

1 S.226

2 Senator Sirotkin moves that the Senate concur in the House proposal of
3 amendment with further amendment thereto by striking out Sec. 23, effective
4 dates, in its entirety and inserting in lieu thereof the following:

5 * * * Municipal Zoning * * *

6 Sec. 23. 24 V.S.A. § 2793e is amended to read:

7 § 2793e. NEIGHBORHOOD PLANNING AREAS; DESIGNATION OF
8 NEIGHBORHOOD DEVELOPMENT AREAS

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

15 * * *

16 (b) Definitions.

17 (1) “Neighborhood planning area” means an automatically delineated
18 area including and encircling a downtown, village center, or new town center
19 designated under this chapter or within a growth center designated under this
20 chapter. A neighborhood planning area is used for the purpose of identifying
21 locations suitable for new and infill housing that will support a development

1 pattern that is compact, oriented to pedestrians, and consistent with smart
2 growth principles. To ensure a compact settlement pattern, the outer boundary
3 of a neighborhood planning area shall be located entirely within the boundaries
4 of the applicant municipality, unless a joint application is submitted by more
5 than one municipality, and shall be determined:

6 * * *

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

10 * * *

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

* * *

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

* * *

Sec. 25. 24 V.S.A. § 4449 is amended to read:
§ 4449. ZONING PERMIT, CERTIFICATE OF OCCUPANCY, AND
MUNICIPAL LAND USE PERMIT

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

* * *

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

* * * Accessory Dwelling Units * * *

Sec. 26. 24 V.S.A. § 4414 amended to read:
§ 4414. ZONING; PERMISSIBLE TYPES OF REGULATIONS

* * *

(4) Parking and loading facilities. A municipality may adopt provisions setting forth standards for permitted and required facilities for off-street

1 parking and loading which may vary by district and by uses within each
2 district. These bylaws may also include provisions covering the location, size,
3 design, access, landscaping, and screening of those facilities. In determining
4 the number and size of parking spaces required under these regulations, the
5 appropriate municipal panel may take into account the existence or availability
6 of employer “transit pass” and rideshare programs, public transit routes, and
7 public parking spaces in the vicinity of the development. However, a
8 municipality shall not require an accessory dwelling unit to have more than
9 one parking space per bedroom.

10 * * *

11 * * * Municipal Bylaw Grants * * *

12 Sec. 27. 24 V.S.A. § 4306 is amended to read:

13 § 4306. MUNICIPAL AND REGIONAL PLANNING FUND

14 (a)(1) The Municipal and Regional Planning Fund for the purpose of
15 assisting municipal and regional planning commissions to carry out the intent
16 of this chapter is hereby created in the State Treasury.

17 (2) The Fund shall be composed of 17 percent of the revenue from the
18 property transfer tax under 32 V.S.A. chapter 231 and any monies from time to
19 time appropriated to the Fund by the General Assembly or received from any
20 other source, private or public. All balances at the end of any fiscal year shall

1 be carried forward and remain in the Fund. Interest earned by the Fund shall
2 be deposited in the Fund.

3 (3) Of the revenues in the Fund, each year:

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

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

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

11 * * *

12 (c) Funds allocated to municipalities shall be used for the purposes of:

13 * * *

14 (4) reasonable and necessary costs of administering the Fund by the
15 Department of Housing and Community Development, not to exceed six
16 percent of the municipality allocation.

17 (d) New funds allocated to municipalities under this section may take the
18 form of municipal bylaw modernization grants in accordance with section
19 4307 of this title.

1 Sec. 28. 24 V.S.A. § 4307 is added to read:

2 § 4307. MUNICIPAL BYLAW MODERNIZATION GRANTS

3 (a) There are created Municipal Bylaw Modernization Grants to assist
4 municipalities in updating their land use and development bylaws. Bylaws
5 updated under this section shall increase housing choice, affordability, and
6 opportunity in areas planned for smart growth. The Grants shall be funded by
7 monies allocated from the municipality allocation of the Municipal and
8 Regional Planning Funds established in subdivision 4306(a)(3)(C) of this title
9 and any other monies appropriated for this purpose.

10 (b) Disbursement to municipalities shall be administered by the
11 Department of Housing and Community Development through a competitive
12 process providing the opportunity for all regions and any eligible municipality
13 to compete regardless of size.

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

16 (d) Funding may be used for the cost of regional planning commission staff
17 or consultant time and any other purpose approved by the Department.

18 (e) A municipality grantee shall use the funds to prepare amendments to
19 bylaws to increase housing choice, affordability, and opportunity and that
20 support a neighborhood development pattern that is pedestrian oriented in
21 areas planned for smart growth consistent with the smart growth principles

1 established in section 2791 of this title and that prioritize projects in designated
2 areas in accordance with chapter 76A of this title.

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

4 (1) identify municipal water and wastewater disposal infrastructure,
5 municipal water and sewer service areas, and the constraints on that
6 infrastructure based on the best available data;

7 (2) increase allowed housing types and uses, which may include
8 duplexes to the same extent as single-family homes;

9 (3) include parking waiver provisions in areas planned for smart growth
10 consistent with smart growth principles as defined in section 2791 of this title
11 and appropriate situations;

12 (4) review and modify street standards that implement the complete
13 streets principles as described in 19 V.S.A. § 309d and that are oriented to
14 pedestrians;

15 (5) reduce nonconformities by making the allowed standards principally
16 conform to the existing settlement within any area designated under chapter
17 76A of this title and increase allowed lot/building/dwelling unit density by
18 adopting dimensional, use, parking, and other standards that allow compact
19 neighborhood form and support walkable lot and dwelling unit density, which
20 may be achieved with a standard allowing at least four units per acre or
21 allowing the receipt of a State or municipal water and wastewater permit to

1 determine allowable density or by other means established in guidelines issued
2 by the Department;

3 (6) restrict development of and minimize impact to important natural
4 resources, including new development in flood hazard areas, undeveloped
5 floodplains, and river corridor areas, unless lawfully allowed for infill
6 development in §29-201 of the Vermont Flood Hazard Area and River
7 Corridor Rule;

8 (7) update the municipal plan’s housing element as provided in
9 subdivision 4382(a)(10) of this title related to addressing lower- and moderate-
10 income housing needs, implement that element of the plan including through
11 the bylaw amendments, and demonstrate how those bylaws support the
12 implementation of the housing element; and

13 (8) comply with State and Federal Fair Housing Act, including the fair
14 housing provisions of Vermont’s Planning and Development Act.

15 (g) On or before September 1, 2022, the Department shall adopt guidelines
16 to assist municipalities applying for grants under this section.

17 Sec. 29. APPROPRIATION

18 Of the funds appropriated in fiscal year 2023 to the municipality allocation
19 of the Municipal and Regional Planning Fund, \$650,000.00 shall be used for
20 Municipal Bylaw Modernization Grants established in 24 V.S.A. § 4307.

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

3 (ff) Notwithstanding subdivisions (cc) through (ee) of this
4 subdivision (3)(A)(iv)(I), 10 or more if the construction involves the
5 demolition of one or more buildings that are listed on or eligible to be listed on
6 the State or National Register of Historic Places. However, demolition shall
7 not be considered to create jurisdiction under this subdivision (ff) if the
8 Division for Historic Preservation has determined that the proposed demolition
9 will have no adverse effect, will have no adverse effect if specified conditions
10 are met, or will have an adverse effect that will be adequately mitigated. Any
11 imposed conditions shall be enforceable through a grant condition, deed
12 covenant, or other legally binding document.

13 * * *

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

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

18 ~~(i) at least 15 percent of the housing units have a purchase price~~
19 ~~that at the time of first sale does not exceed 85 percent of the new construction,~~
20 ~~targeted area purchase price limits established and published annually by the~~
21 ~~Vermont Housing Finance Agency; or~~

1 ~~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. 31. 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. 32. 10 V.S.A. § 6084(f) is amended to read:

4 (f) ~~This subsection concerns an application for a new permit amendment to~~
5 ~~change the conditions of an existing permit or existing permit amendment in~~
6 ~~order to authorize the construction of a priority housing project described in~~
7 ~~subdivision 6081(p)(2) of this title.~~

8 (1) ~~The District Commission may authorize a district coordinator to~~
9 ~~issue such an amendment, without notice and a hearing, if the applicant~~
10 ~~demonstrates that all parties to the existing permit or existing permit~~
11 ~~amendment, which contains the condition or conditions proposed to be~~
12 ~~changed, or their successors in interest have consented to the proposed changes~~
13 ~~to conditions relative to the criteria for which the party obtained party status.~~

14 (2) ~~If the applicant is not able to obtain the consent of a party or parties~~
15 ~~or their successors in interest with respect to one or more of the conditions in~~
16 ~~the existing permit or permit amendment proposed to be changed, the applicant~~
17 ~~shall file a permit application pursuant to this section. However, review by the~~
18 ~~District Commission shall be limited to whether the changes to conditions not~~
19 ~~consented to by the party or parties or their successors in interest enable~~
20 ~~positive findings to be made under subsection 6086(a) and are authorized~~
21 ~~under subsection 6086(c) of this title. [Repealed.]~~

1 and over connections to a wastewater treatment facility permitted pursuant to
2 chapter 47 of this title.

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

4 (A) a sanitary sewer service line that connects to the sanitary sewer
5 collection line; and

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

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

9 (4) The authorizations from the municipality comply with the technical
10 standards for sanitary sewer service lines and water service lines in the
11 Wastewater System and Potable Water Supply Rules.

12 (5) The municipality requires documentation issued by a professional
13 engineer or licensed designer that is filed in the land records that the
14 connection authorized by the municipality was installed in accordance with the
15 technical standards.

16 (6) The municipality requires the retention of plans that show the
17 location and design of authorized connections.

18 (b) The municipality shall notify the Secretary 30 days in advance of
19 terminating any authorization. The municipality shall provide all
20 authorizations and plans to the Secretary as a part of this termination notice.

1 (c) A municipality issuing an authorization under this section shall require
2 the person to whom the authorization is issued to post notice of the
3 authorization as part of the notice required for a permit issued under 24 V.S.A.
4 § 4449 or other bylaw authorized under this chapter.

5 Sec. 35. EFFECTIVE DATES

6 This act shall take effect on July 1, 2022, except that Sec. 11 (Missing
7 Middle Pilot Program) and Sec. 21 (tax sales) shall take effect on passage.