1	S.210
2	Introduced by Senators Sirotkin, Balint, Clarkson and Ram Hinsdale
3	Referred to Committee on
4	Date:
5	Subject: Housing
6	Statement of purpose of bill as introduced: This bill proposes to improve
7	rental housing health and safety and expand opportunities for affordable
8	housing.
9	An act relating to rental housing health and safety and affordable housing
10	It is hereby enacted by the General Assembly of the State of Vermont:
11	* * * Department of Public Safety; Authority for Rental Housing
12	Health and Safety * * *
13	Sec. 1. 20 V.S.A. chapter 172 is added to read:
14	CHAPTER 172. RENTAL HOUSING HEALTH AND SAFETY;
15	INSPECTION; REGISTRATION
16	§ 2676. DEFINITION
17	As used in this chapter, "rental housing" means:
18	(1) a "premises" as defined in 9 V.S.A. § 4451 that is subject to
19	9 V.S.A. chapter 137 (residential rental agreements); and

1	(2) a "short-term rental" as defined in 18 V.S.A. § 4301 and subject to
2	18 V.S.A. chapter 85, subchapter 7.
3	§ 2677. RENTAL HOUSING; RULES; INSPECTIONS; PENALTY
4	(a) Rules. The Commissioner of Public Safety may adopt rules to prescribe
5	standards for the health, safety, sanitation, and fitness for habitation of rental
6	housing that the Commissioner determines are necessary to protect the public,
7	property owners, and property against harm.
8	(b) Inspections.
9	(1) After adopting rules pursuant to subsection (a) of this section, the
10	Commissioner shall design and implement a complaint-driven system to
11	conduct inspections of rental housing.
12	(2) When conducting an inspection, the Commissioner shall:
13	(A) issue a written inspection report on the unit or building that:
14	(i) contains findings of fact that serve as the basis of one or more
15	violations;
16	(ii) specifies the requirements and timelines necessary to correct a
17	violation;
18	(iii) provides notice that the landlord is prohibited from renting the
19	affected unit to a new tenant until the violation is corrected; and

1	(iv) provides notice in plain language that the landlord or agents of
2	the landlord must have access to the rental unit to make repairs as ordered by
3	the Commissioner consistent with the access provisions in 9 V.S.A. § 4460;
4	(B) provide a copy of the inspection report to the landlord, to the
5	person who requested the inspection, and to any tenants who are affected by a
6	violation:
7	(i) electronically, if the Department has an electronic mailing
8	address for the person; or
9	(ii) by first-class mail, if the Department does not have an
10	electronic mailing address for the person;
11	(C) if an entire building is affected by a violation, provide a notice of
12	inspection directly to the individual tenants, and may also post the notice in a
13	common area, that specifies:
14	(i) the date of the inspection;
15	(ii) that violations were found and must be corrected by a certain
16	date;
17	(iii) how to obtain a copy of the inspection electronically or by
18	first-class mail; and
19	(iv) if the notice is posted in a common area, that the notice shall
20	not be removed until authorized by the Commissioner; and
21	(D) make the inspection report available as a public record.

1	(c) Penalties. If the person responsible for a violation does not comply
2	with the requirements and timelines specified in an inspection report issued
3	pursuant to subsection (b) of this section, the Commissioner may impose an
4	administrative penalty that is reasonably related to the severity of the violation,
5	not to exceed \$1,000.00 per violation.
6	§ 2678. RENTAL HOUSING REGISTRATION
7	(a) Registration. Except as otherwise provided in subsection (b) of this
8	section, annually on or before March 1, the owner of each unit of rental
9	housing that in the previous year was leased or offered for lease shall pay to
10	the Department of Housing and Community Development an annual
11	registration fee of \$35.00 per unit and provide the following information:
12	(1) the name and mailing address of the owner, landlord, and property
13	manager of the unit, as applicable;
14	(2) the phone number and electronic mail address of the owner,
15	landlord, and property manager of the unit, as available;
16	(3) the location of the unit;
17	(4) the year built;
18	(5) the type of rental unit;
19	(6) the number of units in the building;
20	(7) the school property account number;
21	(8) the accessibility of the unit; and

1	(9) any other information the Department deems appropriate.
2	(b) Exceptions.
3	(1) Unit registered with another program.
4	(A) The registration requirement imposed in subsection (a) of this
5	section does not apply to a unit that is currently registered with a municipal,
6	district, or other local government rental housing health and safety program
7	that requires the owner to register the unit and provide the data required in
8	subsection (a) of this section.
9	(B) The fee requirement imposed in subsection (a) of this section
10	does not apply to a unit that is currently registered with a municipal, district, or
11	other local government rental housing health and safety program that requires
12	the owner to register the unit and provide the data required in subsection (a) of
13	this section and for which program the owner is required to pay a registration
14	<u>fee.</u>
15	(2) Mobile homes.
16	(A) The registration requirement imposed in subsection (a) of this
17	section does not apply to a mobile home lot within a mobile home park if:
18	(i) the owner has registered the lot with the Department of
19	Housing and Community Development; and
20	(ii) the owner does not own a mobile home on the lot.

1	(B) An owner of a mobile home lot within a mobile home park who
2	has registered the lot with the Department and who owns a mobile home on the
3	lot that is available for rent or rented shall register the property with the
4	Department pursuant to subsection (a) of this section and pay a fee equal to the
5	fee required, less any fee paid within the previous 12 months pursuant to
6	10 V.S.A. § 6254(c).
7	(C) An owner of a mobile home who rents the mobile home, whether
8	or not located in a mobile home park, shall register pursuant to this section.
9	(3) Unit not offered to general public. The registration and fee
10	requirements imposed in subsection (a) of this section do not apply to a unit
11	that an owner provides to another person, whether or not for consideration, if,
12	and only to the extent that, the owner does not otherwise make the unit
13	available for lease to the general public, and includes:
14	(A) housing provided to a member of the owner's family or personal
15	acquaintances;
16	(B) housing provided to a person who is not related to a member of
17	the owner's household and who occupies the housing as part of a nonprofit
18	home-sharing program; and
19	(C) housing provided to a person who provides personal care to the
20	owner or a member of the owner's household.

1	(4) Licensed lodging establishment. The registration and fee
2	requirements imposed in subsection (a) of this section do not apply to a
3	lodging establishment, as defined in 18 V.S.A. § 4301, that is required to be
4	licensed by the Department of Health.
5	(5) Units accessory to an owner-occupied residence. The registration
6	and fee requirements imposed in subsection (a) of this section do not apply to a
7	property with not more than three units if the units available for rent are
8	located on or in the property of an owner's primary residence.
9	(6) Nonwinterized, seasonal units. The registration and fee
10	requirements imposed in subsection (a) of this section do not apply to a
11	seasonal unit that is unheated and unavailable for rent during the winter
12	months.
13	(7) Housing provided as a benefit of farm employment. The registration
14	and fee requirements imposed in subsection (a) of this section do not apply to a
15	unit of housing that is provided as a benefit of farm employment, as defined in
16	9 V.S.A. § 4469a(a)(3).
17	(c) Administration.
18	(1) The Department of Housing and Community Development shall
19	maintain the registry of rental housing data in coordination with the
20	Department of Public Safety, the Department of Health, the Enhanced 911
21	Board, and the Department of Taxes.

1	(2) Upon request, and at least annually, a municipal, district, or other
2	local government entity that operates a rental housing health and safety
3	program that requires registration of a rental housing unit and a fee for
4	inclusion on its registry shall provide to the Department of Housing and
5	Community Development the data for each unit that is required pursuant to
6	subsection (a) of this section.
7	(3)(A) The data the Department collects pursuant to this section is
8	exempt from public inspection and copying pursuant to 1 V.S.A. § 317(c)(1).
9	(B) The Department:
10	(i) may disclose data it collects pursuant to this section only to
11	other State, municipal, or regional government entities; nonprofit
12	organizations; or other persons for the purposes of protecting public health and
13	safety;
14	(ii) shall not disclose data it collects pursuant to this section for a
15	commercial purpose; and
16	(iii) shall require, as a condition of receiving data collected
17	pursuant to this section, that a person to whom the Department discloses the
18	data takes steps necessary to protect the privacy of persons whom the data
19	concerns and to prevent further disclosure.

1	(d) Rental Housing Safety Special Fund. The Department shall maintain
2	the fees collected pursuant to this section in a special fund entitled the Rental
3	Housing Safety Special Fund, the proceeds of which the Department shall use
4	(1) to hire authorized staff to administer the registry and registration
5	requirements imposed in this section; and
6	(2) to provide funding to the Department of Public Safety to hire
7	authorized staff to conduct inspections and regulate rental housing pursuant to
8	section 2677 of this title.
9	* * * Penalty for Failure to Register * * *
10	Sec. 2. 20 V.S.A. § 2678(e) is added to read:
11	(e) Failure to register; penalty. The Department of Housing and
12	Community Development shall impose an administrative penalty of not more
13	than \$200.00 per unit for an owner of rental housing who knowingly fails to
14	register or pay the fee required pursuant to this section.
15	* * * Registration; Prospective Repeal * * *
16	Sec. 3. REPEAL
17	20 V.S.A. § 2678(b)(7) (exemption for housing provided as a benefit of
18	farm employment) is repealed.

1	* * * Positions Authorized * * *
2	Sec. 4. DEPARTMENT OF PUBLIC SAFETY; POSITIONS
3	(a) The Department of Public Safety is authorized to create five full-time
4	classified Inspector positions in order to conduct rental housing health and
5	safety inspections and enforcement pursuant to 20 V.S.A. chapter 172.
6	(b) In fiscal year 2023, of the amounts available to the State from federal
7	COVID-19 relief funds, the amount of \$100,000.00 is appropriated to the
8	Department of Public Safety as one-time startup funding to hire one or more
9	Inspector positions authorized pursuant to subsection (a) of this section.
10	(c) The Department may hire additional Inspectors authorized by this
11	section to the extent funds become available from the Rental Housing Safety
12	Special Fund created and maintained pursuant to 20 V.S.A. § 2678(d).
13	Sec. 5. DEPARTMENT OF HOUSING AND COMMUNITY
14	DEVELOPMENT; POSITIONS
15	(a) The Department of Housing and Community Development is
16	authorized to create one full-time classified position and one half-time
17	classified position to administer and enforce the registry requirements created
18	in 20 V.S.A. § 2678.
19	(b) In fiscal year 2023, of the amounts available to the State from federal
20	COVID-19 relief funds, the amount of \$300,000.00 is appropriated to the
21	Department of Housing and Community Development as one-time startup

1	funding to hire one or more of the positions authorized pursuant to subsection
2	(a) of this section.
3	(c) The Department may hire additional staff authorized by this section to
4	the extent funds become available from the Rental Housing Safety Special
5	Fund created and maintained pursuant to 20 V.S.A. § 2678(d).
6	* * * Conforming Changes to Current Law Governing the Department of
7	Health, State Board of Health, and Local Health Officials * * *
8	Sec. 6. 18 V.S.A. chapter 11 is amended to read:
9	CHAPTER 11. LOCAL HEALTH OFFICIALS
10	* * *
11	§ 602a. DUTIES OF LOCAL HEALTH OFFICERS
12	(a) A local health officer, within his or her jurisdiction, shall:
13	(1) upon request of a landlord or tenant, or upon receipt of information
14	regarding a condition that may be a public health hazard, conduct an
15	investigation;
16	(2) enforce the provisions of this title, the rules promulgated, and
17	permits issued thereunder;
18	(3) prevent, remove, or destroy any public health hazard, or mitigate any
19	significant public health risk in accordance with the provisions of this title;
20	(4) in consultation with the Department, take the steps necessary to
21	enforce all orders issued pursuant to chapter 3 of this title; and

1	(5) have the authority to assist the Department of Public Safety in
2	inspecting rental housing pursuant to 20 V.S.A. chapter 172, provided that if
3	the local health officer inspects a rental property without an inspector from the
4	Division, the officer shall issue an inspection report in compliance with
5	20 V.S.A § 2677(b)(2).
6	(b) Upon discovery of violation or a public health hazard or public health
7	risk that involves a public water system, a food or lodging establishment, or
8	any other matter regulated by Department rule, the local health officer shall
9	immediately notify the Division of Environmental Health. Upon discovery of
10	any other violation, public health hazard, or public health risk, the local health
11	officer shall notify the Division of Environmental Health within 48 hours of
12	discovery of such violation or hazard and of any action taken by the officer.
13	§ 603. RENTAL HOUSING SAFETY; INSPECTION REPORTS
14	(a)(1) When conducting an investigation of rental housing, a local health
15	officer shall issue a written inspection report on the rental property using the
16	protocols for implementing the Rental Housing Health Code of the Department
17	or the municipality, in the case of a municipality that has established a code
18	enforcement office.
19	(2) A written inspection report shall:
20	(A) contain findings of fact that serve as the basis of one or more
21	violations;

1	(B) specify the requirements and timelines necessary to correct a
2	violation;
3	(C) provide notice that the landlord is prohibited from renting the
4	affected unit to a new tenant until the violation is corrected; and
5	(D) provide notice in plain language that the landlord and agents of
6	the landlord must have access to the rental unit to make repairs as ordered by
7	the health officer consistent with the access provisions in 9 V.S.A. § 4460.
8	(3) A local health officer shall:
9	(A) provide a copy of the inspection report to the landlord and any
10	tenants affected by a violation by delivering the report electronically, in
11	person, by first class mail, or by leaving a copy at each unit affected by the
12	deficiency; and
13	(B)(i) if a municipality has established a code enforcement office,
14	provide information on each inspection according to a schedule and in a format
15	adopted by the Department in consultation with municipalities that have
16	established code enforcement offices; or
17	(ii) if a municipality has not established a code enforcement
18	office, provide information on each inspection to the Department within seven
19	days of issuing the report using an electronic system designed for that purpose,
20	or within 14 days by mail if the municipality is unable to utilize the electronic
21	system.

violation occurred.

21

1	(4) If an entire property is affected by a violation, the local health officer
2	shall post a copy of the inspection report in a common area of the property and
3	include a prominent notice that the report shall not be removed until authorized
4	by the local health officer.
5	(5) A municipality shall make an inspection report available as a public
6	record.
7	(b)(1) A local health officer may impose a civil penalty of not more than
8	\$200.00 per day for each violation that is not corrected by the date provided in
9	the written inspection report, or when a unit is re-rented to a new tenant prior
10	to the correction of a violation.
11	(2)(A) If the cumulative amount of penalties imposed pursuant to this
12	subsection is \$800.00 or less, the local health officer, Department of Health, or
13	State's Attorney may bring a civil enforcement action in the Judicial Bureau
14	pursuant to 4 V.S.A. chapter 29.
15	(B) The waiver penalty for a violation in an action brought pursuant
16	to this subsection is 50 percent of the full penalty amount.
17	(3) If the cumulative amount of penalties imposed pursuant to this
18	subsection is more than \$800.00, or if injunctive relief is sought, the local
19	health officer, Department of Health, or State's Attorney may commence an
20	action in the Civil Division of the Superior Court for the county in which a

1	(c) If a local health officer fails to conduct an investigation pursuant to
2	section 602a of this title or fails to issue an inspection report pursuant to this
3	section, a landlord or tenant may request that the Department, at its discretion,
4	conduct an investigation or contact the local board of health to take action.
5	[Repealed.]
6	* * *
7	* * * Transition Provisions * * *
8	Sec. 7. RENTAL HOUSING HEALTH AND SAFETY; TRANSITION
9	PROVISIONS
10	(a) Notwithstanding any provision of law to the contrary:
11	(1) Until the Commissioner of Public Safety adopts rules governing
12	rental housing health and safety pursuant to 20 V.S.A. § 2677, the Department
13	of Health, local officials authorized by law, and the Department of Public
14	Safety have concurrent authority to enforce the Vermont Rental Housing
15	Health Code adopted by the Department of Health pursuant to 18 V.S.A.
16	§ 102, 3 V.S.A. § 3003(a), and 3 V.S.A. § 801(b)(11).
17	(2) The Commissioner of Public Safety may immediately adopt a rule
18	incorporating the Rental Housing Health Code without following the
19	procedures otherwise required for general rulemaking in 3 V.S.A. chapter 25.
20	(3) Except as provided in subdivision (2) of this subsection, the
21	Commissioner of Public Safety shall comply with the requirements for general

1	rulemaking in 3 V.S.A. chapter 25 when adopting rules governing rental
2	housing health and safety.
3	(b) Upon the adoption of rules governing rental housing health and safety
4	pursuant to the authority in 20 V.S.A. § 2677:
5	(1) the Department of Public Safety is the State government entity with
6	primary authority to enforce State laws governing rental housing health and
7	safety;
8	(2) the Department of Public Safety and local officials have concurrent
9	authority to enforce State and local laws governing rental housing health and
10	safety pursuant to 18 V.S.A. chapter 11; 20 V.S.A. chapter 172, subchapter 2;
11	24 V.S.A. chapters 83 and 123; and applicable municipal law; and
12	(3) the Department of Health, the State Board of Health, and local health
13	officials have concurrent authority to enforce State and local laws governing
14	public health hazards and public health risks, as those terms are defined in
15	18 V.S.A. § 2, pursuant to 18 V.S.A. chapters 1, 3, and 11.
16	* * * Vermont Housing Investments * * *
17	Sec. 8. VERMONT RENTAL HOUSING INVESTMENT PROGRAM;
18	PURPOSE
19	(a) Recognizing that Vermont's rental housing stock is some of the oldest
20	in the country and that much of it needs to be updated to meet code
21	requirements and other standards, the Vermont Rental Housing Investment

1	Program is intended to incentivize private apartment owners to make
2	significant improvements to both housing quality and weatherization by
3	providing grants and forgivable loans that are matched in part by the property
4	owner.
5	(b) The Program seeks to take the lessons learned from the successful Re-
6	housing Recovery Program established with funds provided by the Federal
7	CARES Act and implement them in a State-funded program.
8	Sec. 9. 10 V.S.A. chapter 29, subchapter 3 is added to read:
9	Subchapter 3. Housing; Investments
10	§ 699. VERMONT RENTAL HOUSING INVESTMENT PROGRAM
11	(a) Creation of program.
12	(1) The Department of Housing and Community Development shall
13	design and implement the Vermont Rental Housing Investment Program
14	through which the Department shall award funding to statewide or regional
15	nonprofit housing organizations, or both, to provide competitive grants and
16	forgivable loans to private landlords for the rehabilitation, including
17	weatherization, of eligible rental housing units.
18	(2) The Department shall develop statewide standards for the Program,
19	including factors that partner organizations shall use to evaluate applications
20	and award grants and forgivable loans.

1	(b) Eligible rental housing units. The following units are eligible for a
2	grant or forgivable loan through the Program:
3	(1) Non-code compliant. The unit does not comply with the
4	requirements of applicable building, housing, or health laws.
5	(2) New accessory dwelling. The unit will be a newly created accessory
6	dwelling unit that meets the requirements of 24 V.S.A. § 4412(1)(E).
7	(c) Administration. The Department shall require a housing organization
8	that receives funding under the Program to adopt:
9	(1) a standard application form that describes the application process
10	and includes instructions and examples to help landlords apply;
11	(2) an award process that ensures equitable selection of landlords,
12	subject to a housing organization's exercise of discretion based on the factors
13	adopted by the Department pursuant to subsection (a) of this section; and
14	(3) a grant and loan management system that ensures accountability for
15	funds awarded.
16	(d) Program requirements applicable to grants and forgivable loans.
17	(1) A grant or loan shall not exceed \$30,000.00 per unit.
18	(2) A landlord shall contribute matching funds or in-kind services that
19	equal or exceed 20 percent of the value of the grant or loan.
20	(3) A project may include a weatherization component.

1	(4) A project shall comply with applicable building, housing, and health
2	<u>laws.</u>
3	(5) The terms and conditions of a grant or loan agreement apply to the
4	original recipient and to a successor in interest for the period the grant or loan
5	agreement is in effect.
6	(6) The identity of a recipient and the amount of a grant or forgivable
7	loan are public records that shall be available for public copying and inspection
8	and the Department shall publish this information at least monthly on its
9	website.
10	(e) Program requirements applicable to grants. For a grant awarded under
11	the Program, the following requirements apply for a minimum period of five
12	years:
13	(1) A landlord shall coordinate with nonprofit housing partners and local
14	coordinated entry organizations to identify potential tenants.
15	(2)(A) Except as provided in subdivision (2)(B) of this subsection (e), a
16	landlord shall lease the unit to a household that is exiting homelessness.
17	(B) If, upon petition of the landlord, the Department or the housing
18	organization that issued the grant determines that a household exiting
19	homelessness is not available to lease the unit, then the landlord shall lease the
20	<u>unit:</u>

1	(i) to a household with an income equal to or less than 80 percent
2	of area median income; or
3	(ii) if such a household is unavailable, to another household with
4	the approval of the Department or housing organization.
5	(3)(A) A landlord shall accept any housing vouchers that are available to
6	pay all, or a portion of, the tenant's rent and utilities.
7	(B) If no housing voucher or federal or State subsidy is available, the
8	total cost of rent for the unit, including utilities not covered by rent payments,
9	shall not exceed the applicable fair market rent established by the Department
10	of Housing and Urban Development.
11	(4)(A) A landlord may convert a grant to a forgivable loan upon
12	approval of the Department and the housing organization that approved the
13	grant.
14	(B) A landlord who converts a grant to a forgivable loan shall receive
15	a 10 percent credit for loan forgiveness for each year in which the landlord
16	participates in the grant program.
17	(f) Requirements applicable to forgivable loans. For a forgivable loan
18	awarded under the Program, the following requirements apply for a minimum
19	period of 10 years:
20	(1)(A) A landlord shall accept any housing vouchers that are available to
21	pay all, or a portion of, the tenant's rent and utilities.

1	(B) If no housing voucher or federal or State subsidy is available, the
2	cost of rent for the unit, including utilities not covered by rent payments, shall
3	not exceed the applicable fair market rent established by the Department of
4	Housing and Urban Development.
5	(2) The Department shall forgive 10 percent of the amount of a
6	forgivable loan for each year a landlord participates in the loan program.
7	(g) Lien priority. A lien for a grant converted to a loan or for a forgivable
8	loan issued pursuant to this section is subordinate to:
9	(1) a lien on the property in existence at the time the lien for
10	rehabilitation and weatherization of the rental housing unit is filed in the land
11	records; and
12	(2) a first mortgage on the property that is refinanced and recorded after
13	the lien for rehabilitation and weatherization of the rental housing unit is filed
14	in the land records.
15	Sec. 10. REPORT
16	On or before February 15, 2023, the Department of Housing and
17	Community Development shall report to the General Assembly concerning the
18	design, implementation, and outcomes of the Vermont Housing Investment
19	Program, including findings and any recommendations related to the amount of
20	grant awards.

1	Sec. 11. VERMONT HOMEOWNERSHIP REVOLVING LOAN FUND;
2	PURPOSE
3	(a) The purpose of the Vermont Homeownership Revolving Loan Fund
4	created in Sec. 12 of this act is to provide no-interest loans to increase access
5	to homeownership.
6	(b) The Program is intended to assist Vermonters who otherwise may be
7	unable to purchase a home or who may be unable to afford the costs to
8	rehabilitate, weatherize, or otherwise make necessary improvements to a home
9	they purchase.
10	(c) The Program is also intended to place a special focus on increasing the
11	homeownership rates of households identifying as Black, Indigenous, or
12	Persons of Color, who are systematically disenfranchised from financing real
13	estate through traditional banking and have therefore been generationally
14	dispossessed of the ability to develop lasting wealth.
15	Sec. 12. 10 V.S.A. § 699a is added to read:
16	§ 699a. VERMONT HOMEOWNERSHIP REVOLVING LOAN FUND
17	(a) Creation of Program. The Department of Housing and Community
18	Development shall design and implement the Vermont Homeownership
19	Revolving Loan Fund, through which the Department shall provide funding to
20	statewide or regional nonprofit housing organizations, or both, to issue no-
21	interest loans to first-time homebuyers.

1	(b) Eligible housing units. The following units are eligible for a loan
2	through the Program:
3	(1) Existing structure. The unit is an existing single-family dwelling, a
4	multifamily dwelling with not more than four units, a mobile home, or a
5	condominium.
6	(2) Accessory dwelling. The unit is an accessory dwelling unit that
7	meets the requirements of 24 V.S.A. § 4412(1)(E).
8	(c) Eligible applicants; priorities.
9	(1) To be eligible for a loan through the Program, an applicant shall:
10	(A) be a first-time homebuyer in Vermont;
11	(B) have a household income of not more than 120 percent of the
12	area median income; and
13	(C) occupy the dwelling, or a unit within the dwelling, as his or her
14	full-time residence.
15	(2) A housing organization may give priority to an applicant whose
16	employer provides down payment assistance or funding for rehabilitation
17	costs.
18	(d) Administration. The Department shall require a housing organization
19	that receives funding under the Program to adopt:
20	(1) a standard application form that describes the application process
21	and includes instructions and examples to help homebuyers apply;

1	(2) an award process that ensures equitable selection of homebuyers;
2	<u>and</u>
3	(3) a loan management system that ensures accountability for funds
4	awarded.
5	(e) Outreach. Recognizing that Black, Indigenous, and Persons of Color
6	have historically not had access to capital for homeownership purchases and
7	have been systemically discriminated against in the housing market, the
8	Department, working with Vermont chapters of the NAACP, AALV, USCRI,
9	the Executive Director of Racial Equity, the Vermont Commission on Native
10	American Affairs, local racial justice organizations, the Vermont Housing
11	Finance Agency, and the nonprofit homeownership centers, shall develop a
12	plan of active outreach and implementation to ensure that program
13	opportunities are effectively communicated, and that funds are equitably
14	awarded, to communities of Vermonters who have historically suffered
15	housing discrimination.
16	(f) Program requirements.
17	(1) A loan issued through the Program:
18	(A) shall not exceed a standard limit set by the Department, which
19	shall not exceed \$50,000.00;
20	(B) shall be zero interest, and payments shall be suspended while the
21	homebuyer occupies the home; and

1	(C) shall become due in full upon the sale or transfer of the home or
2	upon refinancing with approval by the Department and the housing
3	organization that issued the loan.
4	(2) A rehabilitation project that is funded by a loan through the Program
5	may include a weatherization component and shall comply with applicable
6	building, housing, and health laws.
7	(3) A homebuyer may use not more than 25 percent of a loan for down
8	payment and closing costs and fees.
9	(4) A homebuyer shall repay a loan.
10	(g) Revolving loan fund. The Department shall use the amounts from loans
11	that are repaid to provide additional funding through the Program.
12	(h) Lien priority. A lien for a loan issued pursuant to this section is
13	subordinate to:
14	(1) a lien on the property in existence at the time the lien for the loan is
15	filed in the land records; and
16	(2) a first mortgage on the property that is refinanced and recorded after
17	the lien for the loan is filed in the land records.
18	Sec. 13. DUTIES CONTINGENT ON FUNDING
19	The duties of the Department of Housing and Community Development
20	specified in Secs. 10 and 12 of this act are contingent upon available funding.

1	Sec. 14. REPORT
2	On or before February 15, 2023, the Department of Housing and
3	Community Development shall report to the General Assembly concerning the
4	design, implementation, and outcomes of the Vermont Homeownership
5	Revolving Loan Fund created in Sec. 12 of this act, including findings and any
6	recommendations related to the amount of loans.
7	* * * Effective Dates * * *
8	Sec. 15. EFFECTIVE DATES
9	(a) This section and the following sections shall take effect on July 1, 2022:
10	(1) Sec. 1 (DPS authority for rental housing health and safety; rental
11	housing registration);
12	(2) Sec. 4 (DPS positions);
13	(3) Sec. 5 (DHCD positions);
14	(4) Sec. 6 (conforming changes to Department of Health statutes);
15	(5) Sec. 7 (DPS rulemaking authority and transition provisions); and
16	(6) Secs. 8–14 (housing investment programs).
17	(b) Sec. 2 (administrative penalty for failure to register) shall take effect on
18	July 1, 2023.
19	(c) Sec. 3 (repeal of registration exemption for housing provided as a
20	benefit of farm employment) shall take effect on July 1, 2025.