

## Section-by-Section Summary

### S.79

#### **“An act relating to improving rental housing health and safety”**

**As passed by House General, Housing and Military Affairs**

**Sec. 1** of the bill adds language to 20 V.S.A. chapter 173 to give the Division of Fire Safety within the Department of Public Safety the primary authority at the State level to regulate rental housing health and safety.

**Chapter heading; subchapter heading; and § 2729** – technical additions to reflect the scope of DPS authority

#### **§ 2730**

- (a)(D) – adds “rental housing” to the definition of “public building”
- (b)(4) – strikes the exemption for a single-family residence with an accessory dwelling unit (with this change, an SFR remains exempt unless used for a rental purpose, and an ADU is subject to DPS authority)
- (f) – adds definition of “rental housing” = **means housing that is leased or offered for lease and includes** both a “dwelling unit” as defined in the landlord-tenant chapter and a short-term rental as defined in title 18.

#### **§ 2731**

- (a)(1) – adds to DPS authority “health, safety, sanitation, and fitness for habitation” of buildings
- (b)(1) – strikes “from fire” to reflect broader scope of application with addition of rental housing health and safety
- (b)(3) – creates and outlines an inspection reporting requirement for when DPS conducts an **inspection** of rental housing
- (b)(3)(C) – requires DPS to provide notice of inspection **directly to all tenants** if entire building is affected by a violation

**§§ 2733(c)** – requires DPS to serve notice of an order to repair, rehabilitate, or remove a building **to all persons who will be temporarily or permanently displaced by the order**

**2734, 2736, 2738** – technical corrections only

**Sec. 2** of the bill creates a State Rental Housing Registry

- (a) – housed in DHCD
- (b) – specifies the data a registrant must provide, **including contact information for the owner, landlord, and property manager, as applicable**

- (c) – requires municipalities with their own program to provide data to DHCD at least annually
- (d) – protects privacy of data on registry
  - (1) – data is exempt from public inspection and copying and DHCD shall not disclose the data except as allowed in (2)
  - (2) – DHCD may disclose data to protect public health and safety; cannot disclose data for a commercial purpose; and shall require a recipient to protect the privacy of the data without further disclosure

**Sec. 3** of the bill imposes the registration requirement for rental housing units

- (a) owner must file landlord certificate with Dept. of Taxes and within 30 days after register with DHCD and pay fee of \$35 per unit
- (b) owner of short-term rental must register and pay fee within 30 days of renting a unit
- (c) – exemptions to registration requirement with DHCD
  - (1) – treatment of mobile homes
  - (2) – exempts housing that is not available for lease to the general public, e.g., provided to a family member, homeshare, or personal services
  - (3) – exempts housing provided as a benefit of farm employment
- (d) – penalties for failure to register – late fee of \$150 per unit if more than 15 days late and possible admin. Penalty of \$5,000
- (e) – DHCD maintains registration fees in a Rental Housing Safety Special Fund and uses the money to support positions at DHCD and DPS

**Sec. 3a. – Repeal** – creates a prospective repeal of the registration exemption for housing provided as a benefit of farm employment

**Sec. 4** authorizes FTE Inspector positions within DPS; appropriates \$100,000 for start-up funding for the positions

**Sec. 5** authorizes 1.5 FTE positions in DHCD to administer and enforce the registry and 1 FTE to enforce compliance with the registry requirements; appropriates \$300,000 for start-up funding for the positions

**Sec. 6** makes technical and conforming changes in Title 18 concerning local health officers – repeals the inspection report requirement that is specific to local health officers and provides instead that if it is the local officer doing an inspection, the officer will issue a report consistent with DPS inspection reporting requirements in Title 20

**Sec. 7** lays out the transition provisions for moving rental housing authority from the Department of Health to the Department of Public Safety

**Sec. 8** (findings) and

**Sec. 9** creates the Vermont Housing Investment Program in 10 V.S.A. § 699

- (a) – creates program in DHCD, working through housing partners

- (b) – eligible units: (1) non-code compliant; ~~(2) vacant;~~ or (2) newly created accessory dwelling
- (c) – administration provisions (application; awards process; management system)
- (d) – requirements for both grants and loans:
  - Maximum \$30,000 per unit
  - LL matching contribution of 20 percent
  - May include a weatherization component
  - Comply with codes
  - Applies to original owner and successors in interest
  - Identity of recipients and amounts of grants/loans are public record
- (e) – requirements for grants – 5 year covenant – must give first priority to household exiting homelessness; rent of 80% FMR; must accept subsidies
- (f) – requirements for forgivable loans – 10 year covenant – rent of 80% FMR; must accept subsidies; forgiveness of 1/10 per year for 10 years
- (g) – priority of liens (State lien subordinate to existing and first mortgages)

**Sec. 10** – VHIP Report due 2/15/2022

**Sec. 11** (findings) and

**Sec. 12 – Vermont Homeownership Revolving Loan Fund**

(a) - creation of program to provide funding through partner organizations to issue no-interest loans to first-time homebuyers

(b) – eligible housing units are (1) existing structures; (2) accessory dwelling units

(c) – (1) eligible applicants are (A) first-time Vermont homebuyer; (B) HH income at or below 120% of median; (C) occupy dwelling, or unit, as a full-time residence

(2) housing orgs may give priority to applicants with employer-provided assistance

(d) – administration (application; awards process; management system)

(e) – outreach – specifically to BIPOC communities to ensure equitable distribution

(f) – program requirements:

(1) loan max of \$50,000; 0% interest; payments suspended while occupied; repayment upon sale or transfer

(2) may include weatherization component; must meet applicable codes

(3) limit of 25% of loan for down payment, closing costs, fees

(g) – revolving loan fund; DHCD will use proceeds to make new loans

(h) – lien priority – subordinate to existing liens and first mortgages

**Sec. 13** – VHIP and Loan Fund duties are contingent on available funding

**Sec. 14** - Loan Fund report

**Sec. 15 – Appropriations – General Fund appropriations:**

- (1) \$3,000,000 for VHIP
- (2) \$1,000,000 for Loan Fund

**Secs. 16-17 – Amendment to Eviction Moratorium**

- adds a new subsection (i) to the eviction moratorium created in Act 101, Sec. 1 (2020) to specifically address eviction actions on an emergency basis:

(1) – provides examples of emergency circumstances that may warrant action by a court, including

(A) – criminal activity, health and safety risks

(B) – LL needs to occupy premises

(C) – tenant doesn't participate or qualify for VERAP

(D) – other immediate or irreparable injury, loss, or damage to property, LL, or other residents

(2) - authorizes court to act if plaintiff demonstrates facts showing emergency circumstances, including a hearing, service of process, and issuing necessary orders

**Sec. 18 – Effective Dates**