agencies, the Vermont League of Cities and Towns, and the Vermont Regional Development Corporations.

1 (c) The Council shall consider and recommend to the Department of
2 Housing and Community Development at least three a pilot neighborhood
3 development project in three separate regional planning commission regions
4 using a competitive process to select municipalities a municipality able to
5 demonstrate need, collaboration, preliminary planning, bylaw modernization,
6 and budgetary commitments to support smart growth and housing development
7 in locations within or up to one quarter of a mile from a neighborhood
8 planning area, as defined in 24 V.S.A. § 2791, or locations that otherwise
9 represent a logical extension of an existing compact settlement pattern that is
10 consistent with smart-growth principles.

11 (d) Through the Program, the Department and the Council shall coordinate
12 with the pilot municipality through 2026 on the strategic use of public
13 resources to create a development-ready framework for new and infill
14 neighborhood development and construction-ready building lots through the
15 integrated coordination of the following:

- 16 (1) State, regional, and municipal planning;
- 17 (2) State and municipal regulation;
- 18 (3) land acquisition and land banking;
- 19 (4) physical improvement planning, design, and scoping;
- 20 (5) capital investment in infrastructure;

1 (6) financing and funding, including funding from the American Rescue
2 Plan Act and Infrastructure Investment and Jobs Act;

3 (7) lot and building development by private and nonprofit developers;
4 and

5 (8) the sale or leasing of homes.

6 (e) The Department and the Council shall seek to achieve the following
7 goals through the Program:

8 (1) The development of neighborhoods that:

9 (A) are compact and human-scaled, with densities of at least eight
10 dwelling units per acre, including modestly sized dwellings on small lots;

11 (B) are characteristic of Vermont’s smart growth principles, as
12 provided in 24 V.S.A. § 2791;

13 (C) are located in proximity to existing residential, employment, and
14 civic uses;

15 (D) provide for a mix of housing types, styles, tenure, and sizes to
16 accommodate diverse household of varying composition, age, and income,
17 including not less than 25 percent of the units with perpetual affordability and
18 35 percent of the homes affordable at 80 percent of the area median income;

19 (E) provide for a mix of transportation modes with interconnected
20 streets and sidewalks; and

1 (F) are designed in a manner that enhances historic resources, climate
2 readiness, energy efficiency, environmental quality, resident health, and
3 overall livability.

4 (2) Successful models for the acquisition or banking of developable- or
5 development-ready land for new neighborhood development or infill
6 development within existing, developed neighborhoods.

7 (3) Successful models for the integration of planning and
8 implementation for water, sewer, and other public utilities and services with
9 land use planning and transportation investments in new or upgraded streets.

10 (f) \$1,000,000.00 is appropriated from the American Recue Plan Act
11 (ARPA) recovery funds to the Department of Housing and Community
12 Development for predevelopment grants that implement this section, which
13 may fund municipal planning, site control, land acquisition, design, scoping,
14 and surveying for the development of a pilot neighborhood.

15 (g) Of the amounts appropriated in this section, the Department may
16 reserve not more than \$100,000.00 for related administrative expenses through
17 fiscal year 2026.

18 (h) The Agency of Natural Resources and the Agency of Transportation
19 shall report back to the General Assembly on or before December 15, 2024 on
20 financial contributions the agencies can make to the Program’s pilot
21 neighborhood.

- 1 (i) The Department of Housing and Community Development shall report
- 2 back to the General Assembly on the results of the Program on or before
- 3 December 15, 2026.