

1 ***** Disclaimer ***** *This is a working draft of an omnibus economic*
2 *development bill that includes concepts and proposals from multiple sources.*
3 *Each version of the draft will most likely change significantly, and may add new*
4 *proposals, as well as modify or eliminate currently-included proposals ****

5
6 Yellow highlight reflects change to the previous version of the draft.

7 Pink highlight reflects a section that is unresolved.

8 Blue highlight reflects a section that is resolved.

9
10 TO THE HONORABLE SENATE:

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

16 * * * Municipal and Regional Land Banks * * *

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

18 CHAPTER 139. MUNICIPAL AND REGIONAL LAND BANKS

19 § 5801. PURPOSE

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

1 § 5802. ESTABLISHMENT; AUTHORITY

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

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

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

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

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

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

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

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

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

5 § 5803. GOVERNING BOARD; COMPOSITION; MEETINGS; REPORT

6 (a) Governing board. The legislative power and authority of a land bank
7 and the administration and the general supervision of all fiscal, prudential, and
8 governmental affairs of a land bank shall be vested in a governing board,
9 except as otherwise specifically provided in this chapter.

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

14 § 5804. AUDIT

15 Once the land bank becomes operational, the board shall cause an audit of
16 the financial condition of the land bank to be performed annually by an
17 independent professional accounting firm. The results of the audit shall be
18 provided to the governing board and to the legislative bodies of the
19 municipalities in which the land bank is located.

1 § 5805. DISSOLUTION

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

9 (b) The plan of dissolution shall:

10 (1) identify and value all unencumbered assets;

11 (2) identify and value all encumbered assets;

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

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

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

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

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

4 * * * Housing; Permit Reform * * *

5 **Sec. 2.** FINDINGS

6 The General Assembly finds that:

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

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

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

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

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

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

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

10 § 2793e. NEIGHBORHOOD PLANNING AREAS; DESIGNATION OF
11 NEIGHBORHOOD DEVELOPMENT AREAS

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

18 * * *

19 (b) Definitions.

20 (1) “Neighborhood planning area” means an automatically delineated
21 area including and encircling a downtown, village center, or new town center

1 designated under this chapter or within a growth center designated under this
2 chapter. A neighborhood planning area is used for the purpose of identifying
3 locations suitable for new and infill housing that will support a development
4 pattern that is compact, oriented to pedestrians, and consistent with smart
5 growth principles. To ensure a compact settlement pattern, the outer boundary
6 of a neighborhood planning area shall be located entirely within the boundaries
7 of the applicant municipality, unless a joint application is submitted by more
8 than one municipality, and shall be determined:

9 * * *

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

13 * * *

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

1 and the smart growth principles. Based on those considerations, the
2 municipality shall select an area for neighborhood development area
3 designation that:

4 (A) Avoids or ~~that~~ minimizes to the extent feasible the inclusion of
5 “important natural resources” as defined in subdivision 2791(14) of this title.
6 If an “important natural resource” is included within a proposed neighborhood
7 development area, the applicant shall identify the resource, explain why the
8 resource was included, describe any anticipated disturbance to such resource,
9 and describe why the disturbance cannot be avoided or minimized. If the
10 neighborhood development area includes flood hazard areas or river corridors,
11 the local bylaws shall contain provisions consistent with the Agency of Natural
12 Resources’ rules required under 10 V.S.A. § 754(a) to ensure that new infill
13 development within a neighborhood development area occurs outside the flood
14 hazard area and will not cause or contribute to fluvial erosion hazards within
15 the river corridor. If the neighborhood development area includes flood hazard
16 areas or river corridors, local bylaws shall also contain provisions to protect
17 river corridors outside the neighborhood development area consistent with the
18 Agency of Natural Resources’ rules required under 10 V.S.A. § 754(a).

19 * * *

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

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

1 property owners within the district, and community groups with an articulated
2 purpose of supporting downtown interests, and contains the following:

3 * * *

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

8 * * *

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

10 § 4449. ZONING PERMIT, CERTIFICATE OF OCCUPANCY, AND
11 MUNICIPAL LAND USE PERMIT

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

13 * * *

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

18 * * *

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

20 § 6001. DEFINITIONS

21 As used in this chapter:

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

(iv) The construction of housing projects such as cooperatives, condominiums, or dwellings, or construction or maintenance of mobile homes or mobile home parks, with 10 or more units, constructed or maintained on a tract or tracts of land, owned or controlled by a person, within a radius of five miles of any point on any involved land and within any continuous period of five years. However:

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

- (aa) [Repealed.]
- (bb) [Repealed.]
- (cc) 75 or more, in a municipality with a population of 6,000 or more but less than 10,000.
- (dd) 50 or more, in a municipality with a population of ~~3,000 or more but~~ less than 6,000.
- (ee) ~~25 or more, in a municipality with a population of less than 3,000.~~ [Repealed.]

(ff) Notwithstanding subdivisions (cc) through (ee) of this subdivision (3)(A)(iv)(I), 10 or more if the construction involves the

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

9 * * *

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

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

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

18 (ii) ~~at least 20 percent of the housing units have a purchase price~~
19 ~~that at the time of first sale does not exceed 90 percent of the new construction,~~
20 ~~targeted area purchase price limits established and published annually by the~~
21 ~~Vermont Housing Finance Agency~~ meet the requirements of affordable owner-

1 occupied housing under subdivision (29)(A) of this section, adjusted for the
2 number of bedrooms, as established and published annually by the Vermont
3 Housing Finance Agency.

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

11 * * *

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

14 (A) mixed income housing or mixed use, or any combination thereof,
15 and is located entirely within a designated downtown development district,
16 designated new town center, designated growth center, or designated ~~village~~
17 ~~center that is also a designated~~ neighborhood development area under
18 24 V.S.A. chapter 76A; ~~or~~

19 (B) ~~mixed income housing and is located entirely within a designated~~
20 ~~Vermont neighborhood or designated neighborhood development area under~~
21 ~~24 V.S.A. chapter 76A.~~

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

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

~~(2) No permit or permit amendment is required for a priority housing project in a designated center other than a downtown development district if the project remains below any applicable jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title and will comply with all conditions of any existing permit or permit amendment issued under this chapter that applies to the tract or tracts on which the project will be located. If such a priority housing project will not comply with one or more of these conditions, an application may be filed pursuant to section 6084 of this title.~~

1 * * * Housing Incentives; Smart Growth * * *

2 **Sec. 3.** COVID-19 FUNDING; HOUSING; SMART GROWTH

3 PRINICIPLES

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

9 (1) to promote compact, sustainable communities with infill
10 development in areas designated for growth in municipal and regional plans;

11 (2) to preserve open, natural space and to protect natural resources and
12 the environment;

13 (3) to accommodate a variety of safe, affordable, and efficient
14 transportation choices; and

15 (4) to expand the range of affordable housing available to Vermonters
16 across communities.

17 * * * Homeless Bill of Rights * * *

18 **Sec. 4.** FINDINGS

19 The Vermont General Assembly finds that:

20 (1) At the present time, many persons have been rendered homeless as a
21 result of economic hardship and a shortage of safe and affordable housing.

1 (2) Article 1 of Chapter I of the Vermont Constitution states that
2 Vermonters are “equally free and independent,” and Article 7 of Chapter I
3 states that all Vermonters are entitled to the same benefits and protections. As
4 a result, a person should not be subject to discrimination based on the person’s
5 housing status or being homeless.

6 (3) It is the intent of this act to help mitigate both the discrimination
7 persons without homes or perceived to be without homes face and the adverse
8 effects individuals and communities suffer when a person lacks a home.

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

10 § 274. HOMELESS BILL OF RIGHTS

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

15 (b) A person shall have the right:

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

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

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

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

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

8 (6) to confidentiality of personal records and information in accordance
9 with all limitations on disclosure established by State and federal law,
10 including the Federal Homeless Management Information Systems, the
11 Federal Health Insurance Portability and Accountability Act, and the Federal
12 Violence Against Women Act, without discrimination based on the person’s
13 housing status;

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

16 (8) to immediate and continued enrollment of the person’s school-age
17 children based on the best interests of the child as provided for in 16 V.S.A.
18 § 1075(e) and the McKinney-Vento Homeless Assistance Act, 42 U.S.C.
19 §§ 11431–11435 without discrimination based on his or her housing status.

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

1 (1) a public place; or

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

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

9 (1) a public place; or

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

13 (e) A person aggrieved by a violation of this section may bring an action in
14 Superior Court for appropriate relief, including injunctive relief and actual
15 damages sustained as a result of the violation, costs, and reasonable
16 attorney’s fees.

17 (f) As used in this section:

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

1 (2) "Place of public accommodation" has the same meaning as in
2 9 V.S.A. § 4501(1).

3 Sec. 4b. 9 V.S.A. § 4501 is amended to read:

4 § 4501. DEFINITIONS

5 As used in this chapter:

6 * * *

7 (12) "Housing status" means the actual or perceived status of being
8 homeless, being a homeless individual, or being a homeless person, as defined
9 in 42 U.S.C. § 11302.

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

11 § 4502. PUBLIC ACCOMMODATIONS

12 (a) An owner or operator of a place of public accommodation or an agent
13 or employee of such owner or operator shall not, because of the race, creed,
14 color, national origin, housing status, marital status, sex, sexual orientation,
15 or gender identity of any person, refuse, withhold from, or deny to that person
16 any of the accommodations, advantages, facilities, and privileges of the place
17 of public accommodation.

18 * * *

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

20 § 4503. UNFAIR HOUSING PRACTICES

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

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

9 (2) *To discriminate against, or to harass any person in the terms,*
10 *conditions, privileges, and protections of the sale or rental of a dwelling or*
11 *other real estate, or in the provision of services or facilities in connection*
12 *therewith, because of the race, sex, sexual orientation, gender identity, age,*
13 *marital status, religious creed, color, national origin, housing status, or*
14 *disability of a person, or because a person intends to occupy a dwelling with*
15 *one or more minor children, or because a person is a recipient of public*
16 *assistance, or because a person is a victim of abuse, sexual assault, or*
17 *stalking.*

18 (3) *To make, print, or publish, or cause to be made, printed, or*
19 *published any notice, statement, or advertisement, with respect to the sale or*
20 *rental of a dwelling or other real estate, that indicates any preference,*
21 *limitation, or discrimination based on race, sex, sexual orientation, gender*

1 *identity, age, marital status, religious creed, color, national origin, housing*
2 *status, or disability of a person, or because a person intends to occupy a*
3 *dwelling with one or more minor children, or because a person is a recipient*
4 *of public assistance, or because a person is a victim of abuse, sexual assault,*
5 *or stalking.*

6 *(4) To represent to any person because of the race, sex, sexual*
7 *orientation, gender identity, age, marital status, religious creed, color,*
8 *national origin, housing status, or disability of a person, or because a person*
9 *intends to occupy a dwelling with one or more minor children, or because a*
10 *person is a recipient of public assistance, or because a person is a victim of*
11 *abuse, sexual assault, or stalking, that any dwelling or other real estate is not*
12 *available for inspection, sale, or rental when the dwelling or real estate is in*
13 *fact so available.*

14 * * *

15 *(7) To engage in blockbusting practices, for profit, ~~which~~ that may*
16 *include inducing or attempting to induce a person to sell or rent a dwelling by*
17 *representations regarding the entry into the neighborhood of a person or*
18 *persons of a particular race, sex, sexual orientation, gender identity, age,*
19 *marital status, religious creed, color, national origin, housing status, or*
20 *disability of a person, or because a person intends to occupy a dwelling with*
21 *one or more minor children, or because a person is a recipient of public*

1 *assistance, or because a person is a victim of abuse, sexual assault, or*
2 *stalking.*

3 *(8) To deny any person access to or membership or participation in any*
4 *multiple listing service, real estate brokers' organization, or other service,*
5 *organization, or facility relating to the business of selling or renting dwellings,*
6 *or to discriminate against any person in the terms or conditions of such access,*
7 *membership, or participation, on account of race, sex, sexual orientation,*
8 *gender identity, age, marital status, religious creed, color, national origin,*
9 *housing status, or disability of a person, or because a person is a recipient of*
10 *public assistance, or because a person is a victim of abuse, sexual assault, or*
11 *stalking.*

12 * * *

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

19 * * *

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

2 § 601. DEFINITIONS

3 *The following words and terms, unless the context clearly indicates a*
4 *different meaning, shall have the following meaning:*

5 * * *

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

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

14 * * *

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

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

19 § 495. UNLAWFUL EMPLOYMENT PRACTICE

20 (a) It shall be unlawful employment practice, except where a bona fide
21 occupational qualification requires persons of a particular race, color,

1 *religion, national origin, housing status, sex, sexual orientation, gender*
2 *identity, ancestry, place of birth, age, crime victim status, or physical or*
3 *mental condition:*

4 *(1) For any employer, employment agency, or labor organization to*
5 *discriminate against any individual because of race, color, religion, ancestry,*
6 *national origin, sex, sexual orientation, gender identity, place of birth, housing*
7 *status, crime victim status, or age or against a qualified individual with a*
8 *disability;*

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

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

20 *(4) For any labor organization, because of race, color, religion,*
21 *ancestry, national origin, sex, sexual orientation, gender identity, place of*

1 *birth, housing status, crime victim status, or age to discriminate against any*
2 *individual or against a qualified individual with a disability or to limit,*
3 *segregate, or qualify its membership;*

4 * * *

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

6 *§ 495d. DEFINITIONS*

7 *As used in this subchapter:*

8 * * *

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

12 * * * First-Generation Homebuyer Incentives * * *

13 **Sec. 5.** FIRST-GENERATION HOMEBUYER INCENTIVE PROGRAM;

14 APPROPRIATION

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

1 * * * Manufactured Home Relocation Incentives * * *

2 **Sec. 6.** MANUFACTURED HOME RELOCATION INCENTIVE

3 PROGRAM; APPROPRIATION

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

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

13 (2) to create a competitive pool of grant funding available for
14 rehabilitating some of the roughly 300 to 400 poor quality homes located
15 within the overall State portfolio, of which more than 100 may be at risk of
16 abandonment, and the remainder of which still represent substandard housing
17 for residents and increase the marketing challenges for these parks as a whole;

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

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

5 (5) to provide mobile home repair grants for common needed home
6 repairs in Vermont, which range from \$100.00 to \$14,000.00, with an
7 estimated average repair value required for sustainable resident health at
8 \$7,000.00.

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

10 (A) bringing existing homes into ADA compliance by modifying
11 entryways and bathrooms;

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

15 (C) creating opportunity for residents to electively move their
16 structurally stable homes out of floodplains and potentially hazardous locations
17 exacerbated by climate change and erosion, for which roughly 356 vacant lots
18 across the State could be assessed as safe and used for relocation;

19 (7) to provide funds to supplement Flood Resilient Community Funds,
20 which provides grant for home buyouts in flood plains, not for support and

1 relocation services, including costs associated with slab pouring and other
2 infrastructure setup for a new lot that is not directly tied to water infrastructure;

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

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

8 (A) placement of slabs and skirts;

9 (B) removal of derelict and abandoned homes, hazardous waste, and
10 pests;

11 (C) beautification of parks through gardening support and tree and
12 orchard plantings;

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

14 (E) repair and maintenance of roads.

15 * * * Large Employer Housing Partnership * * *

16 **Sec. 7.** LARGE EMPLOYER HOUSING PARTNERSHIP PROGRAM;

17 APPROPRIATION

18 Of the amounts available from federal COVID-19 relief funds, the amount
19 of \$5,000,000.00 is appropriated to the Department of Housing and
20 Community Development to design and implement a program to provide
21 matching funds of not more than \$5,000.00 per employee for the costs an

1 employer with 25 or more employees incurs to provide housing for its
2 workforce.

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

4 **Sec. 8. COMMERCIAL PROPERTY CONVERSION INCENTIVE**

5 PROGRAM; APPROPRIATION

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

14 * * * New American Housing Support Services * * *

15 **Sec. 9. ~~NEW AMERICAN HOUSING SUPPORT SERVICES;~~**

16 ~~APPROPRIATION~~

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

*** TIF Extension ***

1
2 **Sec. 10.** TAX INCREMENT FINANCING DISTRICTS; RETENTION OF
3 INCREMENT; DEBT INCURRENCE; EXTENSIONS

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

8 (b) Notwithstanding any other provision of law, the following
9 municipalities shall be granted a three-year extension to their district’s period
10 to incur debt:

11 (1) the City of Burlington, Downtown;

12 (2) the City of Burlington, Waterfront;

13 (3) the Town of Bennington;

14 (4) the City of Montpelier;

15 (5) the City of Winooski;

16 (6) the Town of Hartford;

17 (7) the City of St. Albans;

18 (8) the City of Barre; and

19 (9) the City of South Burlington.

20 *** First-Time Homebuyer Savings Account ***

21 **Sec. 11.** FINDINGS AND INTENT

1 The General Assembly finds that saving for a down payment and closing
2 costs for the purchase of a first home is challenging in the present economy.
3 The first-time home buyer savings account program will provide opportunities
4 for Vermont residents to save funds for first-time or returning home ownership
5 and will provide Vermonters with meaningful incentives to save for the
6 purchase of a first home.

7 **Sec. 11a. DEFINITIONS**

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

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

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

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

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

20 (5) “First-time home buyer” means an individual who is a resident of
21 this state and has not owned or purchased, either individually or jointly, a

1 single-family residence during a period of three years prior to the date of the
2 purchase of a single-family residence.

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

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

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

13 (9) “Single family residence” means a residence intended for
14 occupation by a single-family unit that is owned and occupied by an account
15 holder as the account holder’s principal residence. “Single family residence”
16 includes a manufactured home, residential trailer, mobile home or
17 condominium unit.

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

19 Sec. 11b. CREATION

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

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

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

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

15 (5) The account holder may not use funds held in a first-time home
16 buyer savings account to pay expenses of administering the account, except
17 that the financial institution that administers the account may deduct a service
18 fee from the account.

19 (6) An account holder may withdraw all or part of the funds from a
20 first-time home buyer savings account and deposit the funds in a new first-time

1 home buyer savings account held by a different financial institution or the
2 same financial institution.

3 Sec. 11c. FEDERAL INCOME TAX

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

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

15 (b) Moneys withdrawn by the account holder from a first-time home
16 buyer savings account to pay or reimburse that account holder's eligible costs
17 related to purchase of a single-family residence are exempt from taxation under
18 XXX. A withdrawal by an account holder for a purpose other than paying or
19 reimbursing eligible costs related to the purchase of a single-family residence
20 is taxable under XXX.

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

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

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

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

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

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

18 **Sec. 11d.** ELIGIBILITY AND LIMITS

19 (1) The limits applicable to a subtraction from federal taxable income and an
20 exemption allowed under Sec. 11c of this Act are:

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

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

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

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

17 (e) \$2,000 if reported on a joint income tax return, or \$1,000 for all
18 others, if the federal adjusted gross income of the taxpayer for the tax year is
19 \$180,000 or more and less than \$200,000 or, if reported on other than a joint
20 return, \$90,000 or more and less than \$100,000.

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

6 **Sec. 11e. WITHDRAWALS**

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

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

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

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

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

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

1 **Sec. 11f.** DEPARTMENT OF TAXES RESPONSIBILITIES

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

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

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

10 (b) The name of the account holder;

11 (c) The amount of funds contributed to the account during the
12 tax year;

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

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

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

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

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

- 1 (3) A financial institution is not responsible or liable for:
- 2 (a) Determining or ensuring that an account satisfies the
- 3 requirements to be a first-time home buyer savings account;
- 4 (b) Determining or ensuring that funds in a first-time home
- 5 buyer savings account are used for eligible costs; or
- 6 (c) Reporting or remitting taxes or penalties related to the use of
- 7 a first-time home buyer savings account.
- 8 (4) Upon being furnished proof of the death of the account holder and
- 9 such other information required by the contract governing the first-time
- 10 home buyer savings account, a financial institution shall distribute the
- 11 principal and accumulated interest or other income in the first-time
- 12 home buyer savings account in accordance with the terms of the
- 13 contract governing the account.

14 **Sec. 11g.** DEPARTMENT OF TAXES AUTHORITY

15 The Department of Taxes may adopt rules to implement and administer

16 sections 11 to 11f of this act.

17 **Sec. 11h.** IMPLEMENTATION

18 (a) Sections 11 through 11f of this Act apply to tax years beginning on or

19 after January 1, 2023, and before January 1, 2025.

20 (b) Notwithstanding subsection (a) of this section, funds contributed to a

21 first-time home buyer savings account established under Sections 11 through

1 11f of this Act before January 1, 2025, shall continue to be exempt from
2 taxation for the period and on the terms for which the exemption was granted
3 under Sections 11 through 11f this act..

4 * * * Public Housing Authority Statutes * * *

5 **Sec. 12.**

6 * * * Municipal Bylaw Grants * * *

7 **Sec. 13.** 24 V.S.A. § 4306 is amended to read:

8 § 4306. MUNICIPAL AND REGIONAL PLANNING FUND

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

12 (2) The Fund shall be composed of 17 percent of the revenue from the
13 property transfer tax under 32 V.S.A. chapter 231 and any monies from time to
14 time appropriated to the Fund by the General Assembly or received from any
15 other source, private or public. All balances at the end of any fiscal year shall
16 be carried forward and remain in the Fund. Interest earned by the Fund shall
17 be deposited in the Fund.

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

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

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

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

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

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

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

19 (2) allow duplexes within smart growth areas to the same extent that
20 single-family dwellings are allowed;

1 (3) require parking waiver provisions in appropriate smart growth areas
2 and situations;

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

6 (5) adopt dimensional, use, parking, and other standards that allow
7 compact neighborhood form and support walkable lot and unit density, which
8 may be achieved with a standard allowing at least four units per acre with site
9 and building design standards or minimum lot sizes of at least one-quarter of
10 an acre or by other means established in guidelines issued by the Department.

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

13 Sec. 13b. 24 V.S.A § 4306(c)(4) is added to read:

14 (4) The Fund shall be available to the Department of Housing and
15 Community Development for the reasonable and necessary costs of
16 administering the Fund, not to exceed ten percent of total program funds.

17 Sec. 13c. APPROPRIATION

18 In fiscal year 2023 the amount of \$650,000.00 is appropriated [rom the
19 General Fund to the Municipal Planning and Regional Planning Fund to be
20 used for Municipal Bylaw Modernization Grants established in 24 V.S.A.
21 V.S.A. § 4307.

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* * * Tax Credits * * *

Sec. 14. 32 V.S.A. § 5930ee is amended to read:

§ 5930ee. LIMITATIONS

Beginning in fiscal year 2010 and thereafter, the State Board may award tax credits to all qualified applicants under this subchapter, provided that:

- (1) the total amount of tax credits awarded annually, together with sales tax reallocated under section 9819 of this title, does not exceed ~~\$3,000,000.00~~ \$5,000,000.00;

* * *

Sec. 14a. 32 V.S.A. § 5930aa is amended to read:

§ 5930aa. DEFINITIONS

As used in this subchapter:

- (1) “Qualified applicant” means an owner or lessee of a qualified building involving a qualified project, but does not include a State or federal agency or a political subdivision of either; or an instrumentality of the United States.
- (2) “Qualified building” means a building built at least 30 years before the date of application, located within a designated downtown ~~or~~ village center, or neighborhood development area, which, upon completion of the project supported by the tax credit, will be an income-producing building not used solely as a single-family residence. Churches and other buildings owned

1 by religious organization may be qualified buildings, but in no event shall tax
2 credits be used for religious worship.

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

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

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

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

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

19 (5) “Qualified façade improvement project” means the rehabilitation of
20 the façade of a qualified building that contributes to the integrity of the
21 designated downtown ~~or~~ designated village center. Façade improvements to

1 qualified buildings listed, or eligible for listing, in the State or National
2 Register of Historic Places must be consistent with Secretary of the Interior
3 Standards, as determined by the Vermont Division for Historic Preservation.

4 (6) “Qualified Flood Mitigation Project” means any combination of
5 structural and nonstructural changes to a building located within the flood
6 hazard area as mapped by the Federal Emergency Management Agency that
7 reduces or eliminates flood damage to the building or its contents. The project
8 shall comply with the municipality’s adopted flood hazard bylaw, if applicable,
9 and a certificate of completion shall be submitted by a registered engineer,
10 architect, qualified contractor, or qualified local official to the State Board.
11 Improvements to qualified buildings listed, or eligible for listing, in the State
12 or National Register of Historic Places shall be consistent with Secretary of the
13 Interior’s Standards for Rehabilitation, as determined by the Vermont Division
14 for Historic Preservation.

15 (7) “Qualified historic rehabilitation project” means an historic
16 rehabilitation project that has received federal certification for the
17 rehabilitation project.

18 (7)(8) “Qualified project” means a qualified code improvement,
19 qualified façade improvement, or qualified historic rehabilitation project as
20 defined by this subchapter.

1 **Sec. 14c.** 24 V.S.A. § 2793e is amended to read:

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

4 * * *

5 (f) Neighborhood development area incentives for developers. Once a
6 municipality has a designated neighborhood development area or has a
7 Vermont neighborhood designation pursuant to section 2793d of this title, any
8 proposed development within that area shall be eligible for each of the benefits
9 listed in this subsection. These benefits shall accrue upon approval by the
10 district coordinator, who shall review the density requirements set forth in
11 subdivision (c)(7) of this section to determine benefit eligibility and issue a
12 jurisdictional opinion under 10 V.S.A. chapter 151 on whether the density
13 requirements are met. These benefits are:

14 (1) ~~The~~ the application fee limit for wastewater applications stated in
15 3 V.S.A. § 2822(j)(4)(D);

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

18 (3) ~~The~~ the exclusion from the land gains tax provided by 32 V.S.A.
19 § 10002(p); and

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

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

§ 2794. INCENTIVES FOR PROGRAM DESIGNEES

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

(1) Priority consideration by any agency of the State administering any State or federal assistance program providing funding or other aid to a municipal downtown area with consideration given to such factors as the costs and benefits provided and the immediacy of those benefits, provided the project is eligible for the assistance program.

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

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

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

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

Sec. 14e. 32 V.S.A. § 5930cc is amended to read:

1 **5930cc. DOWNTOWN AND VILLAGE CENTER PROGRAM TAX**

2 **CREDITS**

3 * * *

4 (d) Flood Mitigation Tax Credit. The qualified applicant of a qualified flood
5 mitigation project shall be entitled, upon the approval of the State Board, to
6 claim against the taxpayer’s State individual income tax, State corporate
7 income tax, or bank franchise or insurance premiums tax liability a credit of 50
8 percent of qualified expenditures up to a maximum tax credit of \$75,000.00.

9 * * * Neighborhood Development Area Tax Credit; Pilot Program * *

10 **Sec. 14f. NEIGHBORHOOD DEVELOPMENT AREA TAX CREDIT;**

11 **PILOT PROGRAM**

12 (a) There is created the Neighborhood Development Area Tax Credit Pilot
13 Program. Qualified applicants may apply to the State Downtown Development
14 Board to obtain the tax credits described in 32 V.S.A. § 5930cc.

15 (b) As used in this section:

16 (1) “Qualified applicant” has the same meaning as 32 V.S.A. § 5930aa.

17 (2) “Qualified building” means a building built at least 30 years before
18 the date of application, located within a neighborhood development area,
19 which, upon completion of the project supported by the tax credit, will be an
20 income-producing building not used solely as a single-family residence.
21 Churches and other buildings owned by religious organization may be

1 qualified buildings, but in no event shall tax credits be used for religious
2 worship.

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

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

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

13 (C) to redevelop a contaminated property in a neighborhood
14 development area under a plan approved by the Secretary of Natural Resources
15 pursuant to 10 V.S.A. § 6615a.

16 (4) “Qualified expenditures” has the same meaning as in 32 V.S.A.
17 § 5930aa.

18 (5) “Qualified façade improvement project” means the rehabilitation of
19 the façade of a qualified building that contributes to the integrity of the
20 neighborhood development area. Façade improvements to qualified buildings
21 listed, or eligible for listing, in the State or National Register of Historic Places

1 must be consistent with Secretary of the Interior Standards, as determined by
2 the Vermont Division for Historic Preservation.

3 (6) “Qualified historic rehabilitation project” has the same meaning as in
4 32 V.S.A. § 5930aa.

5 (7) “Qualified project” has the same meaning as in 32 V.S.A. § 5930aa.

6 (c) The tax credits available to qualified applicants under this section shall
7 be the same tax credits established in 32 V.S.A. § 5930cc.

8 (d) To qualify for any of the tax credits under this section, expenditures for
9 the qualified project must exceed \$5,000.00.

10 (e) Application shall be made in accordance with the guidelines set by the
11 State Downtown Development Board.

12 (f) The provisions of 32 V.S.A. § 5930dd shall apply to the tax credits
13 issued under this section.

14 (g) For fiscal years 2023 and 2024, the State Downtown Development
15 Board may award tax credits to all qualified applicants under this section,
16 provided that:

17 (1) the total amount of tax credits awarded annually, together with sales
18 tax reallocated under 32 V.S.A. § 9819, does not exceed \$1,000,000.00;

19 (2) a total annual allocation of not more than 30 percent of these tax
20 credits may be awarded in connection with all of the projects in a single
21 municipality;

1 (3) façade tax credits shall not be available for projects that qualify for
2 the federal rehabilitation tax credit;

3 (4) no credit shall be allowed under this section for the cost of acquiring
4 any building or interest in a building;

5 (5) credit under this section may not be allocated more often than once
6 to the same building; and

7 (6) credit awarded under this section that is rescinded or recaptured by
8 the State Downtown Development Board shall be available for the State Board
9 to award to applicants in any subsequent year, in addition to the total amount
10 of tax credits authorized under this section.

11 (h) Tax credits awarded under this section shall be subject to the recapture
12 provision of 32 V.S.A. § 5930ff.

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

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

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

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

13 (c) A municipality issuing an authorization under this section shall require
14 the person to whom the authorization is issued to post notice of the
15 authorization as part of the notice required for a permit issued under 24 V.S.A.
16 § 4449 or other bylaw authorized under this chapter.

17 * * * S.270 * * *

18 **Sec. 16.** FINDINGS

19 The General Assembly finds:

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.

* * * Sales and Use Tax Exemption * * *

Sec. 17. 32 V.S.A. § 9743 is amended to read:

§ 9743. *ORGANIZATIONS NOT COVERED*

Any sale, service, or admission to a place of entertainment charged by or to any of the following or any use by any of the following are not subject to the sales and use taxes imposed under this chapter:

* * *

(4) Sales of building materials and supplies to be used in the construction, reconstruction, alteration, remodeling, or repair of:

(A) any building, structure, or other public works owned by or held in trust for the benefit of any governmental body or agency mentioned in subdivisions (1) and (2) of this section and used exclusively for public purposes;

(B) any building or structure owned by or held in trust for the benefit of any organization described in subdivision (3) and used exclusively for the purposes upon which its exempt status is based; and

(C) any building or structure owned by any “local development corporation” as defined in 10 V.S.A. § 212(10); and used exclusively for the purposes authorized in 10 V.S.A. chapter 12; and

(D) any building or structure that meets the definition of priority housing project as defined in 10 V.S.A. § 6001; provided, however, that the

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
5 name 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
16 invested to buy down the sales price of a home will remain permanently
17 available to future buyers.

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

21 (d) The Agency shall have the authority to provide funds to make grants or

1 investments to eligible applicants for affordable owner-occupied housing. An
2 eligible applicant may apply to the agency in adherence with program priorities
3 set by the Agency. Selection criteria set forth in a program plan must include:

4 (1) Project location;

5 (2) Geographic distribution;

6 (3) Leveraging of other programs;

7 (4) Housing market needs;

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

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

11 (7) Priority will be given for plans with deeper affordability and longer
12 duration of affordability
13 requirements;

14 (8) Sponsor characteristics;

15 (9) Energy efficiency of the development; and

16 (10) Historic nature of the project.

17 (e) The Agency shall use the proceeds to provide long-term affordability on
18 homes that receive investments from the program or use the proceeds of the
19 program for investments or grants to eligible owner-occupied housing projects.

20 (f) The Agency may assign its rights under any investment or grant made
21 under this section to the Vermont Housing and Conservation Board or any

1 State agency or nonprofit organization qualifying under 26 U.S.C. § 501(c)(3),
2 provided such assignee acknowledges and agrees to comply with the
3 provisions of subdivision XXX of this section.

4 (g) Initial investments made under this program must be obligated by
5 December 31, 2024, and expended by December 31, 2026, as defined by
6 [ARPA State Local Fiscal Recovery Funds].

7 (f) The Department will report to the House Housing, General, and Military
8 Affairs Committee and Senate Economic Development, Housing, and General
9 Affairs Committee on the status of the program every year by January 15th
10 through 2026.

11 * * * Effective Date * * *

12 **Sec. X.** EFFECTIVE DATE

13 This act shall take effect on July 1, 2022.

14

15

16

17 (Committee vote: _____)

18

19

Senator _____

20

FOR THE COMMITTEE