

1 TO THE HONORABLE SENATE:

2 The Committee on Economic Development, Housing and General Affairs to
3 which was referred Senate Bill No. 226 entitled “An act relating to expanding
4 access to safe and affordable housing” respectfully reports that it has
5 considered the same and recommends that the bill be amended by striking out
6 all after the enacting clause and inserting in lieu thereof the following:

7 * * * Municipal and Regional Land Banks * * *

8 Sec. 1. 24 V.S.A. chapter 139 is added to read:

9 CHAPTER 139. MUNICIPAL AND REGIONAL LAND BANKS

10 § 5801. PURPOSE

11 The purpose of this chapter is to enable formation of special municipal and
12 regional land banks to revitalize communities by vesting the banks with the
13 authority to purchase, own, and convey real property that is blighted or vacant.

14 § 5802. ESTABLISHMENT; AUTHORITY

15 (a) The legislative bodies of one or more municipalities may apply for
16 approval from the Agency of Commerce and Community Development to
17 establish a municipal or regional land bank.

18 (b)(1) The application to the Agency shall describe the types of property to
19 be acquired; the plan for financing its acquisition; the anticipated economic
20 benefits; the source of revenues for any loan, bond, or lease payments; and
21 plans for retention and disbursement of excess revenues, if any.

1 (2) The application also shall clearly state that the proposed land bank
2 shall not have authority to levy taxes upon the grand list and may not levy
3 service charges or fees upon any underlying municipality except for services
4 used by such municipality, its own officers, and employees in the operation of
5 municipal functions.

6 (3) The Agency shall approve the application if it determines the
7 proposal complies with this chapter and will promote the public good.

8 (c) Upon approval of the Agency, a land bank shall have the authority:

9 (1) to acquire, own, and lease, sell, or transfer blighted property located
10 within a member municipality;

11 (2) pursuant to an invitation from a member municipality, to submit an
12 exclusive bid on the purchase or acquisition of blighted property prior to the
13 commencement of a municipal condemnation or foreclosure action;

14 (3) to resolve title, lien, or related issues; and

15 (4) notwithstanding any provision of law to the contrary, to hold and
16 transfer blighted property and make improvements free of State and municipal
17 tax.

18 § 5803. GOVERNING BOARD; COMPOSITION; MEETINGS; REPORT

19 (a) Governing board. The legislative power and authority of a land bank
20 and the administration and the general supervision of all fiscal, prudential, and

1 governmental affairs of a land bank shall be vested in a governing board,
2 except as otherwise specifically provided in this chapter.

3 (b) Composition. The governing board of the land bank shall consist of
4 members appointed in equal numbers by the legislative bodies of the
5 underlying municipalities and shall include diverse representation from the
6 public and private sectors.

7 § 5804. AUDIT

8 Once the land bank becomes operational, the board shall cause an audit of
9 the financial condition of the land bank to be performed annually by an
10 independent professional accounting firm. The results of the audit shall be
11 provided to the governing board and to the legislative bodies of the
12 municipalities in which the land bank is located.

13 § 5805. DISSOLUTION

14 (a) If the board by resolution approved by a two-thirds' vote determines
15 that it is in the best interests of the public, the land bank members, and the land
16 bank that such land bank be dissolved, and if the land bank then has no
17 outstanding obligations under pledges of land bank assets or revenue, long-
18 term contracts, or contracts subject to annual appropriation, or will have no
19 such debt or obligation upon completion of the plan of dissolution, it shall
20 adopt a plan of dissolution.

21 (b) The plan of dissolution shall:

1 (1) identify and value all unencumbered assets;

2 (2) identify and value all encumbered assets;

3 (3) identify all creditors and the nature or amount of all liabilities and
4 obligations;

5 (4) identify all obligations under long-term contracts and contracts
6 subject to annual appropriation;

7 (5) specify the means by which assets of the land bank shall be
8 liquidated and all liabilities and obligations paid and discharged, or adequate
9 provision made for the satisfaction of them;

10 (6) specify the means by which any assets remaining after discharge of
11 all liabilities shall be liquidated if necessary; and

12 (7) specify that any assets remaining after payment of all liabilities shall
13 be apportioned and distributed among the land bank member municipalities
14 according to a formula based upon population.

15 * * * Housing; Permit Reform * * *

16 Sec. 2. FINDINGS

17 The General Assembly finds that:

18 (1) Prosperous, sustainable, inclusive communities are critical to
19 Vermont’s economic health and the well-being of its residents.

1 (2) Housing affordability and availability challenges require elected
2 officials, community leaders, and developers making community investments
3 to consider all options to increase the supply of housing.

4 (3) The State designation programs underpin Vermont’s land use goals
5 and provide numerous economic, health, quality of life, and environmental
6 benefits.

7 (4) Increased housing choices in State designated centers advance
8 statewide goals to encourage housing affordability, inclusion, and equity;
9 conserve energy; decrease greenhouse gas emissions; provide a variety of
10 transportation choices; promote the efficient use of transportation and other
11 public infrastructure and services; protect the working landscape and natural
12 areas from fragmentation; and foster healthy lifestyles.

13 (5) Small-scale and infill developers are critical to rural and community
14 revitalization in locations where development is not occurring and is necessary
15 to meet the full range of Vermont’s housing needs.

16 (6) Strategies, policies, programs, and investments that advance
17 Vermont’s smart growth principles, complete streets principles, and planning
18 and development goals pursuant to 24 V.S.A. § 4302 make communities more
19 equitable and sustainable and improve the long-term fiscal, economic, and
20 environmental viability of the State.

21 Sec. 2a. 24 V.S.A. § 2793e is amended to read:

1 § 2793e. NEIGHBORHOOD PLANNING AREAS; DESIGNATION OF
2 NEIGHBORHOOD DEVELOPMENT AREAS

3 (a) Purpose. This section is intended to encourage a municipality to plan
4 for new and infill housing in the area including and immediately encircling its
5 designated downtown, village center, new town center, or within its designated
6 growth center in order to provide needed housing and to further support the
7 commercial establishments in the designated center. To support this goal, this
8 section sets out a two-component process.

9 * * *

10 (b) Definitions.

11 (1) “Neighborhood planning area” means an automatically delineated
12 area including and encircling a downtown, village center, or new town center
13 designated under this chapter or within a growth center designated under this
14 chapter. A neighborhood planning area is used for the purpose of identifying
15 locations suitable for new and infill housing that will support a development
16 pattern that is compact, oriented to pedestrians, and consistent with smart
17 growth principles. To ensure a compact settlement pattern, the outer boundary
18 of a neighborhood planning area shall be located entirely within the boundaries
19 of the applicant municipality, unless a joint application is submitted by more
20 than one municipality, and shall be determined:

21 * * *

1 (c) Application for designation of a neighborhood development area. The
2 State Board shall approve a neighborhood development area if the application
3 demonstrates and includes all of the following elements:

4 * * *

5 (5) The proposed neighborhood development area consists of those
6 portions of the neighborhood planning area that are appropriate for new and
7 infill housing, excluding identified flood hazard and fluvial erosion areas,
8 except those areas containing preexisting development in areas suitable for
9 infill development as defined in § 29-201 of the Vermont Flood Hazard Area
10 and River Corridor Rule. In determining what areas are most suitable for new
11 and infill housing, the municipality shall balance local goals for future land
12 use, the availability of land for housing within the neighborhood planning area,
13 and the smart growth principles. Based on those considerations, the
14 municipality shall select an area for neighborhood development area
15 designation that:

16 (A) Avoids or ~~that~~ minimizes to the extent feasible the inclusion of
17 “important natural resources” as defined in subdivision 2791(14) of this title.
18 If an “important natural resource” is included within a proposed neighborhood
19 development area, the applicant shall identify the resource, explain why the
20 resource was included, describe any anticipated disturbance to such resource,
21 and describe why the disturbance cannot be avoided or minimized. If the

1 neighborhood development area includes flood hazard areas or river corridors,
2 the local bylaws shall contain provisions consistent with the Agency of Natural
3 Resources’ rules required under 10 V.S.A. § 754(a) to ensure that new infill
4 development within a neighborhood development area occurs outside the flood
5 hazard area and will not cause or contribute to fluvial erosion hazards within
6 the river corridor. If the neighborhood development area includes flood hazard
7 areas or river corridors, local bylaws shall also contain provisions to protect
8 river corridors outside the neighborhood development area consistent with the
9 Agency of Natural Resources’ rules required under 10 V.S.A. § 754(a).

10 * * *

11 (6) ~~The neighborhood development area is served by:~~

12 ~~(A) municipal sewer infrastructure; or~~

13 ~~(B) a community or alternative wastewater system approved by the~~

14 ~~Agency of Natural Resources. [Repealed.]~~

15 (7) The municipal bylaws allow minimum net residential densities

16 within the neighborhood development area greater than or equal to four ~~single-~~

17 ~~family detached~~ dwelling units per acre for all identified residential uses or

18 residential building types, exclusive of accessory dwelling units, or ~~no~~ not

19 fewer than the average existing density of the surrounding neighborhood,

20 whichever is greater. The methodology for calculating density shall be

1 established in the guidelines developed by the Department pursuant to
2 subsection 2792(d) of this title.

3 * * *

4 Sec. 2b. 24 V.S.A. § 2793b is amended to read:

5 § 2793b. DESIGNATION OF NEW TOWN CENTER DEVELOPMENT

6 DISTRICTS

7 * * *

8 (b) Within 45 days of receipt of a completed application, the State Board
9 shall designate a new town center development district if the State Board finds,
10 with respect to that district, the municipality has:

11 * * *

12 (2) Provided a community investment agreement that has been executed
13 by authorized representatives of the municipal government, businesses and
14 property owners within the district, and community groups with an articulated
15 purpose of supporting downtown interests, and contains the following:

16 * * *

17 (B) Regulations enabling ~~high~~ densities that are ~~greater~~ not less than
18 four dwelling units, including all identified residential uses or residential
19 building types, per acre and not less than those allowed in any ~~other~~ part of the
20 municipality not within an area designated under this chapter.

21 * * *

1 Sec. 2c. 24 V.S.A. § 4449 is amended to read:

2 § 4449. ZONING PERMIT, CERTIFICATE OF OCCUPANCY, AND
3 MUNICIPAL LAND USE PERMIT

4 (a) Within any municipality in which any bylaws have been adopted:

5 * * *

6 (4) No municipal land use permit issued by an appropriate municipal
7 panel or administrative officer, as applicable, for a site plan or conditional use
8 shall be considered abandoned or expired unless more than two years has
9 passed since the permit approval was issued.

10 * * *

11 Sec. 2d. 10 V.S.A. § 6001 is amended to read:

12 § 6001. DEFINITIONS

13 As used in this chapter:

14 * * *

15 (3)(A) “Development” means each of the following:

16 * * *

17 (iv) The construction of housing projects such as cooperatives,
18 condominiums, or dwellings, or construction or maintenance of mobile homes
19 or mobile home parks, with 10 or more units, constructed or maintained on a
20 tract or tracts of land, owned or controlled by a person, within a radius of five

1 miles of any point on any involved land and within any continuous period of
2 five years. However:

3 (I) A priority housing project shall constitute a development
4 under this subdivision (iv) only if the number of housing units in the project is:

5 (aa) [Repealed.]

6 (bb) [Repealed.]

7 (cc) 75 or more, in a municipality with a population of 6,000
8 or more but less than 10,000.

9 (dd) 50 or more, in a municipality with a population of
10 ~~3,000 or more but~~ less than 6,000.

11 (ee) ~~25 or more, in a municipality with a population of less~~
12 ~~than 3,000.~~ [Repealed.]

13 (ff) Notwithstanding subdivisions (cc) through (ee) of this
14 subdivision (3)(A)(iv)(I), 10 or more if the construction involves the
15 demolition of one or more buildings that are listed on or eligible to be listed on
16 the State or National Register of Historic Places. However, demolition shall
17 not be considered to create jurisdiction under this subdivision (ff) if the
18 Division for Historic Preservation has determined that the proposed demolition
19 will have no adverse effect, will have no adverse effect if specified conditions
20 are met, or will have an adverse effect that will be adequately mitigated. Any

1 imposed conditions shall be enforceable through a grant condition, deed
2 covenant, or other legally binding document.

3 * * *

4 (6) ~~“Floodway” means the channel of a watercourse that is expected to~~
5 ~~flood on an average of at least once every 100 years and the adjacent land areas~~
6 ~~that are required to carry and discharge the flood of the watercourse, as~~
7 ~~determined by the Secretary of Natural Resources with full consideration given~~
8 ~~to upstream impoundments and flood control projects~~ “Flood hazard area” has
9 the same meaning as under section 752 of this title.

10 (7) ~~“Floodway fringe” means an area that is outside a floodway and is~~
11 ~~flooded with an average frequency of once or more in each 100 years, as~~
12 ~~determined by the Secretary of Natural Resources with full consideration given~~
13 ~~to upstream impoundments and flood control projects~~ “River corridor” has the
14 same meaning as under section 752 of this title.

15 * * *

16 (27) “Mixed income housing” means a housing project in which the
17 following apply:

18 (A) Owner-occupied housing. ~~At the option of the applicant, owner-~~
19 ~~occupied housing may be characterized by either of the following:~~

20 (i) ~~at least 15 percent of the housing units have a purchase price~~
21 ~~that at the time of first sale does not exceed 85 percent of the new construction,~~

1 ~~targeted area purchase price limits established and published annually by the~~
2 ~~Vermont Housing Finance Agency; or~~

3 ~~(ii) at least 20 percent of the housing units have a purchase price~~
4 ~~that at the time of first sale does not exceed 90 percent of the new construction,~~
5 ~~targeted area purchase price limits established and published annually by the~~
6 ~~Vermont Housing Finance Agency~~ meet the requirements of affordable owner-
7 occupied housing under subdivision (29)(A) of this section, adjusted for the
8 number of bedrooms, as established and published annually by the Vermont
9 Housing Finance Agency.

10 (B) Rental housing. ~~At least 20 percent of the housing units that are~~
11 ~~rented constitute affordable housing and have a duration of affordability of For~~
12 ~~not less than 15 years~~ following the date that rental housing is initially placed
13 in service, at least 20 percent of the housing units meet the requirements of
14 affordable rental housing under subdivision (29)(B) of this section, adjusted for
15 the number of bedrooms, as established and published annually by the
16 Vermont Housing Finance Agency.

17 * * *

18 (35) “Priority housing project” means a discrete project located on a
19 single tract or multiple contiguous tracts of land that consists exclusively of:

20 ~~(A)~~ mixed income housing or mixed use, or any combination thereof,
21 and is located entirely within a designated downtown development district,

1 designated new town center, designated growth center, or designated ~~village~~
2 ~~center that is also a designated~~ neighborhood development area under
3 24 V.S.A. chapter 76A; ~~or~~

4 ~~(B) mixed income housing and is located entirely within a designated~~
5 ~~Vermont neighborhood or designated neighborhood development area under~~
6 ~~24 V.S.A. chapter 76A.~~

7 * * *

8 Sec. 2e. 10 V.S.A. § 6081(p) is amended to read:

9 ~~(p)(1) No permit or permit amendment is required for any change to a~~
10 ~~project that is located entirely within a downtown development district~~
11 ~~designated pursuant to 24 V.S.A. § 2793, if the change consists exclusively of~~
12 ~~any combination of mixed use and mixed income housing, and the cumulative~~
13 ~~changes within any continuous period of five years, commencing on or after~~
14 ~~May 28, 2002, remain below any applicable jurisdictional threshold specified~~
15 ~~in subdivision 6001(3)(A)(iv)(I) of this title.~~

16 ~~(2) No permit or permit amendment is required for a priority housing~~
17 ~~project in a designated center other than a downtown development district if~~
18 ~~the project remains below any applicable jurisdictional threshold specified in~~
19 ~~subdivision 6001(3)(A)(iv)(I) of this title and will comply with all conditions~~
20 ~~of any existing permit or permit amendment issued under this chapter that~~
21 ~~applies to the tract or tracts on which the project will be located. If such a~~

1 ~~priority housing project will not comply with one or more of these conditions,~~
2 ~~an application may be filed pursuant to section 6084 of this title.~~

3 Sec. 2f. 10 V.S.A. § 6086 is amended to read:

4 § 6086. ISSUANCE OF PERMIT; CONDITIONS AND CRITERIA

5 (a) Before granting a permit, the District Commission shall find that the
6 subdivision or development:

7 * * *

8 (D) ~~Floodways~~ Flood hazard areas; river corridors. A permit will be
9 granted whenever it is demonstrated by the applicant that, in addition to all
10 other applicable criteria:

11 (i) ~~the development or subdivision of lands within a floodway~~
12 flood hazard area or river corridor will not restrict or divert the flow of ~~flood~~
13 waters floodwaters, cause or contribute to fluvial erosion, and endanger the
14 health, safety, and welfare of the public or of riparian owners during flooding;
15 and

16 (ii) ~~the development or subdivision of lands within a floodway~~
17 fringe will not significantly increase the peak discharge of the river or stream
18 within or downstream from the area of development and endanger the health,
19 safety, or welfare of the public or riparian owners during flooding.

20 * * *

1 Sec. 2g. DESIGNATED AREA REPORT; APPROPRIATION

2 (a) The sum of \$150,000.00 is appropriated from the General Fund to the
3 Department of Housing and Community Development in fiscal year 2023 for
4 the purpose of hiring a consultant to evaluate the State designation programs
5 established in 24 V.S.A. chapter 76A pursuant to subsection (b) of this section.

6 (b)(1) The Department of Housing and Community Development shall hire
7 an independent consultant to:

8 (A) review and assess the State designation programs and incentives
9 established in 24 V.S.A. chapter 76A that recognize and invest in the vitality of
10 Vermont’s compact settlement areas; and

11 (B) conduct statewide stakeholder outreach to support the evaluation
12 of and future improvements to the programs, including participation by State,
13 regional, municipal, and advocacy and non-governmental organizations.

14 (2) The consultant shall make recommendations on how to:

15 (A) objectively define and map existing compact settlements as a
16 basis for broader recognition;

17 (B) improve the consistency between and among regional plans and
18 future land use maps;

19 (C) modernize these programs, including consideration of program
20 reform or consolidation;

1 (D) make the designation programs and associated benefits more
2 accessible to municipalities;

3 (E) apply regulatory and non-regulatory benefits;

4 (F) strengthen designation and incentives as a platform for place-
5 based economic development, climate-action, complete streets, and equity and
6 efficiency of public investment and service delivery;

7 (G) implement the smart growth principles established by 24 V.S.A.
8 § 2791; and

9 (H) achieve the goals established in 24 V.S.A. § 4302.

10 (3) On or before July 15, 2023, the consultant shall submit a written
11 report to the General Assembly with its findings and any recommendations for
12 legislative action.

13 * * * Housing Incentives; Smart Growth * * *

14 Sec. 3. COVID-19 FUNDING; HOUSING; SMART GROWTH
15 PRINICIPLES

16 A public entity or private organization that receives a grant or subgrant of
17 federal COVID-19 relief funds to purchase, renovate, or construct housing in
18 this State shall, to the fullest extent possible, design and implement its program
19 and award funding to applicants consistent with smart growth principles,
20 including:

- 1 (1) to promote compact, sustainable communities with infill
2 development in areas designated for growth in municipal and regional plans;
3 (2) to preserve open, natural space and to protect natural resources and
4 the environment;
5 (3) to accommodate a variety of safe, affordable, and efficient
6 transportation choices; and
7 (4) to expand the range of affordable housing available to Vermonters
8 across communities.

9 * * * Homeless Bill of Rights * * *

10 Sec. 4. FINDINGS

11 The Vermont General Assembly finds that:

- 12 (1) At the present time, many persons have been rendered homeless as a
13 result of economic hardship and a shortage of safe and affordable housing.
14 (2) Article 1 of Chapter I of the Vermont Constitution states that
15 Vermonters are “equally free and independent,” and Article 7 of Chapter I
16 states that all Vermonters are entitled to the same benefits and protections. As
17 a result, a person should not be subject to discrimination based on the person’s
18 housing status or being homeless.
19 (3) It is the intent of this act to help mitigate both the discrimination
20 persons without homes or perceived to be without homes face and the adverse
21 effects individuals and communities suffer when a person lacks a home.

1 Sec. 4a. 1 V.S.A. § 274 is added to read:

2 § 274. HOMELESS BILL OF RIGHTS

3 (a) A person’s rights, privileges, or access to public services shall not be
4 denied or abridged solely because of the person’s housing status. Such a
5 person shall be granted the same rights and privileges as any other resident of
6 this State.

7 (b) A person shall have the right:

8 (1) to use and move freely in public places, including public sidewalks,
9 parks, transportation, and buildings, in the same manner as any other person
10 and without discrimination on the basis of the person’s housing status;

11 (2) to equal treatment by all State and municipal agencies without
12 discrimination on the basis of the person’s housing status;

13 (3) not to face discrimination while seeking or maintaining employment,
14 due to the person’s housing status;

15 (4) to emergency medical care free from discrimination based on the
16 person’s housing status;

17 (5) to vote, register to vote, and receive documentation necessary to
18 prove identity for voting, without discrimination due to the person’s housing
19 status;

20 (6) to confidentiality of personal records and information in accordance
21 with all limitations on disclosure established by State and federal law,

1 including the Federal Homeless Management Information Systems, the Federal
2 Health Insurance Portability and Accountability Act, and the Federal Violence
3 Against Women Act, without discrimination based on the person’s housing
4 status;

5 (7) to a reasonable expectation of privacy in the person’s personal
6 property without discrimination based on his or her housing status; and

7 (8) to immediate and continued enrollment of the person’s school-age
8 children based on the best interests of the child as provided for in 16 V.S.A.
9 § 1075(e) and the McKinney-Vento Homeless Assistance Act, 42 U.S.C.
10 §§ 11431–11435 without discrimination based on his or her housing status.

11 (c) No person shall be subject to civil or criminal sanctions for soliciting,
12 sharing, accepting, or offering food, water, money, or other donations in:

13 (1) a public place; or

14 (2) a place of public accommodation with the consent of the owner or
15 other person representing the place of public accommodation and in a manner
16 that does not interfere with normal business operations.

17 (d) No law shall target a person based on that person’s housing status or the
18 harmless activities associated with homelessness, or the provision of supports
19 or services to a person without housing or perceived to be without housing in:

20 (1) a public place; or

1 Sec. 4c. 9 V.S.A. § 4502 is amended to read:

2 § 4502. PUBLIC ACCOMMODATIONS

3 (a) An owner or operator of a place of public accommodation or an agent
4 or employee of such owner or operator shall not, because of the race, creed,
5 color, national origin, housing status, marital status, sex, sexual orientation, or
6 gender identity of any person, refuse, withhold from, or deny to that person
7 any of the accommodations, advantages, facilities, and privileges of the place
8 of public accommodation.

9 * * *

10 Sec. 4d. 9 V.S.A. § 4503 is amended to read:

11 § 4503. UNFAIR HOUSING PRACTICES

12 (a) It shall be unlawful for any person:

13 (1) To refuse to sell or rent, or refuse to negotiate for the sale or rental
14 of, or otherwise make unavailable or deny, a dwelling or other real estate to
15 any person because of the race, sex, sexual orientation, gender identity, age,
16 marital status, religious creed, color, national origin, housing status, or
17 disability of a person, or because a person intends to occupy a dwelling with
18 one or more minor children, or because a person is a recipient of public
19 assistance, or because a person is a victim of abuse, sexual assault, or stalking.

20 (2) To discriminate against, or to harass any person in the terms,
21 conditions, privileges, and protections of the sale or rental of a dwelling or

1 other real estate, or in the provision of services or facilities in connection
2 therewith, because of the race, sex, sexual orientation, gender identity, age,
3 marital status, religious creed, color, national origin, housing status, or
4 disability of a person, or because a person intends to occupy a dwelling with
5 one or more minor children, or because a person is a recipient of public
6 assistance, or because a person is a victim of abuse, sexual assault, or stalking.

7 (3) To make, print, or publish, or cause to be made, printed, or published
8 any notice, statement, or advertisement, with respect to the sale or rental of a
9 dwelling or other real estate, that indicates any preference, limitation, or
10 discrimination based on race, sex, sexual orientation, gender identity, age,
11 marital status, religious creed, color, national origin, housing status, or
12 disability of a person, or because a person intends to occupy a dwelling with
13 one or more minor children, or because a person is a recipient of public
14 assistance, or because a person is a victim of abuse, sexual assault, or stalking.

15 (4) To represent to any person because of the race, sex, sexual
16 orientation, gender identity, age, marital status, religious creed, color, national
17 origin, housing status, or disability of a person, or because a person intends to
18 occupy a dwelling with one or more minor children, or because a person is a
19 recipient of public assistance, or because a person is a victim of abuse, sexual
20 assault, or stalking, that any dwelling or other real estate is not available for

1 inspection, sale, or rental when the dwelling or real estate is in fact so
2 available.

3 * * *

4 (7) To engage in blockbusting practices, for profit, ~~which~~ that may
5 include inducing or attempting to induce a person to sell or rent a dwelling by
6 representations regarding the entry into the neighborhood of a person or
7 persons of a particular race, sex, sexual orientation, gender identity, age,
8 marital status, religious creed, color, national origin, housing status, or
9 disability of a person, or because a person intends to occupy a dwelling with
10 one or more minor children, or because a person is a recipient of public
11 assistance, or because a person is a victim of abuse, sexual assault, or stalking.

12 (8) To deny any person access to or membership or participation in any
13 multiple listing service, real estate brokers' organization, or other service,
14 organization, or facility relating to the business of selling or renting dwellings,
15 or to discriminate against any person in the terms or conditions of such access,
16 membership, or participation, on account of race, sex, sexual orientation,
17 gender identity, age, marital status, religious creed, color, national origin,
18 housing status, or disability of a person, or because a person is a recipient of
19 public assistance, or because a person is a victim of abuse, sexual assault, or
20 stalking.

21 * * *

1 (12) To discriminate in land use decisions or in the permitting of
2 housing because of race, sex, sexual orientation, gender identity, age, marital
3 status, religious creed, color, national origin, housing status, disability, the
4 presence of one or more minor children, income, or because of the receipt of
5 public assistance, or because a person is a victim of abuse, sexual assault, or
6 stalking, except as otherwise provided by law.

7 * * *

8 Sec. 4e. 10 V.S.A. § 601 is amended to read:

9 § 601. DEFINITIONS

10 The following words and terms, unless the context clearly indicates a
11 different meaning, shall have the following meaning:

12 * * *

13 (11) “Persons and families of low and moderate income” means persons
14 and families irrespective of race, creed, national origin, sex, sexual orientation,
15 housing status, or gender identity deemed by the Agency to require such
16 assistance as is made available by this chapter on account of insufficient
17 personal or family income, taking into consideration, without limitation, such
18 factors as:

19 (A) the amount of the total income of such persons and families
20 available for housing needs;

21 * * *

1 (20) “Housing status” means the actual or perceived status of being
2 homeless, being a homeless individual, or being a homeless person, as defined
3 in 42 U.S.C. § 11302.

4 Sec. 4f. 21 V.S.A. § 495 is amended to read:

5 § 495. UNLAWFUL EMPLOYMENT PRACTICE

6 (a) It shall be unlawful employment practice, except where a bona fide
7 occupational qualification requires persons of a particular race, color, religion,
8 national origin, housing status, sex, sexual orientation, gender identity,
9 ancestry, place of birth, age, crime victim status, or physical or mental
10 condition:

11 (1) For any employer, employment agency, or labor organization to
12 discriminate against any individual because of race, color, religion, ancestry,
13 national origin, sex, sexual orientation, gender identity, place of birth, housing
14 status, crime victim status, or age or against a qualified individual with a
15 disability;

16 (2) For any person seeking employees or for any employment agency or
17 labor organization to cause to be printed, published, or circulated any notice or
18 advertisement relating to employment or membership indicating any
19 preference, limitation, specification, or discrimination based upon race, color,
20 religion, ancestry, national origin, sex, sexual orientation, gender identity,
21 place of birth, housing status, crime victim status, age, or disability;

1 (3) For any employment agency to fail or refuse to classify properly or
2 refer for employment or to otherwise discriminate against any individual
3 because of race, color, religion, ancestry, national origin, sex, sexual
4 orientation, gender identity, place of birth, housing status, crime victim status,
5 or age or against a qualified individual with a disability;

6 (4) For any labor organization, because of race, color, religion, ancestry,
7 national origin, sex, sexual orientation, gender identity, place of birth, housing
8 status, crime victim status, or age to discriminate against any individual or
9 against a qualified individual with a disability or to limit, segregate, or qualify
10 its membership;

11 * * *

12 Sec. 4g. 21 V.S.A. § 495d is amended to read:

13 § 495d. DEFINITIONS

14 As used in this subchapter:

15 * * *

16 (16) “Housing status” means the actual or perceived status of being
17 homeless, being a homeless individual, or being a homeless person, as defined
18 in 42 U.S.C. § 11302.

19 * * * First-Generation Homebuyer Incentives * * *

20 Sec. 5. FIRST-GENERATION HOMEBUYER INCENTIVE PROGRAM;

21 APPROPRIATION

1 Of the amounts available from federal COVID-19 relief funds, the amount
2 of \$5,000,000.00 is appropriated to the Department of Housing and
3 Community Development, which shall work in coordination with the Vermont
4 Housing Finance Agency and relevant stakeholders to design and implement a
5 program to provide grants of not more than \$10,000.00 for purchase and
6 closing costs to first-generation homebuyers.

7 * * * Manufactured Home Relocation Incentives * * *

8 Sec. 6. MANUFACTURED HOME RELOCATION INCENTIVE
9 PROGRAM; APPROPRIATION

10 Of the amounts available from federal COVID-19 relief funds, the amount
11 of \$5,000,000.00 is appropriated to the Department of Housing and
12 Community Development, which shall work in coordination with the Vermont
13 Housing and Conservation Board and relevant stakeholders to design and
14 implement a program to provide funding for the following purposes:

15 (1) to create a competitive pool of grant funding to assist with the cost
16 of removing abandoned homes, building concrete pads to new HUD standards,
17 and addressing smaller scale capital needs for those parks where limited
18 operating revenue cannot reasonably cover those costs;

19 (2) to create a competitive pool of grant funding available for
20 rehabilitating some of the roughly 300 to 400 poor quality homes located
21 within the overall State portfolio, of which more than 100 may be at risk of

1 abandonment, and the remainder of which still represent substandard housing
2 for residents and increase the marketing challenges for these parks as a whole;

3 (3) to continue to provide leadership in advocating for financing
4 programs to assist buyers to finance and upgrade units such as Champlain
5 Housing Trust’s down payment assistance program;

6 (4) to work with the Agency of Commerce and Community
7 Development, the affordable park owners, and other stakeholders to reframe
8 the image of mobile homes as an affordable option in a more innovative and
9 positive light, especially for younger buyers;

10 (5) to provide mobile home repair grants for common needed home
11 repairs in Vermont, which range from \$100.00 to \$14,000.00, with an
12 estimated average repair value required for sustainable resident health at
13 \$7,000.00.

14 (6) to address existing program gaps, including:

15 (A) bringing existing homes into ADA compliance by modifying
16 entryways and bathrooms;

17 (B) providing funding to augment the Vermont Center for
18 Independent Living Home Accessibility Program, which currently requires a
19 resident match, for Vermonters with low income; and

20 (C) creating opportunity for residents to electively move their
21 structurally stable homes out of floodplains and potentially hazardous locations

1 exacerbated by climate change and erosion, for which roughly 356 vacant lots
2 across the State could be assessed as safe and used for relocation;

3 (7) to provide funds to supplement Flood Resilient Community Funds,
4 which provides grant for home buyouts in flood plains, not for support and
5 relocation services, including costs associated with slab pouring and other
6 infrastructure setup for a new lot that is not directly tied to water infrastructure;

7 (8) to provide funding for down payment assistance and the purchase of
8 new or used high energy efficient mobile homes to replace aging and
9 dilapidated mobile homes; and

10 (9) to improve the public image and well-being of parks by providing
11 financial assistance to parks for:

12 (A) placement of slabs and skirts;

13 (B) removal of derelict and abandoned homes, hazardous waste, and
14 pests;

15 (C) beautification of parks though gardening support and tree and
16 orchard plantings;

17 (D) creation of public space for families and children; and

18 (E) repair and maintenance of roads.

19 * * * Large Employer Housing Partnership * * *

20 Sec. 7. LARGE EMPLOYER HOUSING PARTNERSHIP PROGRAM;

21 APPROPRIATION

1 Of the amounts available from federal COVID-19 relief funds, the amount
2 of \$5,000,000.00 is appropriated to the Department of Housing and
3 Community Development to design and implement a program to provide
4 matching funds of not more than \$5,000.00 per employee for the costs an
5 employer with 25 or more employees incurs to provide housing for its
6 workforce.

7 * * * Conversion of Commercial Properties to Residential Use * * *

8 Sec. 8. COMMERCIAL PROPERTY CONVERSION INCENTIVE
9 PROGRAM; APPROPRIATION

10 Of the amounts available from federal COVID-19 relief funds, the amount
11 of \$5,000,000.00 is appropriated to the Department of Housing and
12 Community Development, which shall work in coordination with the regional
13 development corporations, regional planning commissions, chambers of
14 commerce, and other relevant stakeholders to design and implement a program
15 to identify commercial properties that may be efficiently converted to
16 residential use and to provide grants of not more than \$50,000.00 per project
17 for the purchase, rehabilitation, and conversion of such properties.

18 * * * New American Housing Support Services * * *

19 Sec. 9. NEW AMERICAN HOUSING SUPPORT SERVICES;
20 APPROPRIATION

1 Of the amounts available from federal COVID-19 relief funds, the amount
2 of \$5,000,000.00 is appropriated to the Department of Housing and
3 Community Development to contract with one or more entities to provide
4 financial support services, translation services, legal and technical services,
5 and other housing-related services to Vermonters who are New Americans.

6 * * * TIF Extension * * *

7 Sec. 10. TAX INCREMENT FINANCING DISTRICTS; RETENTION OF
8 INCREMENT; DEBT INCURRENCE; EXTENSIONS

9 (a) Notwithstanding any other provision of law, each municipality with an
10 active tax increment financing district that has received approval from the
11 Vermont Economic Progress Council shall be granted a three-year extension to
12 their district's period to retain municipal and education property tax increment.

13 (b) Notwithstanding any other provision of law, the following
14 municipalities shall be granted a three-year extension to their district's period
15 to incur debt:

16 (1) the City of Burlington, Downtown;

17 (2) the City of Burlington, Waterfront;

18 (3) the Town of Bennington;

19 (4) the City of Montpelier;

20 (5) the City of Winooski;

21 (6) the Town of Hartford;

1 (7) the City of St. Albans;

2 (8) the City of Barre; and

3 (9) the City of South Burlington.

4 * * * First-Time Homebuyer Savings Account * * *

5 Sec. 11. FINDINGS AND INTENT

6 The General Assembly finds that saving for a down payment and closing
7 costs for the purchase of a first home is challenging in the present economy.

8 The first-time home buyer savings account program will provide opportunities
9 for Vermont residents to save funds for first-time or returning home ownership
10 and will provide Vermonters with meaningful incentives to save for the
11 purchase of a first home.

12 Sec. 11a. DEFINITIONS

13 As used in Sec. 11 to 11e of this 2018 Act:

14 (1) “Account holder” means a first-time home buyer who establishes a
15 first-time home buyer savings account.

16 (2) “Allowable closing costs” means disbursements listed in a
17 settlement statement for the purchase of a single-family residence by an
18 account holder.

19 (3) “Eligible costs” means the down payment and allowable closing
20 costs for the purchase of a single-family residence by an account holder.

1 (4) “Financial institution” means a bank, a trust company, a
2 commercial bank, a national bank, a savings bank, a savings and loan, a thrift
3 institution, a credit union, an insurance company, a mutual fund, an investment
4 firm, or a similar entity authorized to do business in this state.

5 (5) “First-time home buyer” means an individual who is a resident of
6 this state and has not owned or purchased, either individually or jointly, a
7 single-family residence during a period of three years prior to the date of the
8 purchase of a single-family residence.

9 (6) “First-time home buyer savings account” or “account” means an
10 account with a financial institution that an account holder designates as a first-
11 time home buyer savings account on the account holder’s Vermont income tax
12 return for the purpose of paying or reimbursing eligible costs for the purchase
13 of a single-family residence in this state by the account holder.

14 (7) “Resident of this state” has the meaning given that term in XXX.

15 (8) “Settlement statement” means the statement of receipts and
16 disbursements for a transaction related to real estate, including a statement
17 prescribed under the Real Estate Settlement Procedures Act of 1974, 12 U.S.C.
18 2601 et seq., and regulations thereunder.

19 (9) “Single family residence” means a residence intended for
20 occupation by a single-family unit that is owned and occupied by an account
21 holder as the account holder’s principal residence. “Single family residence”

1 includes a manufactured home, residential trailer, mobile home or
2 condominium unit.

3 (10) “Taxable income” has the meaning given that term in XXX.

4 Sec. 11b. CREATION

5 (1) An individual may create a first-time home buyer savings account
6 with a financial institution to be used to pay or reimburse the account holder’s
7 eligible costs related to the purchase of a single-family residence.

8 (2) An individual may jointly own a first-time home buyer savings
9 account with another person if the joint account holders are both first-time
10 home buyers and file a joint income tax return.

11 (3) An individual may not be the account holder of more than one first-
12 time home buyer savings account.

13 (4) Only cash and marketable securities may be contributed to a first-
14 time home buyer savings account. Subject to the limitations of Sec. 11c (4) of
15 this Act, persons other than the account holder may contribute funds to a first-
16 time home buyer savings account. There is no limitation on the amount of
17 contributions that may be made to or retained in a first-time home buyer
18 savings account.

19 (5) The account holder may not use funds held in a first-time home
20 buyer savings account to pay expenses of administering the account, except

1 that the financial institution that administers the account may deduct a service
2 fee from the account.

3 (6) An account holder may withdraw all or part of the funds from a
4 first-time home buyer savings account and deposit the funds in a new first-time
5 home buyer savings account held by a different financial institution or the
6 same financial institution.

7 Sec. 11c. FEDERAL INCOME TAX

8 (1) Subject to Sec. 11f of this Act, and in addition to the other
9 modifications to federal taxable income contained in XXX, there shall be
10 subtracted from federal taxable income the amount of funds contributed to an
11 account holder's first-time home buyer savings account established under Sec.
12 1 to 10 of this Act during the tax year, not to exceed \$5,000 for an account
13 holder who files an individual income tax return or \$10,000 for joint account
14 holders who file a joint income tax return.

15 (2)(a) Funds contributed to a first-time home buyer savings account and
16 earnings, including interest and other income, on the principal in the account
17 during the tax year are exempt from taxation until withdrawn by the taxpayer,
18 subject to sub section (3) of this section.

19 (b) Moneys withdrawn by the account holder from a first-time home
20 buyer savings account to pay or reimburse that account holder's eligible costs
21 related to purchase of a single-family residence are exempt from taxation under

1 XXX. A withdrawal by an account holder for a purpose other than paying or
2 reimbursing eligible costs related to the purchase of a single-family residence
3 is taxable under XXX.

4 (3) An account holder may claim the subtraction and exemption under
5 subsections (1) and (2) of this section:

6 (a) For a period not to exceed 10 years;

7 (b) For an aggregate total amount of principal and earnings not
8 to exceed \$50,000 during the 10-year period; and

9 (c) Only if the principal and earnings of the account remain in
10 the account until a withdrawal is made for eligible costs related to the
11 purchase of a single-family residence by the account holder except as
12 provided in Sec. 3 (6) of this Act.

13 (4) A person other than the account holder who deposits funds in a
14 first-time home buyer savings account is not entitled to the subtraction
15 and exemption provided for in this section.

16 (5) Moneys in a first-time home buyer savings account not expended on
17 paying or reimbursing eligible costs for the purchase of a single-family
18 residence by December 31 of the last year of the 10-year period
19 described under subsection (3) of this section, shall thereafter be
20 included in the account holder's taxable income.

21 Sec. 11d. ELIGIBILITY AND LIMITS

1 (1) The limits applicable to a subtraction from federal taxable income and an
2 exemption allowed under Sec. 4 of this Act are:

3 (a) \$10,000 if reported on a joint income tax return, or \$5,000 for all
4 others, if the federal adjusted gross income of the taxpayer for the tax year is
5 less than \$150,000 or, if reported on other than a joint return, less than
6 \$75,000.

7 (b) \$8,000 if reported on a joint income tax return, or \$4,000 for all
8 others, if the federal adjusted gross income of the taxpayer for the tax year is
9 \$150,000 or more and less than \$160,000 or, if reported on other than a joint
10 return, \$75,000 or more and less than \$80,000.

11 (c) \$6,000 if reported on a joint income tax return, or \$3,000 for all
12 others, if the federal adjusted gross income of the taxpayer for the tax year is
13 \$160,000 or more and less than \$170,000 or, if reported on other than a joint
14 return, \$80,000 or more and less than \$85,000.

15 (d) \$4,000 if reported on a joint income tax return, or \$2,000 for all
16 others, if the federal adjusted gross income of the taxpayer for the tax year is
17 \$170,000 or more and less than \$180,000 or, if reported on other than a joint
18 return, \$85,000 or more and less than \$90,000.

19 (e) \$2,000 if reported on a joint income tax return, or \$1,000 for all
20 others, if the federal adjusted gross income of the taxpayer for the tax year is

1 \$180,000 or more and less than \$200,000 or, if reported on other than a joint
2 return, \$90,000 or more and less than \$100,000.

3 (2) If the federal adjusted gross income of the taxpayer for the tax year is
4 \$200,000 or more if reported on a joint income tax return, or \$100,000 or more
5 if reported on other than a joint income tax return, the limit is zero and the
6 taxpayer is not allowed a subtraction from federal taxable income or an
7 exemption under Sec. 4 of this 2018 Act.

8 Sec. 11e. WITHDRAWALS

9 If an account holder withdraws funds from a first-time home buyer savings
10 account for a purpose other than paying or reimbursing an account holder for
11 eligible costs related to the purchase of a single-family residence:

12 (1) The withdrawn funds must be included in the account holder's
13 taxable income; and

14 (2) The account holder shall pay a penalty to the Department of Taxes
15 equal to ten (10) percent of the amount withdrawn. The penalty does not apply
16 to funds withdrawn from an account that were:

17 (a) Withdrawn by reason of the account holder's death or
18 disability;

19 (b) A disbursement of assets of the account pursuant to a filing
20 for protection under the United States Bankruptcy Code, 11 U.S.C. 101
21 et seq.; or

1 (c) Transferred from an account into another account
2 established in accordance with Sec. 3 (6) of this Act.

3 Sec. 11f. DEPARTMENT OF TAXES RESPONSIBILITIES

4 The Department of Taxes shall create a means for designating the subtraction
5 to which an account holder is entitled under this Act in the individual state
6 income tax return form required to be filed under XXX.

7 (1) On or before January 31 of each year, a financial institution at
8 which an account holder has created a first-time home buyer savings account
9 shall provide to the account holder a certificate containing the following
10 information:

11 (a) The date when the account was created;

12 (b) The name of the account holder;

13 (c) The amount of funds contributed to the account during the
14 tax year;

15 (d) The amount of funds withdrawn from the account during the
16 tax year; and

17 (e) Any other information as required by rules adopted by the
18 Department of Taxes.

19 (2) A financial institution is not required to:

20 (a) Track the use of moneys withdrawn from a first-time home
21 buyer savings account; or

1 (b) Allocate funds in a first-time home buyer savings account
2 among joint account holders.

3 (3) A financial institution is not responsible or liable for:

4 (a) Determining or ensuring that an account satisfies the
5 requirements to be a first-time home buyer savings account;

6 (b) Determining or ensuring that funds in a first-time home
7 buyer savings account are used for eligible costs; or

8 (c) Reporting or remitting taxes or penalties related to the use of
9 a first-time home buyer savings account.

10 (4) Upon being furnished proof of the death of the account holder and
11 such other information required by the contract governing the first-time
12 home buyer savings account, a financial institution shall distribute the
13 principal and accumulated interest or other income in the first-time
14 home buyer savings account in accordance with the terms of the
15 contract governing the account.

16 Sec. 11g. DEPARTMENT OF TAXES AUTHORITY

17 The Department of Taxes may adopt rules to implement and administer
18 sections 11 to 11f of this act.

19 Sec. 11h. IMPLEMENTATION

20 (a) Sections 11 through 11f of this Act apply to tax years beginning on or
21 after January 1, 2023, and before January 1, 2025.

1 (A) 10 percent shall be disbursed to the Vermont Center for
2 Geographic Information;

3 (B) 70 percent shall be disbursed to the Secretary of Commerce and
4 Community Development for performance contracts with regional planning
5 commissions to provide regional planning services pursuant to section 4341a
6 of this title; and

7 (C) 20 percent shall be disbursed to municipalities.

8 * * *

9 (d) New funds allocated to municipalities under this section may take the
10 form of special purpose grants in accordance with section 4307 of this title.

11 Sec. 13a. 24 V.S.A. § 4307 is added to read:

12 §4307. MUNICIPAL BYLAW MODERNIZATION GRANTS

13 (a) There is created Municipal Bylaw Modernization Grants to assist
14 municipalities in updating their land use and development bylaws. Bylaws
15 updated under this section shall increase housing choice and opportunity in
16 smart growth areas. The Grants shall be funded by monies allocated from the
17 municipality allocation of the Municipal and Regional Planning Funds
18 established in subdivision 4306 (a)(3)(C) of this title and any other monies
19 appropriated for this purpose.

20 (b) Disbursement to municipalities shall be administered by the
21 Department of Housing and Community Development through a competitive

1 process providing the opportunity for all regions and any eligible municipality
2 to compete regardless of size.

3 (c) Funds may be disbursed by the Department in installments to ensure the
4 municipal bylaw updates meet the goals of this section.

5 (d) Funding may be used for mapping, the cost of regional planning
6 commission staff or consultant time, carrying out the provisions of
7 subchapters 5 through 10 of this chapter, and any other purpose approved by
8 the Department.

9 (e) To be eligible for funds, a municipality shall adopt bylaws that support
10 a neighborhood development pattern that is pedestrian oriented and consistent
11 with smart growth principles established in section 2791 of this title. The
12 municipality shall commit to adopting bylaws that increase housing choice and
13 opportunity in unconstrained water and sewer service areas that are located
14 outside important natural resource areas and are located outside identified
15 flood hazard areas and river corridors or are suitable for infill development as
16 defined in §§ 29–201 of the Vermont Flood Hazard Area and River Corridor
17 Rule.

18 (f) To receive the grant, the municipality shall:

19 (1) identify water and sewer infrastructure, constrained water and sewer
20 service areas, and the constraints on that infrastructure;

1 agency or a political subdivision of either; or an instrumentality of the United
2 States.

3 (2) “Qualified building” means a building built at least 30 years before
4 the date of application, located within a designated downtown ~~or~~ village
5 center, or neighborhood development area, which, upon completion of the
6 project supported by the tax credit, will be an income-producing building not
7 used solely as a single-family residence. Churches and other buildings owned
8 by religious organization may be qualified buildings, but in no event shall tax
9 credits be used for religious worship.

10 (3) “Qualified code improvement project” means a project:

11 (A) to install or improve platform lifts suitable for transporting
12 personal mobility devices, limited use or limited application elevators,
13 elevators, sprinkler systems, and capital improvements in a qualified building,
14 and the installations or improvements are required to bring the building into
15 compliance with the statutory requirements and rules regarding fire prevention,
16 life safety, and electrical, plumbing, and accessibility codes as determined by
17 the Department of Public Safety;

18 (B) to abate lead paint conditions or other substances hazardous to
19 human health or safety in a qualified building; or

1 (C) to redevelop a contaminated property in a designated downtown
2 ~~or~~ village center, or neighborhood development area under a plan approved by
3 the Secretary of Natural Resources pursuant to 10 V.S.A. § 6615a.

4 (4) “Qualified expenditures” means construction-related expenses of the
5 taxpayer directly related to the project for which the tax credit is sought but
6 excluding any expenses related to a private residence.

7 (5) “Qualified façade improvement project” means the rehabilitation of
8 the façade of a qualified building that contributes to the integrity of the
9 designated downtown ~~or~~ designated village center, or neighborhood
10 development area. Façade improvements to qualified buildings listed, or
11 eligible for listing, in the State or National Register of Historic Places must be
12 consistent with Secretary of the Interior Standards, as determined by the
13 Vermont Division for Historic Preservation.

14 * * *

15 Sec. 14a. 24 V.S.A. § 2793a is amended to read:

16 § 2793a. DESIGNATION OF VILLAGE CENTERS BY STATE BOARD

17 * * *

18 (c) A village center designated by the State Board pursuant to
19 subsection (a) of this section is eligible for the following development
20 incentives and benefits:

21 * * *

1 subdivision (c)(7) of this section to determine benefit eligibility and issue a
2 jurisdictional opinion under 10 V.S.A. chapter 151 on whether the density
3 requirements are met. These benefits are:

4 (1) ~~The~~ the application fee limit for wastewater applications stated in
5 3 V.S.A. § 2822(j)(4)(D);

6 (2) ~~The~~ the application fee reduction for residential development stated
7 in 10 V.S.A. § 6083a(d);

8 (3) ~~The~~ the exclusion from the land gains tax provided by 32 V.S.A.
9 § 10002(p); and

10 (4) eligibility for the Downtown and Village Center Tax Credit Program
11 described in 32 V.S.A. § 5930aa et seq.

12 * * *

13 Sec. 14c. 24 V.S.A. § 2794 is amended to read:

14 § 2794. INCENTIVES FOR PROGRAM DESIGNEES

15 (a) Upon designation by the Vermont Downtown Development Board
16 under section 2793 of this title, a downtown development district and projects
17 in a downtown development district shall be eligible for the following:

18 (1) Priority consideration by any agency of the State administering any
19 State or federal assistance program providing funding or other aid to a
20 municipal downtown area with consideration given to such factors as the costs

1 and benefits provided and the immediacy of those benefits, provided the
2 project is eligible for the assistance program.

3 (2) ~~The following State tax credits:~~

4 (A) ~~A State historic rehabilitation tax credit of 10 percent under~~
5 ~~32 V.S.A. § 5930cc(a) that meets the requirements for the federal rehabilitation~~
6 ~~tax credit.~~

7 (B) ~~A State façade improvement tax credit of 25 percent under~~
8 ~~32 V.S.A. § 5930cc(b).~~

9 (C) ~~A State code improvement tax credit of 50 percent under~~
10 ~~32 V.S.A. § 5930cc(e) The Downtown and Village Center Tax Credit Program~~
11 ~~described in 32 V.S.A. § 5930aa et seq.~~

12 * * *

13 * * * Wastewater Connection Permits * * *

14 Sec. 15. 10 V.S.A. § 1974 is amended to read:

15 § 1974. EXEMPTIONS

16 Notwithstanding any other requirements of this chapter, the following
17 projects and actions are exempt:

18 * * *

19 (9) A project completed by a person who receives an authorization from
20 a municipality that administers a program registered with the Secretary
21 pursuant to section 1983 of this title.

1 Sec. 15a. 10 V.S.A. § 1983 is added to read:

2 § 1983. REGISTRATION FOR MUNICIPAL WASTEWATER SYSTEM

3 AND POTABLE WATER SUPPLY CONNECTIONS

4 (a) A municipality may issue an authorization for a connection or an
5 existing connection with a change in use to the municipal sanitary sewer
6 collection line via a sanitary sewer service line or a connection to a water main
7 via a new water service line in lieu of permits issued under this chapter,
8 provided that the municipality documents the following in a form prescribed
9 by the Secretary:

10 (1) The municipality owns or has legal control over connections to a
11 public community water system permitted pursuant to chapter 56 of this title
12 and over connections to a wastewater treatment facility permitted pursuant to
13 chapter 47 of this title.

14 (2) The municipality shall only issue authorizations for:

15 (A) a sanitary sewer service line that connects to the sanitary sewer
16 collection line; and

17 (B) a water service line that connects to the water main.

18 (3) The building or structure authorized under this section connects to
19 both the sanitary sewer collection line and public community water system.

1 (1) According to the Vermont Housing Needs Assessment, Vermont
2 continues to face a severe shortage of housing to meet its affordable housing
3 needs.

4 (2) Protracted permit timelines and regulatory hurdles are often cited as
5 major impediments to expanding the supply of affordable housing in Vermont.

6 (3) In recent years, the State has greatly expanded investments in
7 affordable housing through the issuance of bonds, increased allotments for tax
8 credits and other incentives, enhanced amounts for housing assistant programs,
9 and additional appropriations for housing-related items such as weatherization.

10 (4) State permitting processes have not been fundamentally reformed in
11 nearly two decades.

12 (5) The average duration for an Act 250 permit appeal to be resolved by
13 the Environmental Division of the Superior Court is 334.8 days.

14 (6) To the extent regulatory and permitting reform has occurred as it
15 relates to affordable housing, success has been realized in mitigating the costs
16 for housing development and reducing the time from permit application to
17 project approval.

18 * * * Priority Housing Projects * * *

19 Sec. 16a. 10 V.S.A. § 6001 is amended to read:

20 § 6001. DEFINITIONS

21 As used in this chapter:

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* * *

(29) “Affordable housing” means either of the following:

* * *

(B) Rental housing for which the total annual cost of renting, including rent, utilities, and condominium association fees, does not exceed 30 percent of the gross annual income of a household at ~~80~~ 120 percent of the highest of the following:

- (i) the county median income, as defined by the U.S. Department of Housing and Urban Development;
- (ii) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; or
- (iii) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

* * *

(35) “Priority housing project” means a discrete project located on a single tract or multiple contiguous tracts of land that consists exclusively of:

- ~~(A)~~ mixed income housing or mixed use, or any combination thereof, and is located entirely within a designated downtown development district, designated new town center, designated growth center, designated Vermont neighborhood, designated neighborhood development area, or designated

1 village center ~~that is also a designated neighborhood development area under~~
2 24 V.S.A. chapter 76A; ~~or~~

3 ~~(B) mixed income housing and is located entirely within a designated~~
4 ~~Vermont neighborhood or designated neighborhood development area under~~
5 ~~24 V.S.A. chapter 76A.~~

6 * * *

7 Sec. 16b. 10 V.S.A. § 6081(p) is amended to read:

8 ~~(p)(1) No permit or permit amendment is required for any change to a~~
9 ~~project that is located entirely within a downtown development district~~
10 ~~designated pursuant to 24 V.S.A. § 2793, if the change consists exclusively of~~
11 ~~any combination of mixed use and mixed income housing, and the cumulative~~
12 ~~changes within any continuous period of five years, commencing on or after~~
13 ~~May 28, 2002, remain below any applicable jurisdictional threshold specified~~
14 ~~in subdivision 6001(3)(A)(iv)(I) of this title.~~

15 ~~(2) No permit or permit amendment is required for a priority housing~~
16 ~~project in a designated center other than a downtown development district if~~
17 ~~the project remains below any applicable jurisdictional threshold specified in~~
18 ~~subdivision 6001(3)(A)(iv)(I) of this title and will comply with all conditions~~
19 ~~of any existing permit or permit amendment issued under this chapter that~~
20 ~~applies to the tract or tracts on which the project will be located. If such a~~

1 priority housing project will not comply with one or more of these conditions,
2 an application may be filed pursuant to section 6084 of this title.

3 Sec. 16c. 10 V.S.A. § 6086b is amended to read:

4 § 6086b. ~~DOWNTOWN~~ DEVELOPMENT IN

5 DOWNTOWNS AND DEVELOPMENT OF HOUSING IN

6 COUNTIES WITH HIGH DEMAND; FINDINGS

7 (a) Downtown development. Notwithstanding any provision of this chapter
8 to the contrary, each of the following shall apply to a development or
9 subdivision that is completely within a downtown development district
10 designated under 24 V.S.A. chapter 76A and for which a permit or permit
11 amendment would otherwise be required under this chapter:

12 (1) In lieu of obtaining a permit or permit amendment, a person may
13 request findings and conclusions from the District Commission, which shall
14 approve the request if it finds that the development or subdivision will meet
15 subdivisions 6086(a)(1) (air and water pollution), (2) (sufficient water
16 available), (3) (burden on existing water supply), (4) (soil erosion), (5)
17 (traffic), (8) (aesthetics, historic sites, rare and irreplaceable natural areas),
18 (8)(A) (endangered species; necessary wildlife habitat), (9)(B) (primary
19 agricultural soils), (9)(C) (productive forest soils), (9)(F) (energy
20 conservation), and (9)(K) (public facilities, services, and lands) of this title.

21 * * *

1 (b) Housing development in counties with high demand. During any
2 period in which a county’s median gross rent is 10 percent above the median
3 gross rent for the State, the option established under subsection (a) of this
4 section shall be available for a development under subdivision 6001(3)(A)(iv)
5 of this title within that county for which a permit or permit amendment would
6 otherwise be required.

7 Sec. 16d. 10 V.S.A. § 6081(v) is amended to read:

8 (v) A permit or permit amendment shall not be required for a development
9 or subdivision in a designated downtown development district or for a housing
10 development in a high-demand county for which the District Commission has
11 issued positive findings and conclusions under section 6086b of this title on all
12 the criteria listed in that section. A person shall obtain new or amended
13 findings and conclusions from the District Commission under section 6086b of
14 this title prior to commencement of a material change, as defined in the rules of
15 the Board, to a development or subdivision for which the District Commission
16 has issued such findings and conclusions. A person may seek a jurisdictional
17 opinion under section 6007 of this title concerning whether such a change is a
18 material change.

1 governmental body or agency, the organization, ~~or~~ the development
2 corporation, or the developer of a priority housing project has first obtained a
3 certificate from the Commissioner stating that it is entitled to the exemption,
4 and the vendor keeps a record of the sales price of each separate sale, the name
5 of the purchaser, the date of each separate sale, and the number of the
6 certificate. In this subdivision, the words “building materials and supplies”
7 shall include all materials and supplies consumed, employed, or expended in
8 the construction, reconstruction, alteration, remodeling, or repair of any
9 building, structure, or other public work, as well as the materials and supplies
10 physically incorporated therein.

11 * * *

12 * * * Act 250 Appeals * * *

13 Sec. 18. 10 V.S.A. § 6089 is amended to read:

14 § 6089. APPEALS

15 (a) Appeals of any act or decision of a District Commission under this
16 chapter or a district coordinator under subsection 6007(c) of this title shall be
17 made to the Environmental Division in accordance with chapter 220 of this
18 title. For the purpose of this section, a decision of the Chair of a District
19 Commission under section 6001e of this title on whether action has been taken
20 to circumvent the requirements of this chapter shall be considered an act or
21 decision of the District Commission.

1 (b) The Environmental Division shall act upon the petition of an appeal
2 within 30 days after receiving the petition if the decision relates to a project
3 covered under subdivision 6001(3)(A)(iv) of this title.

4 (c) The Environmental Division shall issue a final decision within 120 days
5 after taking the action described in subsection (b) of this section if the decision
6 relates to a project covered under subdivision 6001(3)(A)(iv) of this title.

7 (d) If the Environmental Division fails to meet the timelines in subsections
8 (b) and (c) of this section, the Natural Resources Board shall refund the
9 applicant any fees paid to the State under section 6083a of this title and the
10 applicant shall not be liable for any additional fees under the same section,
11 regardless of the final decision issued by the Environmental Decision on the
12 appeal.

13 * * * Environmental Court * * *

14 Sec. 19. ENVIRONMENTAL DIVISION OF SUPERIOR COURT;
15 POSITIONS; APPROPRIATION

16 (a) Establishment of the following limited service positions is authorized in
17 the Environmental Division of the Superior Court in fiscal year 2023:

18 (1) one Environmental Division judge; and

19 (2) one law clerk.

20 (b) There is appropriated the sum of \$300,000.00 to the Environmental
21 Division of the Superior Court in fiscal year 2023 from the American Rescue

1 Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund for the positions
2 established in subsection (a) of this section.

3 * * * Accessory Dwelling Units * * *

4 Sec. 20.

5 * * * Missing Middle Housing * * *

6 Sec. 21. MISSING MIDDLE INCOME HOME OWNERSHIP
7 DEVELOPMENT PROGRAM

8 (a) In fiscal year 2023 the amount of \$15,000,000 is appropriated to the
9 Department of Housing and Community Development to grant to the Vermont
10 Housing Finance Agency to establish a Missing Middle Income Home
11 Ownership Development Program to provide development subsidies for new
12 construction or acquisition and substantial rehabilitation of owner-occupied
13 homes.

14 (b) The Agency shall use funds to provide a direct project subsidy for up to
15 35 percent of eligible development costs for income-eligible buyers. Funds

1 invested to buy down the sales price of a home will remain permanently
2 available to future buyers.

3 (c) “Affordable owner-occupied housing” means owner-occupied housing
4 identified in 26 U.S.C. § 143 (c)(1) or that qualifies under Vermont
5 Housing Finance Agency criteria governing owner-occupied housing.

6 (d) The Agency shall have the authority to provide funds to make grants or
7 investments to eligible applicants for affordable owner-occupied housing. An
8 eligible applicant may apply to the agency in adherence with program priorities
9 set by the Agency. Selection criteria set forth in a program plan must include:

10 (1) Project location;

11 (2) Geographic distribution;

12 (3) Leveraging of other programs;

13 (4) Housing market needs;

14 (5) Project characteristics, including whether the project includes the use
15 of existing housing as part of a community revitalization plan;

16 (6) Construction standards, including considerations for size;

17 (7) Priority will be given for plans with deeper affordability and longer
18 duration of affordability
19 requirements;

20 (8) Sponsor characteristics;

21 (9) Energy efficiency of the development; and

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(Committee vote: _____)

Senator _____

FOR THE COMMITTEE