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**Open Items - S.226**

\* \* \* First-Generation Homebuyers \* \* \*

Sec. 7. 32 V.S.A. 5930u is amended to read:

§ 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

\* \* \*

(b) Eligible tax credit allocations.

\* \* \*

(3) Down Payment Assistance Program.

(A) The Vermont Housing Finance Agency shall have the authority to allocate affordable housing tax credits to finance down payment assistance loans that meet the following requirements:

(i) the loan is made in connection with a mortgage through an Agency program;

(ii) the borrower is a first-time home buyer of an owner-occupied primary residence; and

(iii) the borrower uses the loan for the borrower’s down payment or closing costs, or both.

(B) The Agency shall require the borrower to repay the loan upon the transfer or refinance of the residence.

(C) The Agency shall use the proceeds of loans made under the Program for future down payment assistance.

1           (D) The Agency may reserve funding and adopt guidelines to provide  
2 grants to first-time homebuyers who are also first-generation homebuyers.

3 **Sec. 7a. FIRST GENERATION HOMEBUYER; IMPLEMENTATION**

4           (a) Guidelines. The Vermont Housing Finance Agency shall adopt  
5 guidelines for first-generation homebuyer grants consisting with this section.

6           (b) As used in this section, a first-generation homebuyer means an  
7 applicant who self attests that the applicant:

8                   (A)(i) is an individual:

9                           (I) whose parents or legal guardians do not have any present  
10 residential ownership interest in any State; and

11                           (II) whose spouse, or domestic partner, and each member of  
12 whose household has not, during the 3-year period ending upon acquisition of  
13 the eligible home to be acquired, had any present ownership interest in a  
14 principal residence in any State; or

15                           (ii) is an individual who has at any time been placed in foster care.

16                   (B) has a household income of not more than 120 percent of the area  
17 median income; and

18                   (C) will occupy the dwelling, or a unit within the dwelling, as a full-  
19 time residence.

20           (c) Administration. The Agency shall adopt:

1           (1) a standard application form that describes the application process  
2           and includes instructions and examples to help homebuyers apply;

3           (2) an award process that ensures equitable selection of homebuyers;  
4           and

5           (3) a loan management system that ensures accountability for funds  
6           awarded.

7           (d) Outreach. Recognizing that Black, Indigenous, and Persons of Color  
8           have historically not had access to capital for homeownership purchases and  
9           have been systemically discriminated against in the housing market, the  
10          Agency, working with Vermont chapters of the NAACP, AALV, USCRI, the  
11          Executive Director of Racial Equity, the Vermont Commission on Native  
12          American Affairs, local racial justice organizations, the Vermont Housing  
13          Finance Agency, and the nonprofit homeownership centers, shall develop a  
14          plan of active outreach and implementation to ensure that program  
15          opportunities are effectively communicated, and that funds are equitably  
16          awarded, to communities of Vermonters who have historically suffered  
17          housing discrimination.

18          Sec. 7b. FIRST-GENERATION HOMEBUYER; FUNDING; TRANSFER

19          Of the amounts appropriated to the Agency of Commerce and Community  
20          Development for a homeownership revolving loan fund, the Agency shall

1 transfer \$1,000,000.00 to the Vermont Housing Finance Agency to provide  
2 grants pursuant to Secs. 7 and 7a of this act.

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5 ~~\*\*\* Large Employer Housing; Commercial Property Conversion; Multi-~~  
6 ~~Agency Coordination~~

7 ~~New Approaches to Creating Housing \*\*\*~~

8 Sec. 9. VERMONT HOUSING CONSERVATION BOARD; ~~LARGE~~  
9 ~~EMPLOYER HOUSING; COMMERCIAL PROPERTY~~  
10 ~~CONVERSION; COMMUNITY PARTNERSHIP FOR~~  
11 ~~NEIGHBORHOOD DEVELOPMENT-NEW APPROACHES TO~~  
12 ~~CREATING HOUSING~~

13 (a) Authorization. Of the amounts appropriated to the Vermont Housing  
14 and Conservation Board in fiscal year 2023, the Board is authorized to use up  
15 to \$5,000,000.00 to explore new approaches for the State to support the  
16 creation of housing through the following activities:

17 (1) housing created through the Community Partnership for  
18 Neighborhood Development created in subsection (b) of this section;

19 (2) funding for matching grants matching funds, which for each unit  
20 shall not exceed the lesser of \$50,000.00 or 20 percent of the employer cost,

1 for no fewer than two large employers with 50 or more full time equivalent  
 2 employees that ~~provide~~ create new housing for their employees; and  
 3 (3) funding for matching grants, which for each unit shall not exceed the  
 4 lesser of \$50,000.00 or 20 percent of the developer cost, for projects that  
 5 convert conversion of commercial properties to residential use by providing  
 6 supplemental grants up to \$50,000 or 20 percent of the development cost per  
 7 unit for costs not covered by other funding or financing sources.

\* \* \*

\* \* \* Missing Middle Housing \* \* \*

11 Sec. 22. MISSING MIDDLE-INCOME HOME OWNERSHIP

12 DEVELOPMENT PILOT PROGRAM

13 (a) The following amounts are appropriated from the America Rescue Plan  
 14 Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Department of  
 15 Housing and Community Development to grant to the Vermont Housing  
 16 Finance Agency to establish the Missing Middle-Income Home Ownership  
 17 Development Pilot Program:

18 (1) \$5,000,000 in fiscal year 2022.

19 (2) \$10,000,000 in fiscal year 2023.

20 \* \* \*

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

5                   (A) the Agency includes conditions in the subsidy, or uses another  
 6           legal mechanism, to ensure that the value of the subsidy, adjusted for inflation,  
 7           remains with the home to offset the cost to future income-eligible homebuyers;  
 8           or

9                   (B) the Agency uses a shared equity model that requires the Agency  
 10           to retain not less than 75 percent of any increased equity in the home.

11  
 12   **S.210 – Open Items**

13                   \* \* \* Department of Public Safety; Authority for Rental Housing  
 14   Health and Safety \* \* \*

15           Sec. 1. 20 V.S.A. chapter 172 is added to read:

16                   CHAPTER 172. RENTAL HOUSING HEALTH AND SAFETY;  
 17   INSPECTION; REGISTRATION

18   \* \* \*

19           § 2678. RENTAL HOUSING REGISTRATION

20   \* \* \*

21



1 through which the Department shall award funding to statewide or regional  
2 nonprofit housing organizations, or both, to provide competitive grants and  
3 forgivable loans to private landlords for the rehabilitation, including  
4 weatherization, of eligible rental housing units.

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

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

10 (1) Non-code compliant. The unit does not comply with the  
11 requirements of applicable building, housing, or health laws.

12 (2) New accessory dwelling. The unit will be a newly created accessory  
13 dwelling unit that meets the requirements of 24 V.S.A. § 4412(1)(E), provided  
14 that the unit is not used as a short-term rental, as defined in 18 V.S.A. § 4301.

15 (c) Administration. The Department shall require a housing organization  
16 that receives funding under the Program to adopt:

17 (1) a standard application form that describes the application process  
18 and includes instructions and examples to help landlords apply;

19 (2) an award process that ensures equitable selection of landlords,  
20 subject to a housing organization's exercise of discretion based on the factors  
21 adopted by the Department pursuant to subsection (a) of this section; and





1           (1) \$100,000.00 to the Department of Public Safety as one-time startup  
2           funding to hire one or more Inspector positions authorized pursuant to Sec. 4  
3           of this act.

4           (2) \$300,000.00 to the Department of Housing and Community  
5           Development as one-time startup funding to hire one or more of the positions  
6           authorized pursuant to Sec. 5 of this act.

7           (3) \$20,000,000.00 to the Department of Housing and Community  
8           Development to implement the Vermont Rental Housing Investment Program  
9           created in 10 V.S.A. § 699, provided that the Department shall allocate 25  
10          percent of the funds for accessory dwelling units as follows:

11           (A) the Department may use not more than 20 percent of the funding  
12           available for accessory dwelling units to facilitate a statewide education and  
13           navigation system to assist homeowners with designing, financing, permitting,  
14           and constructing accessory dwelling units; and

15           (B) the Department shall use any remaining funds for accessory  
16           dwelling units for financial incentives or other financial supports to  
17           homeowners developing accessory dwelling units.

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