

**S.226 Summary Table – As Passed House + Bray/Sirotkin amendment**

May 11, 2022

<b><u>Section</u></b>	<b><u>Summary</u></b>
<p><b>Secs. 1-2.</b> 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><b>Sec. 3.</b> 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><b>Sec. 4.</b> VHCB; 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>

**Secs. 5-10 Tax Credits**

**Secs. 5-10** 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.

**Sec. 5** 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.

**Sec. 6** amends 32 V.S.A. § 5930bb. It puts a limit on the tax credits available to projects in neighborhood development areas, which says that no new tax credits can be awarded to NDAs unless funds are specifically appropriated for it.

**Sec. 7** 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.

**Sec. 8** 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.

**Sec. 9** 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

	<p>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>
<b>Sec. 11.</b> Missing Middle Income Home Ownership Development Program	<b>Sec. 11</b> 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
<b>Secs. 12-18</b> Residential Construction Contractors	<b>Secs. 12-18</b> 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; minimum insurance requirements are increased 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.
<b>Secs. 19-20.</b> Equity and harassment in housing	<b>Secs. 19 and 20</b> 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.</b> Prohibition of Tax Sale While VHAP Application is Pending	<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</b> Vermont Land Access and Opportunity Board	<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.

<p><b>Secs. 23-25.</b> Housing; Permit Reform</p> <p>(Start of the amendment)</p>	<p><b>Sec. 23</b> 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><b>Sec. 24</b> 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><b>Sec. 25</b> 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><b>Secs. 26-28</b> Municipal Bylaw Grants</p>	<p><b>Sec. 26</b> 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 some of the funds to go to the new grants established in <b>Sec. 28</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.</p> <p><b>Sec. 27</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.</p>

	<p>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.</p> <p><b>Sec. 28</b> provides that of the funding is provided in fiscal year 2023 to the Municipal and Regional Planning Fund, up to \$650,000.00 shall be used for Municipal Bylaw Modernization Grants established in 24 V.S.A. § 4307.</p>
<p><b>Sec. 29</b> ADUs</p>	<p><b>Sec. 29</b> amends 24 V.S.A. § 4414 to prevent towns from requiring more than one parking space per bedroom for ADUs.</p>
<p><b>Sec. 30-33</b> Act 250</p>	<p><b>Sec. 30</b> 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 updates definitions of “flood hazard area” and “river corridor.”</p> <p>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><b>Sec. 31</b> 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.</p> <p><b>Sec. 32</b> repeals 10 V.S.A. § 6084(f), the process referenced in <b>Sec. 31</b>.</p> <p><b>Sec. 33</b> amends 10 V.S.A. § 6086 to update Criterion 1(D) to use the ANR definitions.</p>
<p><b>Sec. 34</b> Municipal Response to Act 250 Requests</p>	<p><b>Sec. 34</b> amends 10 V.S.A. 6086(g) requires towns to respond to requests from Act 250 applicants within 90 days or the application shall be deemed to have no unreasonable burden under criteria 6&amp;7</p>

<p><b>Secs. 35-36</b> Wood Products Manufacturers</p>	<p><b>Sec. 35</b> amends 10 V.S.A. § 6001 to add definitions to Act 250 for “wood product manufacturer” and “wood product.”</p> <p><b>Sec. 36</b> amends 10 V.S.A. § 6086 (c) to establish specific permit conditions for wood product manufacturers, allowing some operation on nights, weekends, and holidays for deliveries from forestry operations and for deliveries of fuel wood.</p>
<p><b>Secs. 37-38</b> Jurisdiction in 1-acre towns</p>	<p><b>Sec. 37</b> adds intent language to clarify that the change in Sec. 38 is supposed to reflect the current practice and not change how jurisdiction is calculated in 1-acre towns.</p> <p><b>Sec. 38</b> amends 10 V.S.A. § 6001 to make the jurisdictional trigger for 1-acre towns (w/out permanent zoning&amp; subdivision bylaws) identical to the language for 10-acre towns.</p>
<p><b>Secs. 39-41</b> Reports</p>	<p><b>Sec. 39</b> is a Report on Act 250 Jurisdiction Over Agricultural Businesses due by Jan 1, 2023 from the NRB</p> <p><b>Sec. 40</b> is the Designated Area Report; \$150,000 to DHCD to hire a consultant to review the Designated Area Program. Report due July 1, 2023.</p> <p><b>Sec. 41</b> is a Report from NRB to report to General Assembly on various Act 250 topics including: how to transition to location-based jurisdiction, how to use the Capability and Development Plan, the effectiveness of the current fee structure, and assessment of current staff levels</p>
<p><b>Sec. 42</b> Effective dates</p>	