Section	Senate	House

Sec. 2 24 V.S.A. § 4307	§4307. MUNICIPAL BYLAW MODERNIZATION GRANTS
	
	  (a) There is created Municipal Bylaw Modernization Grants to assist municipalities in updating their land use and development bylaws. Bylaws updated under this section shall increase housing choice and opportunity in smart growth areas. The Grants shall be funded by monies allocated from the municipality allocation of the Municipal and Regional Planning Funds established in subdivision 4306 (a)(3)(C) of this title and any other monies appropriated for this purpose.
		§ 4307. MUNICIPAL BYLAW MODERNIZATION GRANTS
		
		  (a) There are created Municipal Bylaw Modernization Grants to assist municipalities in updating their land use and development bylaws to support a development pattern that is pedestrian oriented and consistent with the smart growth principles established in section 2791 of this title. The Grants shall be funded by monies allocated from the municipality allocation of the Municipal and Regional Planning Funds established in subdivision 4306 (a)(3)(C) of this title and any other monies appropriated for this purpose.

	(e) To be eligible for funds, a municipality shall adopt bylaws that support a neighborhood development pattern that is pedestrian oriented and consistent with smart growth principles established in section 2791 of this title. The municipality shall commit to adopting bylaws that increase housing choice and opportunity in unconstrained water and sewer service areas that are located outside important natural resource areas and are located outside	(b) A municipality that receives a grant shall use the funds for the adoption of bylaws that increase housing choice, affordability, and opportunity in smart growth areas. These smart growth areas shall be areas that reflect the smart growth principles established in section 2791 of this title, that are located outside important natural resource areas, and are located outside identified flood hazard areas and river corridors or are

	identified flood hazard areas and river corridors or are ==suitable== for infill development as defined in §§ 29–201 of the Vermont Flood Hazard Area and River Corridor Rule.	==acceptable== for infill development as defined in § 29–201 of the Vermont Flood Hazard Area and River Corridor Rule.
	(b) Disbursement to municipalities shall be administered by the Department of Housing and Community Development through a competitive process providing the opportunity for all regions and any eligible municipality to compete regardless of size.	(c) Disbursement to municipalities shall be administered by the Department of Housing and Community Development through a competitive process providing the opportunity for all regions and any eligible municipality to compete regardless of size. ==The Department shall, to the extent reasonably possible, ensure that grants are awarded with the intent of achieving geographic distribution across the State.==
	(c) Funds may be disbursed by the Department in installments to ensure the municipal bylaw updates meet the goals of this section. (d) Funding may be used for mapping, the cost of regional planning commission staff or consultant time, carrying out the provisions of subchapters 5 through 10 of this chapter, and any other purpose approved by the Department.	(d) Funds may be disbursed by the Department in installments to ensure the municipal bylaw updates meet the goals of this section. (e) Funding may be used for mapping, the cost of regional planning commission staff or consultant time, carrying out the provisions of subchapters 5 through 10 of this chapter, and any other purpose approved by the Department.

(f) To receive the grant, the municipality shall:	(f) To receive a grant, the municipality shall:
(1) identify water and sewer infrastructure, constrained water and sewer service areas, and the constraints on that infrastructure;	(1) identify any ==municipal== ==water supply and wastewater disposal capacity, opportunities, and constraints within mapped service areas in both traditional water and wastewater systems and smaller scale municipal systems, including soil-based wastewater treatment and decentralized water and wastewater systems;==
(2) allow duplexes within smart growth areas to the same extent that single-family dwellings are allowed;	(2) allow, ==at a minimum,== duplexes within smart growth areas to the same extent that single-family dwellings are allowed;
(3) require parking waiver provisions in appropriate smart growth areas and situations;	(3) require parking waiver provisions in appropriate smart growth areas and situations;
(4) review and modify street standards that implement the complete streets principles as described in 19 V.S.A. § 309d and that are oriented to pedestrians; and	(4) review and modify street standards that implement the complete streets principles as described in 19 V.S.A. § 309d and that are oriented to pedestrians;
(5) adopt dimensional, use, parking, and other standards that allow compact neighborhood form and support walkable lot and	(5) adopt dimensional, use, parking, and other standards that allow compact neighborhood form and support walkable lot

	unit density, which may be achieved with a standard allowing at least four units per acre with site and building design standards or ==minimum lot sizes of at least one-quarter of an acre== or by other means established in guidelines issued by the Department.	and unit density, which may be achieved with a standard allowing at least four units per acre with site and building design standards or by other means established in guidelines issued by the Department; and ==(6) demonstrate how the bylaws support implementation of the housing element of its municipal plan as provided in 24 V.S.A. § 4382(a)(10) related to addressing lower and moderate-income housing needs.==
	(g) On or before September 1, 2021, the Department shall adopt guidelines to assist municipalities applying for grants under this section	(g) On or before September 1, 2021, the Department shall adopt guidelines to assist municipalities applying for grants under this section.