

**S.226 Summary Table – As Passed House General**

April 18, 2022

<u>Section</u>	<u>Summary</u>
<p>Sees. 1-6. Housing; Permit Reform</p>	<p><del>Sec. 1</del> is a Findings section.</p> <p><del>Sec. 2</del> amends 24 V.S.A. § 2793e, the statute that sets the requirements for the Neighborhood Development Areas (NDAs). This section would allow multiple towns to file joint applications for NDAs. It allows NDAs to include areas in flood hazard areas if they are suitable for infill development as defined under ANR’s rule. If the NDA does include flood hazard areas, the local bylaws must contain provisions consistent with ANR’s model Flood Hazard and River Corridor bylaws. It strikes the requirement that NDAs to have either a municipal sewer or an approved community or alternative wastewater system. It requires that an NDA have a density of 4 residential units of any kind within its zoning districts.</p> <p><del>Sec. 3</del> amends 24 V.S.A. § 2793b, the statute that sets the requirements for designated New Town Centers. It requires that a New Town Center have a density of 4 residential units of any kind within its zoning districts.</p> <p><del>Sec. 4</del> amends 24 V.S.A. § 4449. No municipal land use permit for a site plan or conditional use shall expire in less than two years.</p> <p><del>Sec. 5</del> amends 10 V.S.A. § 6001, the definition section of Act 250. It changes the cap on the number of priority housing project units that are exempt from Act 250, from 25 to 50, in towns with a population of less than 3,000 people. It also changes the definition of mixed income housing, so the calculation of affordable housing units is adjusted based on number of bedrooms.</p>

	<p>It expands the definition of priority housing projects in neighborhood development areas to include “mixed use” development.</p> <p><del>Sec. 6 amends 10 V.S.A. § 6081, the exemption section of Act 250. It simplifies the exemption for priority housing projects so that no permit or permit amendment is needed, including for permits on existing projects that will include priority housing projects.</del></p>
<p>Secs. 1-2. First-generation homebuyers; Implementation</p>	<p><b>Sec. 1</b> provides that within the Down Payment Assistance Program, VHFA may reserve funding and adopt guidelines to provide grants to first-time homebuyers who are also first-generation homebuyers.</p> <p><b>Sec. 2</b> governs implementation: (a) directs VHFA to adopt guidelines for grants to first-generation homebuyers; (b) defines first-generation homebuyer; (c) governs outreach to BIPOC Vermonters; (d) transfers \$1m of existing funds from DHCD to VHFA for first-generation homebuyer grants</p>
<p>Sec. 3. Manufactured Home Relocation Incentive Program</p>	<p><b>Sec. 3</b> appropriates \$5m in ARPA funds for grants for various purposes to support manufactured housing and mobile home parks:</p> <ul style="list-style-type: none"> <li>(1) \$3m for small-scale capital grants</li> <li>(2) \$1m for home repair grants</li> <li>(3) \$1m for foundation grants</li> </ul>
<p>Sec. 4. VHCB; <del>Large Employer Housing;</del> <del>Commercial Property Conversion; Community</del> <del>Partnership for Neighborhood Development</del> New Approaches to Creating Housing</p>	<p><b>Sec. 4</b> authorizes VHCB to use up to \$5m to fund grants for large employer housing matching grants to create new housing, commercial property conversion matching grants, and a multi-agency coordination plan for neighborhood development.</p>
<p>Secs. 10-12 Municipal Bylaw Grants</p>	<p><del>Sec. 10 amends 24 V.S.A. § 4306, the section that establishes the Municipal and Regional Planning Fund. It amends the existing Municipal Grant program to allow</del></p>

	<p><del>some of the funds to go to the new grants established in <b>Sec. 11.</b> § 4306 already has grant program to give municipalities funds for municipal planning projects, which DHCD administers. The program is broad and projects can range from developing a town plan to adopting new permanent or temporary bylaws or updating bylaws. It also amends 24 V.S.A. § 4306 to allow DHCD to use up to 6% of funds to administer the grant programs.</del></p> <p><del><b>Sec. 11</b> adds a new section, 24 V.S.A. § 4307. The Municipal Bylaw Modernization Grant Program is created to provide towns with funding to modernize their bylaws to increase housing density and opportunity. The grants shall be administered by DHCD, which shall issue guidelines on the grant applications by Sept. 1, 2022. These grants are more specific than the existing grants. They require that a town seek to update their bylaws in smart growth areas to increase density.</del></p> <p><del><b>Sec. 12</b> provides that, to the extent that increased funding is provided in fiscal year 2023 to the Municipal and Regional Planning Fund, \$650,000.00 shall be used for Municipal Bylaw Modernization Grants established in 24 V.S.A. § 4307.</del></p>
<p>Secs. 5-10 Tax Credits</p>	<p><b>Secs. 5-10</b> Expands the existing Downtown and Village Center Tax credit program to include NDAs for the next 5yrs. This is an existing tax credit program with different tax credits available: tax credits for code improvement projects, façade improvement projects, and rehabilitation projects. Qualified buildings may apply for the any or all of the three tax credits. Qualified buildings are defined as buildings that are at least 30 yrs old, income producing, not used solely as a single-family residence, and located in either a designated downtown or village center.</p> <p><b>Sec. 5</b> amends 32 V.S.A. § 5930aa. It adds “neighborhood development area” to the definition section of the Downtown and Village Center Tax credit program so that buildings (that meet the definition of qualified building) located within NDAs are eligible for the tax credits. It also adds “Qualified Flood Mitigation Project” as a new type of project eligible for a tax credit under this program.</p>

	<p><b>Sec. 6</b> amends 32 V.S.A. § 5930bb. It puts a sunset of July 1, 2027 on the tax credits available to projects in neighborhood development areas.</p> <p><b>Sec. 7</b> amends 24 V.S.A. § 2793a the section establishing Designated Village Centers. This is section is a technical correction. It does not change any law. Under the subsection listing the incentives for designated village centers, it condenses the references to the individual tax credits in the Downtown and Village Center Tax Credit Program into a single reference.</p> <p><b>Sec. 8</b> amends 24 V.S.A. §2793e (the section establishing Neighborhood Development Areas). It adds the Downtown and Village Center Tax credit program to the list of incentives for NDAs.</p> <p><b>Sec. 9</b> amends 24 V.S.A. § 2794 (the section establishing Designated Downtowns). This is section is a technical correction. It does not change any law. Under the subsection listing the incentives for designated downtowns it condenses the references to the individual tax credits in the Downtown and Village Center Tax Credit Program into a single reference.</p> <p><b>Sec. 10</b> amends 32 V.S.A. § 5930cc, the Downtown and Village Center Tax credit program. It creates the Flood Mitigation Tax Credit and allows qualified flood mitigation projects to receive tax credits up to \$75,000.</p>
<p><del>Secs. 19-20 Wastewater Connection Permits</del></p>	<p><del><b>Secs. 19-20</b> would allow towns to register with ANR to issue authorizations for wastewater permits, in lieu of the ANR permit.</del></p> <p><del><b>Sec. 19</b> amends 10 V.S.A. § 1973. It exempts a project that receives a wastewater connection permit from the municipality from needing a State permit.</del></p>

	<del>Sec. 20</del> adds 10 V.S.A. § 1984. It adds a new section that states that a municipality may authorize a structure to connect to municipal water and sewer without obtaining an ANR potable water supply and wastewater system permit if the municipality meets the requirements listed in this section.
Sec. 21 ADUs	<del>Sec. 21</del> amends 24 V.S.A. § 4414 to prevent towns from requiring more than one parking space per bedroom for ADUs.
Sec. 11. Missing Middle Income Home Ownership Development Program	<del>Sec. 22</del> appropriates \$15,000,000 through DHCD to VHFA to create a program that will provide subsidies for new construction or acquisition and substantial rehabilitation of owner-occupied homes for income-eligible buyers
Secs. 12-18 Residential Construction Contractors	<del>Secs. 12-18</del> create a registration and certification framework for residential construction contractors within the Office of Professional Regulation. The language is identical to H.157, except that the threshold for registration and written contracts is increased to \$10,000; <b>minimum insurance requirements are increased</b> to reflect industry standards; and a new section (17) is added to create a position with the AG's Consumer Assistance Program to help resolve contract disputes under \$10,000.
<del>Secs. 29-30. Rental Housing Health and Safety and Affordable Housing Investments</del>	<del>Secs. 29-30</del> would amend provisions of S.210, if enacted, relating to the Vermont Rental Housing Investment Program, which would be created in S.210.  <del>Sec. 29</del> provides that an ADU created through the Vermont Rental Housing Investment Program cannot be used as a short-term rental and authorizes a grant of up to \$50k for ADUs  <del>Sec. 30</del> directs DHCD to use up to 20 percent of the VRHIP funding to assist homeowners in creating new ADUs.
<b>Secs. 19-20. Equity and harassment in housing</b>	<del>Secs. 19 and 20</del> amend provisions of the Vermont public accommodations and fair housing laws to provide legislative intent and statutory direction on the interpretation

	of those laws, specifically with regard to harassment and discrimination of members of protected classes.
<b>Sec. 21. Prohibition of Tax Sale While VHAP Application is Pending</b>	<b>Sec. 21</b> requires a municipality to provide notice to a delinquent taxpayer of funding that may be available through the VHAP program to prevent a tax sale and allows for a stay of a tax sale procedure pending the outcome of a VHAP application.
<b>Sec. 22 Vermont Land Access and Opportunity Board</b>	<b>Sec. 22</b> creates a Board to promote racial and social equity in property ownership for Vermonters who have historically suffered from discrimination and who have not had equal access to public or private economic benefits.
<b>Sec. 23 Effective dates</b>	