1	*** Disclaimer *** This is a working draft of an omnibus economic
2	development bill that includes concepts and proposals from multiple sources.
3 4	Each version of the draft will most likely change significantly, and may add new proposals, as well as modify or eliminate currently-included proposals ***
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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	* * * Housing; Permit Reform * * *
19	Sec. 2. FINDINGS
20	The General Assembly finds that:
21	(1) Prosperous, sustainable, inclusive communities are critical to
22	Vermont's economic health and the well-being of its residents.
23	(2) Housing affordability and availability challenges require elected
24	officials, community leaders, and developers making community investments
25	to consider all options to increase the supply of housing.

1	(3) The State designation programs underpin Vermont's land use goals
2	and provide numerous economic, health, quality of life, and environmental
3	benefits.
4	(4) Increased housing choices in State designated centers advance
5	statewide goals to encourage housing affordability, inclusion, and equity;
6	conserve energy; decrease greenhouse gas emissions; provide a variety of
7	transportation choices; promote the efficient use of transportation and other
8	public infrastructure and services; protect the working landscape and natural
9	areas from fragmentation; and foster healthy lifestyles.
10	(5) Small-scale and infill developers are critical to rural and community
11	revitalization in locations where development is not occurring and is necessary
12	to meet the full range of Vermont's housing needs.
13	(6) Strategies, policies, programs, and investments that advance
14	Vermont's smart growth principles, complete streets principles, and planning
15	and development goals pursuant to 24 V.S.A. § 4302 make communities more
16	equitable and sustainable and improve the long-term fiscal, economic, and
17	environmental viability of the State.
18	Sec. 2a. 24 V.S.A. § 2793e is amended to read:
19	§ 2793e. NEIGHBORHOOD PLANNING AREAS; DESIGNATION OF
20	NEIGHBORHOOD DEVELOPMENT AREAS

1	(a) Purpose. This section is intended to encourage a municipality to plan
2	for new and infill housing in the area including and immediately encircling its
3	designated downtown, village center, new town center, or within its designated
4	growth center in order to provide needed housing and to further support the
5	commercial establishments in the designated center. To support this goal, this
6	section sets out a two-component process.
7	* * *
8	(b) Definitions.
9	(1) "Neighborhood planning area" means an automatically delineated
10	area including and encircling a downtown, village center, or new town center
11	designated under this chapter or within a growth center designated under this
12	chapter. A neighborhood planning area is used for the purpose of identifying
13	locations suitable for new and infill housing that will support a development
14	pattern that is compact, oriented to pedestrians, and consistent with smart
15	growth principles. To ensure a compact settlement pattern, the outer boundary
16	of a neighborhood planning area shall be located entirely within the boundaries
17	of the applicant municipality, unless a joint application is submitted by more
18	than one municipality, and shall be determined:
19	* * *

1	(c) Application for designation of a neighborhood development area. The
2	State Board shall approve a neighborhood development area if the application
3	demonstrates and includes all of the following elements:
4	* * *
5	(5) The proposed neighborhood development area consists of those
6	portions of the neighborhood planning area that are appropriate for new and
7	infill housing, excluding identified flood hazard and fluvial erosion areas.
8	except those areas containing preexisting development in areas suitable for
9	infill development as defined in § 29-201 of the Vermont Flood Hazard Area
10	and River Corridor Rule. In determining what areas are most suitable for new
11	and infill housing, the municipality shall balance local goals for future land
12	use, the availability of land for housing within the neighborhood planning area,
13	and the smart growth principles. Based on those considerations, the
14	municipality shall select an area for neighborhood development area
15	designation that:
16	(A) Avoids or that minimizes to the extent feasible the inclusion of
17	"important natural resources" as defined in subdivision 2791(14) of this title.
18	If an "important natural resource" is included within a proposed neighborhood
19	development area, the applicant shall identify the resource, explain why the
20	resource was included, describe any anticipated disturbance to such resource,
21	and describe why the disturbance cannot be avoided or minimized. If the
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1	neighborhood development area includes flood hazard areas or river corridors,
2	the local bylaws shall contain provisions consistent with the Agency of Natural
3	Resources' rules required under 10 V.S.A. § 754(a) to ensure that new infill
4	development within a neighborhood development area occurs outside the flood
5	hazard area and will not cause or contribute to fluvial erosion hazards within
6	the river corridor. If the neighborhood development area includes flood hazard
7	areas or river corridors, local bylaws shall also contain provisions to protect
8	river corridors outside the neighborhood development area consistent with the
9	Agency of Natural Resources' rules required under 10 V.S.A. § 754(a).
10	* * *
11	(6) The neighborhood development area is served by:
	(6) The neighborhood development area is served by: (A) municipal sewer infrastructure; or
12	
12 13	(A) municipal sewer infrastructure; or
12 13 14	(A) municipal sewer infrastructure; or (B) a community or alternative wastewater system approved by the
11 12 13 14 15 16	(A) municipal sewer infrastructure; or (B) a community or alternative wastewater system approved by the Agency of Natural Resources. [Repealed.]
12 13 14 15	<ul> <li>(A) municipal sewer infrastructure; or</li> <li>(B) a community or alternative wastewater system approved by the</li> <li>Agency of Natural Resources. [Repealed.]</li> <li>(7) The municipal bylaws allow minimum net residential densities</li> </ul>
12 13 14 15 16	<ul> <li>(A) municipal sewer infrastructure; or</li> <li>(B) a community or alternative wastewater system approved by the</li> <li>Agency of Natural Resources. [Repealed.]</li> <li>(7) The municipal bylaws allow minimum net residential densities</li> <li>within the neighborhood development area greater than or equal to four single-</li> </ul>
12 13 14 15 16 17	<ul> <li>(A) municipal sewer infrastructure; or</li> <li>(B) a community or alternative wastewater system approved by the</li> <li>Agency of Natural Resources. [Repealed.]</li> <li>(7) The municipal bylaws allow minimum net residential densities</li> <li>within the neighborhood development area greater than or equal to four single-family detached dwelling units per acre for all identified residential uses or</li> </ul>

1	established in the guidelines developed by the Department pursuant to
2	subsection 2792(d) of this title.
3	* * *
4	Sec. 2b. 24 V.S.A. § 2793b is amended to read:
5	§ 2793b. DESIGNATION OF NEW TOWN CENTER DEVELOPMENT
6	DISTRICTS
7	* * *
8	(b) Within 45 days of receipt of a completed application, the State Board
9	shall designate a new town center development district if the State Board finds,
10	with respect to that district, the municipality has:
11	* * *
12	(2) Provided a community investment agreement that has been executed
13	by authorized representatives of the municipal government, businesses and
14	property owners within the district, and community groups with an articulated
15	purpose of supporting downtown interests, and contains the following:
16	* * *
17	(B) Regulations enabling high densities that are greater not less than
18	four dwelling units, including all identified residential uses or residential
19	building types, per acre and not less than those allowed in any other part of the
20	municipality not within an area designated under this chapter.
21	* * *

1	Sec. 2c. 24 V.S.A. § 4449 is amended to read:
2	§ 4449. ZONING PERMIT, CERTIFICATE OF OCCUPANCY, AND
3	MUNICIPAL LAND USE PERMIT
4	(a) Within any municipality in which any bylaws have been adopted:
5	* * *
6	(4) No municipal land use permit issued by an appropriate municipal
7	panel or administrative officer, as applicable, for a site plan or conditional use
8	shall be considered abandoned or expired unless more than two years has
9	passed since the permit approval was issued.
10	* * *
11	Sec. 2d. 10 V.S.A. § 6001 is amended to read:
12	§ 6001. DEFINITIONS
13	As used in this chapter:
14	* * *
15	(3)(A) "Development" means each of the following:
16	* * *
17	(iv) The construction of housing projects such as cooperatives,
18	condominiums, or dwellings, or construction or maintenance of mobile homes
19	or mobile home parks, with 10 or more units, constructed or maintained on a
20	tract or tracts of land, owned or controlled by a person, within a radius of five

1	miles of any point on any involved land and within any continuous period of
2	five years. However:
3	(I) A priority housing project shall constitute a development
4	under this subdivision (iv) only if the number of housing units in the project is:
5	(aa) [Repealed.]
6	(bb) [Repealed.]
7	(cc) 75 or more, in a municipality with a population of 6,000
8	or more but less than 10,000.
9	(dd) 50 or more, in a municipality with a population of
10	<del>3,000 or more but</del> less than 6,000.
11	(ee) 25 or more, in a municipality with a population of less
12	than 3,000. [Repealed.]
13	(ff) Notwithstanding subdivisions (cc) through (ee) of this
14	subdivision (3)(A)(iv)(I), 10 or more if the construction involves the
15	demolition of one or more buildings that are listed on or eligible to be listed on
16	the State or National Register of Historic Places. However, demolition shall
17	not be considered to create jurisdiction under this subdivision (ff) if the
18	Division for Historic Preservation has determined that the proposed demolition
19	will have no adverse effect, will have no adverse effect if specified conditions
20	are met, or will have an adverse effect that will be adequately mitigated. Any

1	imposed conditions shall be enforceable through a grant condition, deed
2	covenant, or other legally binding document.
3	* * *
4	(27) "Mixed income housing" means a housing project in which the
5	following apply:
6	(A) Owner-occupied housing. At the option of the applicant, owner-
7	occupied housing may be characterized by either of the following:
8	(i) at least 15 percent of the housing units have a purchase price
9	that at the time of first sale does not exceed 85 percent of the new construction,
10	targeted area purchase price limits established and published annually by the
11	Vermont Housing Finance Agency; or
12	(ii) at least 20 percent of the housing units have a purchase price
13	that at the time of first sale does not exceed 90 percent of the new construction,
14	targeted area purchase price limits established and published annually by the
15	Vermont Housing Finance Agency meet the requirements of affordable owner-
16	occupied housing under subdivision (29)(A) of this section, adjusted for the
17	number of bedrooms, as established and published annually by the Vermont
18	Housing Finance Agency.
19	(B) Rental housing. At least 20 percent of the housing units that are
20	rented constitute affordable housing and have a duration of affordability of For
21	not less than 15 years following the date that rental housing is initially placed
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1	in service, at least 20 percent of the housing units meet the requirements of
2	affordable rental housing under subdivision (29)(B) of this section, adjusted for
3	the number of bedrooms, as established and published annually by the
4	Vermont Housing Finance Agency.
5	* * *
6	(35) "Priority housing project" means a discrete project located on a
7	single tract or multiple contiguous tracts of land that consists exclusively of:
8	(A) mixed income housing or mixed use, or any combination thereof,
9	and is located entirely within a designated downtown development district,
10	designated new town center, designated growth center, or designated village
11	center that is also a designated neighborhood development area under
12	24 V.S.A. chapter 76A <del>; or</del>
13	(B) mixed income housing and is located entirely within a designated
14	Vermont neighborhood or designated neighborhood development area under
15	24 V.S.A. chapter 76A.
16	* * *
17	Sec. 2e. 10 V.S.A. § 6081(p) is amended to read:
18	(p)(1) No permit or permit amendment is required for any change to a
19	project that is located entirely within a downtown development district
20	designated pursuant to 24 V.S.A. § 2793, if the change consists exclusively of
21	any combination of mixed use and mixed income housing, and the cumulative
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1	changes within any continuous period of five years, commencing on or after
2	May 28, 2002, remain below any applicable jurisdictional threshold specified
3	in subdivision 6001(3)(A)(iv)(I) of this title.
4	(2) No permit or permit amendment is required for a priority housing
5	project in a designated center other than a downtown development district if
6	the project remains below any applicable jurisdictional threshold specified in
7	subdivision 6001(3)(A)(iv)(I) of this title and will comply with all conditions
8	of any existing permit or permit amendment issued under this chapter that
9	applies to the tract or tracts on which the project will be located. If such a
10	priority housing project will not comply with one or more of these conditions,
11	an application may be filed pursuant to section 6084 of this title.
12	* * * Housing Incentives; Smart Growth * * *
13	Sec. 3. COVID-19 FUNDING; HOUSING; SMART GROWTH
14	
15	* * * Homeless Bill of Rights * * *
16	Sec. 4. FINDINGS
17	Sec. 4a. 1 V.S.A. § 274 is added to read:
18	
19	Sec. 4b. 9 V.S.A. § 4501 is amended to read:
20	<mark>Sec. 4c. 9 V.S.A. § 4502 is amended to read:</mark>
21	<b>See Ad</b> $0$ V S A 8 4503 is amondoid to read:

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

1	Sec. 4e. 10 V.S.A. § 601 is amended to read:
2	Sec. 4f. 21 V.S.A. § 495 is amended to read:
3	<mark>Sec. 4g. 21 V.S.A. § 495d is amended to read:</mark>
4	* * * First-Generation Homebuyer Incentives * * *
5	Sec. 5. FIRST-GENERATION HOMEBUYER INCENTIVE PROGRAM;
6	APPROPRIATION
7	Of the amounts available from federal COVID-19 relief funds, the amount
8	of \$5,000,000.00 is appropriated to the Department of Housing and
9	Community Development, which shall work in coordination with the Vermont
10	Housing Finance Agency and relevant stakeholders to design and implement a
11	program to provide grants of not more than \$10,000.00 for purchase and
12	closing costs to first-generation homebuyers.
13	* * * Manufactured Home Relocation Incentives * * *
14	Sec. 6. MANUFACTURED HOME RELOCATION INCENTIVE
15	PROGRAM; APPROPRIATION
16	Of the amounts available from federal COVID-19 relief funds, the amount
17	of \$5,000,000.00 is appropriated to the Department of Housing and
18	Community Development, which shall work in coordination with the Vermont
19	Housing and Conservation Board and relevant stakeholders to design and
20	implement a program to provide funding for the following purposes:

1	(1) to create a competitive pool of grant funding to assist with the cost
2	of removing abandoned homes, building concrete pads to new HUD standards,
3	and addressing smaller scale capital needs for those parks where limited
4	operating revenue cannot reasonably cover those costs;
5	(2) to create a competitive pool of grant funding available for
б	rehabilitating some of the roughly 300 to 400 poor quality homes located
7	within the overall State portfolio, of which more than 100 may be at risk of
8	abandonment, and the remainder of which still represent substandard housing
9	for residents and increase the marketing challenges for these parks as a whole;
10	(3) to continue to provide leadership in advocating for financing
11	programs to assist buyers to finance and upgrade units such as Champlain
12	Housing Trust's down payment assistance program;
13	(4) to work with the Agency of Commerce and Community
14	Development, the affordable park owners, and other stakeholders to reframe
15	the image of mobile homes as an affordable option in a more innovative and
16	positive light, especially for younger buyers;
17	(5) to provide mobile home repair grants for common needed home
18	repairs in Vermont, which range from \$100.00 to \$14,000.00, with an
19	estimated average repair value required for sustainable resident health at
20	<u>\$7,000.00.</u>
21	(6) to address existing program gaps, including:

1	(A) bringing existing homes into ADA compliance by modifying
2	entryways and bathrooms;
3	(B) providing funding to augment the Vermont Center for
4	Independent Living Home Accessibility Program, which currently requires a
5	resident match, for Vermonters with low income; and
6	(C) creating opportunity for residents to electively move their
7	structurally stable homes out of floodplains and potentially hazardous locations
8	exacerbated by climate change and erosion, for which roughly 356 vacant lots
9	across the State could be assessed as safe and used for relocation;
10	(7) to provide funds to supplement Flood Resilient Community Funds,
11	which provides grant for home buyouts in flood plains, not for support and
12	relocation services, including costs associated with slab pouring and other
13	infrastructure setup for a new lot that is not directly tied to water infrastructure;
14	(8) to provide funding for down payment assistance and the purchase of
15	new or used high energy efficient mobile homes to replace aging and
16	dilapidated mobile homes; and
17	(9) to improve the public image and well-being of parks by providing
18	financial assistance to parks for:
19	(A) placement of slabs and skirts;
20	(B) removal of derelict and abandoned homes, hazardous waste, and
21	pests;

1	(C) beautification of parks though gardening support and tree and
2	orchard plantings;
3	(D) creation of public space for families and children; and
4	(E) repair and maintenance of roads.
5	* * * Large Employer Housing Partnership * * *
6	Sec. 7. LARGE EMPLOYER HOUSING PARTNERSHIP PROGRAM;
7	APPROPRIATION
8	Of the amounts available from federal COVID-19 relief funds, the amount
9	of \$5,000,000.00 is appropriated to the Department of Housing and
10	Community Development to design and implement a program to provide
11	matching funds of not more than \$5,000.00 per employee for the costs an
12	employer with 25 or more employees incurs to provide housing for its
13	workforce.
14	* * * Conversion of Commercial Properties to Residential Use * * *
15	Sec. 8. COMMERCIAL PROPERTY CONVERSION INCENTIVE
16	PROGRAM; 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, which shall work in coordination with the regional
20	development corporations, regional planning commissions, chambers of
21	commerce, and other relevant stakeholders to design and implement a program
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1	to identify commercial properties that may be efficiently converted to
2	residential use and to provide grants of not more than \$50,000.00 per project
3	for the purchase, rehabilitation, and conversion of such properties.
4	* * * New American Housing Support Services * * *
5	Sec. 9. NEW AMERICAN HOUSING SUPPORT SERVICES;
6	
7	* * * TIF Extension * * *
8	Sec. 10. TAX INCREMENT FINANCING DISTRICTS; RETENTION OF
9	INCREMENT; DEBT INCURRENCE; EXTENSIONS
10	(a) Notwithstanding any other provision of law, each municipality with an
11	active tax increment financing district that has received approval from the
12	Vermont Economic Progress Council shall be granted a three-year extension to
13	their district's period to retain municipal and education property tax increment.
14	(b) Notwithstanding any other provision of law, the following
15	municipalities shall be granted a three-year extension to their district's period
16	to incur debt:
17	(1) the City of Burlington, Downtown;
18	(2) the City of Burlington, Waterfront;
19	(3) the Town of Bennington;
20	(4) the City of Montpelier;
21	(5) the City of Winooski;

1	(6) the Town of Hartford;
2	(7) the City of St. Albans;
3	(8) the City of Barre; and
4	(9) the City of South Burlington.
5	* * * First Time Homebuyer Savings Account * * *
6	Sec. 11. FINDINGS AND INTENT
7	Sec. 11a. DEFINITIONS
8	Sec. 11b. CREATION
9	Sec. 11c. FEDERAL INCOME TAX
10	<mark>Sec. 11d.</mark> ELIGIBILITY AND LIMITS
11	Sec. 11e. WITHDRAWALS
12	Sec. 11f. DEPARTMENT OF TAXES RESPONSIBILITIES
13	Sec. 11g. DEPARTMENT OF TAXES AUTHORITY
14	Sec. 11h. IMPLEMENTATION
15	* * * Public Housing Authority Statutes * * *
16	Sec. 12.
17	* * * Municipal Bylaw Grants * * *
18	Sec. 13. 24 V.S.A. § 4306 is amended to read:
19	§ 4306. MUNICIPAL AND REGIONAL PLANNING FUND

1	(a)(1) The Municipal and Regional Planning Fund for the purpose of
2	assisting municipal and regional planning commissions to carry out the intent
3	of this chapter is hereby created in the State Treasury.
4	(2) The Fund shall be composed of 17 percent of the revenue from the
5	property transfer tax under 32 V.S.A. chapter 231 and any monies from time to
6	time appropriated to the Fund by the General Assembly or received from any
7	other source, private or public. All balances at the end of any fiscal year shall
8	be carried forward and remain in the Fund. Interest earned by the Fund shall
9	be deposited in the Fund.
10	(3) Of the revenues in the Fund, each year:
11	(A) 10 percent shall be disbursed to the Vermont Center for
12	Geographic Information;
13	(B) 70 percent shall be disbursed to the Secretary of Commerce and
14	Community Development for performance contracts with regional planning
15	commissions to provide regional planning services pursuant to section 4341a
16	of this title; and
17	(C) 20 percent shall be disbursed to municipalities.
18	* * *
19	(c) Funds allocated to municipalities shall be used for the purposes of:
20	* * *

1	(4) The Fund shall be available to the Department of Housing and
2	Community Development for the reasonable and necessary costs of
3	administering the Fund, not to exceed ten percent of total program funds.
4	(d) New funds allocated to municipalities under this section may take the
5	form of special purpose grants in accordance with section 4307 of this title.
6	Sec. 13a. 24 V.S.A. § 4307 is added to read:
7	§4307. MUNICIPAL BYLAW MODERNIZATION GRANTS
8	(a) There is created Municipal Bylaw Modernization Grants to assist
9	municipalities in updating their land use and development bylaws. Bylaws
10	updated under this section shall increase housing choice and opportunity in
11	smart growth areas. The Grants shall be funded by monies allocated from the
12	municipality allocation of the Municipal and Regional Planning Funds
13	established in subdivision 4306 (a)(3)(C) of this title and any other monies
14	appropriated for this purpose.
15	(b) Disbursement to municipalities shall be administered by the
16	Department of Housing and Community Development through a competitive
17	process providing the opportunity for all regions and any eligible municipality
18	to compete regardless of size.
19	(c) Funds may be disbursed by the Department in installments to ensure the
20	municipal bylaw updates meet the goals of this section.

1	(d) Funding may be used for mapping, the cost of regional planning
2	commission staff or consultant time, carrying out the provisions of
3	subchapters 5 through 10 of this chapter, and any other purpose approved by
4	the Department.
5	(e) To be eligible for funds, a municipality shall adopt bylaws that support
6	a neighborhood development pattern that is pedestrian oriented and consistent
7	with smart growth principles established in section 2791 of this title. The
8	municipality shall commit to adopting bylaws that increase housing choice and
9	opportunity in unconstrained water and sewer service areas that are located
10	outside important natural resource areas and are located outside identified
11	flood hazard areas and river corridors or are suitable for infill development as
12	defined in §§ 29–201 of the Vermont Flood Hazard Area and River Corridor
13	<u>Rule.</u>
14	(f) To receive the grant, the municipality shall:
15	(1) identify water and sewer infrastructure, constrained water and sewer
16	service areas, and the constraints on that infrastructure;
17	(2) allow duplexes within smart growth areas to the same extent that
18	single-family dwellings are allowed;
19	(3) require parking waiver provisions in appropriate smart growth areas
20	and situations;

1	(4) review and modify street standards that implement the complete
2	streets principles as described in 19 V.S.A. § 309d and that are oriented to
3	pedestrians; and
4	(5) adopt dimensional, use, parking, and other standards that allow
5	compact neighborhood form and support walkable lot and unit density, which
6	may be achieved with a standard allowing at least four units per acre with site
7	and building design standards or minimum lot sizes of at least one-quarter of
8	an acre or by other means established in guidelines issued by the Department.
9	(g) On or before September 1, 2022, the Department shall adopt guidelines
10	to assist municipalities applying for grants under this section.
11	Sec. 13b. 24 V.S.A § 4306(c)(4) is added to read:
12	(4) The Fund shall be available to the Department of Housing and
13	Community Development for the reasonable and necessary costs of
14	administering the Fund, not to exceed ten percent of total program funds.
15	Sec. 13c. APPROPRIATION
16	In fiscal year 2023 the amount of \$650,000.00 is appropriated [rom the
17	General Fund to the Municipal Planning and Regional Planning Fund to be
18	used for Municipal Bylaw Modernization Grants established in 24 V.S.A.
19	<u>V.S.A. § 4307.</u>
20	* * * Tax Credits * * *
21	Sec. 14. 32 V.S.A. § 5930ee is amended to read:

1	§ 5930ee. LIMITATIONS
2	Beginning in fiscal year 2010 and thereafter, the State Board may award tax
3	credits to all qualified applicants under this subchapter, provided that:
4	(1) the total amount of tax credits awarded annually, together with sales
5	tax reallocated under section 9819 of this title, does not exceed \$3,000,000.00
6	<u>\$5,000,000.00;</u>
7	* * *
8	Sec. 14a. 32 V.S.A. § 5930aa is amended to read:
9	§ 5930aa. DEFINITIONS
10	As used in this subchapter:
11	(1) "Qualified applicant" means an owner or lessee of a qualified
12	building involving a qualified project, but does not include a State or federal
13	agency or a political subdivision of either; or an instrumentality of the United
14	States.
15	(2) "Qualified building" means a building built at least 30 years before
16	the date of application, located within a designated downtown or, village
17	center, or neighborhood development area, which, upon completion of the
18	project supported by the tax credit, will be an income-producing building not
19	used solely as a single-family residence. Churches and other buildings owned
20	by religious organization may be qualified buildings, but in no event shall tax
21	credits be used for religious worship.

1	(3) "Qualified code improvement project" means a project:
2	(A) to install or improve platform lifts suitable for transporting
3	personal mobility devices, limited use or limited application elevators,
4	elevators, sprinkler systems, and capital improvements in a qualified building,
5	and the installations or improvements are required to bring the building into
6	compliance with the statutory requirements and rules regarding fire prevention,
7	life safety, and electrical, plumbing, and accessibility codes as determined by
8	the Department of Public Safety;
9	(B) to abate lead paint conditions or other substances hazardous to
10	human health or safety in a qualified building; or
11	(C) to redevelop a contaminated property in a designated downtown
12	or, village center, or neighborhood development area under a plan approved by
13	the Secretary of Natural Resources pursuant to 10 V.S.A. § 6615a.
14	(4) "Qualified expenditures" means construction-related expenses of the
15	taxpayer directly related to the project for which the tax credit is sought but
16	excluding any expenses related to a private residence.
17	(5) "Qualified façade improvement project" means the rehabilitation of
18	the façade of a qualified building that contributes to the integrity of the
19	designated downtown or, designated village center. Façade improvements to
20	qualified buildings listed, or eligible for listing, in the State or National

1	Register of Historic Places must be consistent with Secretary of the Interior
2	Standards, as determined by the Vermont Division for Historic Preservation.
3	(6) <u>"Qualified Flood Mitigation Project" means any combination of</u>
4	structural and nonstructural changes to a building located within the flood
5	hazard area as mapped by the Federal Emergency Management Agency that
6	reduces or eliminates flood damage to the building or its contents. The project
7	shall comply with the municipality's adopted flood hazard bylaw, if applicable,
8	and a certificate of completion shall be submitted by a registered engineer,
9	architect, qualified contractor, or qualified local official to the State Board.
10	Improvements to qualified buildings listed, or eligible for listing, in the State
11	or National Register of Historic Places shall be consistent with Secretary of the
12	Interior's Standards for Rehabilitation, as determined by the Vermont Division
13	for Historic Preservation.
14	(7) "Qualified historic rehabilitation project" means an historic
15	rehabilitation project that has received federal certification for the
16	rehabilitation project.
17	(7)(8) "Qualified project" means a qualified code improvement,
18	qualified façade improvement, or qualified historic rehabilitation project as
19	defined by this subchapter.
20	(8)(9) "State Board" means the Vermont Downtown Development
21	Board established pursuant to 24 V.S.A. chapter 76A.

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1	* * *
2	Sec. 14b. 24 V.S.A. § 2793a is amended to read:
3	§ 2793a. DESIGNATION OF VILLAGE CENTERS BY STATE BOARD
4	* * *
5	(c) A village center designated by the State Board pursuant to
6	subsection (a) of this section is eligible for the following development
7	incentives and benefits:
8	* * *
9	(4) The following State tax credits for projects located in a designated
10	village center:
11	(A) A State historic rehabilitation tax credit of ten percent under
12	32 V.S.A. § 5930cc(a) that meets the requirements for the federal rehabilitation
13	tax credit.
14	(B) A State façade improvement tax credit of 25 percent under
15	<del>32 V.S.A. § 5930cc(b).</del>
16	(C) A State code improvement tax credit of 50 percent under
17	32 V.S.A. § 5930cc(c) The Downtown and Village Center Tax Credit Program
18	described in 32 V.S.A. § 5930aa et seq.
19	* * *
20	Sec. 14c. 24 V.S.A. § 2793e is amended to read:
21	§ 2793e. NEIGHBORHOOD PLANNING AREAS; DESIGNATION OF

1	NEIGHBORHOOD DEVELOPMENT AREAS
2	* * *
3	(f) Neighborhood development area incentives for developers. Once a
4	municipality has a designated neighborhood development area or has a
5	Vermont neighborhood designation pursuant to section 2793d of this title, any
6	proposed development within that area shall be eligible for each of the benefits
7	listed in this subsection. These benefits shall accrue upon approval by the
8	district coordinator, who shall review the density requirements set forth in
9	subdivision (c)(7) of this section to determine benefit eligibility and issue a
10	jurisdictional opinion under 10 V.S.A. chapter 151 on whether the density
11	requirements are met. These benefits are:
12	(1) The the application fee limit for wastewater applications stated in
13	3 V.S.A. § 2822(j)(4)(D)- <u>;</u>
14	(2) The the application fee reduction for residential development stated
15	in 10 V.S.A. § 6083a(d) <del>.</del> ;
16	(3) The the exclusion from the land gains tax provided by 32 V.S.A.
17	§ 10002(p)- <u>; and</u>
18	(4) eligibility for the Downtown and Village Center Tax Credit Program
19	described in 32 V.S.A. § 5930aa et seq.
20	* * *
21	Sec. 14d. 24 V.S.A. § 2794 is amended to read:

1	§ 2794. INCENTIVES FOR PROGRAM DESIGNEES
2	(a) Upon designation by the Vermont Downtown Development Board
3	under section 2793 of this title, a downtown development district and projects
4	in a downtown development district shall be eligible for the following:
5	(1) Priority consideration by any agency of the State administering any
6	State or federal assistance program providing funding or other aid to a
7	municipal downtown area with consideration given to such factors as the costs
8	and benefits provided and the immediacy of those benefits, provided the
9	project is eligible for the assistance program.
10	(2) The following State tax credits:
11	(A) A State historic rehabilitation tax credit of 10 percent under
12	32 V.S.A. § 5930cc(a) that meets the requirements for the federal rehabilitation
13	tax credit.
14	(B) A State façade improvement tax credit of 25 percent under
15	<del>32 V.S.A. § 5930cc(b).</del>
16	(C) A State code improvement tax credit of 50 percent under
17	32 V.S.A. § 5930cc(c) The Downtown and Village Center Tax Credit Program
18	described in 32 V.S.A. § 5930aa et seq.
19	Sec. 14e. 32 V.S.A. § 5930cc is amended to read:
20	5930cc. DOWNTOWN AND VILLAGE CENTER PROGRAM TAX
21	CREDITS

1	* * *
2	(d) Flood Mitigation Tax Credit. The qualified applicant of a qualified flood
3	mitigation project shall be entitled, upon the approval of the State Board, to
4	claim against the taxpayer's State individual income tax, State corporate
5	income tax, or bank franchise or insurance premiums tax liability a credit of 50
6	percent of qualified expenditures up to a maximum tax credit of \$75,000.00.
7	* * * Neighborhood Development Area Tax Credit; Pilot Program * *
8	Sec. 14f. NEIGHBORHOOD DEVELOPMENT AREA TAX CREDIT;
9	PILOT PROGRAM
10	(a) There is created the Neighborhood Development Area Tax Credit Pilot
11	Program. Qualified applicants may apply to the State Downtown Development
12	Board to obtain the tax credits described in 32 V.S.A. § 5930cc.
13	(b) As used in this section:
14	(1) "Qualified applicant" has the same meaning as 32 V.S.A. § 5930aa.
15	(2) "Qualified building" means a building built at least 30 years before
16	the date of application, located within a neighborhood development area,
17	which, upon completion of the project supported by the tax credit, will be an
18	income-producing building not used solely as a single-family residence.
19	Churches and other buildings owned by religious organization may be
20	qualified buildings, but in no event shall tax credits be used for religious
21	worship.

1	(3) "Qualified code improvement project" means a project:
2	(A) to install or improve platform lifts suitable for transporting
3	personal mobility devices, limited use or limited application elevators,
4	elevators, sprinkler systems, and capital improvements in a qualified building;
5	and the installations or improvements are required to bring the building into
6	compliance with the statutory requirements and rules regarding fire prevention,
7	life safety, and electrical, plumbing, and accessibility codes as determined by
8	the Department of Public Safety;
9	(B) to abate lead paint conditions or other substances hazardous to
10	human health or safety in a qualified building; or
11	(C) to redevelop a contaminated property in a neighborhood
12	development area under a plan approved by the Secretary of Natural Resources
13	pursuant to 10 V.S.A. § 6615a.
14	(4) "Qualified expenditures" has the same meaning as in 32 V.S.A.
15	<u>§ 5930aa.</u>
16	(5) "Qualified façade improvement project" means the rehabilitation of
17	the façade of a qualified building that contributes to the integrity of the
18	neighborhood development area. Façade improvements to qualified buildings
19	listed, or eligible for listing, in the State or National Register of Historic Places
20	must be consistent with Secretary of the Interior Standards, as determined by
21	the Vermont Division for Historic Preservation.

1	(6) "Qualified historic rehabilitation project" has the same meaning as in
2	<u>32 V.S.A. § 5930aa.</u>
3	(7) "Qualified project" has the same meaning as in 32 V.S.A. § 5930aa.
4	(c) The tax credits available to qualified applicants under this section shall
5	be the same tax credits established in 32 V.S.A. § 5930cc.
6	(d) To qualify for any of the tax credits under this section, expenditures for
7	the qualified project must exceed \$5,000.00.
8	(e) Application shall be made in accordance with the guidelines set by the
9	State Downtown Development Board.
10	(f) The provisions of 32 V.S.A. § 5930dd shall apply to the tax credits
11	issued under this section.
12	(g) For fiscal years 2023 and 2024, the State Downtown Development
13	Board may award tax credits to all qualified applicants under this section,
14	provided that:
15	(1) the total amount of tax credits awarded annually, together with sales
16	tax reallocated under 32 V.S.A. § 9819, does not exceed \$1,000,000.00;
17	(2) a total annual allocation of not more than 30 percent of these tax
18	credits may be awarded in connection with all of the projects in a single
19	municipality;
20	(3) façade tax credits shall not be available for projects that qualify for
21	the federal rehabilitation tax credit;

1	(4) no credit shall be allowed under this section for the cost of acquiring
2	any building or interest in a building;
3	(5) credit under this section may not be allocated more often than once
4	to the same building; and
5	(6) credit awarded under this section that is rescinded or recaptured by
6	the State Downtown Development Board shall be available for the State Board
7	to award to applicants in any subsequent year, in addition to the total amount
8	of tax credits authorized under this section.
9	(h) Tax credits awarded under this section shall be subject to the recapture
10	provision of 32 V.S.A. § 5930ff.
11	* * * Wastewater Connection Permits * * *
12	Sec. 15. 10 V.S.A. § 1974 is amended to read:
13	§ 1974. EXEMPTIONS
14	Notwithstanding any other requirements of this chapter, the following
15	projects and actions are exempt:
16	* * *
17	(9) A project completed by a person who receives an authorization from
18	a municipality that administers a program registered with the Secretary
19	pursuant to section 1983 of this title.
20	Sec. 15a. 10 V.S.A. § 1983 is added to read:
21	§ 1983. REGISTRATION FOR MUNICIPAL WASTEWATER SYSTEM

1	AND POTABLE WATER SUPPLY CONNECTIONS
2	(a) A municipality may issue an authorization for a connection or an
3	existing connection with a change in use to the municipal sanitary sewer
4	collection line via a sanitary sewer service line or a connection to a water main
5	via a new water service line in lieu of permits issued under this chapter,
6	provided that the municipality documents the following in a form prescribed
7	by the Secretary:
8	(1) The municipality owns or has legal control over connections to a
9	public community water system permitted pursuant to chapter 56 of this title
10	and over connections to a wastewater treatment facility permitted pursuant to
11	chapter 47 of this title.
12	(2) The municipality shall only issue authorizations for:
13	(A) a sanitary sewer service line that connects to the sanitary sewer
14	collection line; and
15	(B) a water service line that connects to the water main.
16	(3) The building or structure authorized under this section connects to
17	both the sanitary sewer collection line and public community water system.
18	(4) The authorizations from the municipality comply with the technical
19	standards for sanitary sewer service lines and water service lines in the
20	Wastewater System and Potable Water Supply Rules.

1	(5) The municipality requires documentation issued by a professional
2	engineer or licensed designer that is filed in the land records that the
3	connection authorized by the municipality was installed in accordance with the
4	technical standards.
5	(6) The municipality requires the retention of plans that show the
6	location and design of authorized connections.
7	(b) The municipality shall notify the Secretary 30 days in advance of
8	terminating any authorization. The municipality shall provide all
9	authorizations and plans to the Secretary as a part of this termination notice.
10	(c) A municipality issuing an authorization under this section shall require
11	the person to whom the authorization is issued to post notice of the
12	authorization as part of the notice required for a permit issued under 24 V.S.A.
13	§ 4449 or other bylaw authorized under this chapter.
14	* * * S.270 * * *
15	Sec. 16. FINDINGS
16	The General Assembly finds:
17	(1) According to the Vermont Housing Needs Assessment, Vermont
18	continues to face a severe shortage of housing to meet its affordable housing
19	<u>needs.</u>
20	(2) Protracted permit timelines and regulatory hurdles are often cited as
21	major impediments to expanding the supply of affordable housing in Vermont.
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1	(3) In recent years, the State has greatly expanded investments in
2	affordable housing through the issuance of bonds, increased allotments for tax
3	credits and other incentives, enhanced amounts for housing assistant
4	programs, and additional appropriations for housing-related items such as
5	weatherization.
6	(4) State permitting processes have not been fundamentally reformed in
7	nearly two decades.
8	(5) The average duration for an Act 250 permit appeal to be resolved by
9	the Environmental Division of the Superior Court is 334.8 days.
10	(6) To the extent regulatory and permitting reform has occurred as it
11	relates to affordable housing, success has been realized in mitigating the costs
12	for housing development and reducing the time from permit application to
13	project approval.
14	* * * Priority Housing Projects * * *
15	See. 16a. 10 V.S.A. § 6001 is amended to read:
16	§ 6001. DEFINITIONS
17	As used in this chapter:
18	* * *
19	(29) "Affordable housing" means either of the following:
20	* * *

1	(B) Rental housing for which the total annual cost of renting,
2	including rent, utilities, and condominium association fees, does not exceed 30
3	percent of the gross annual income of a household at $\frac{80}{120}$ percent of the
4	highest of the following:
5	(i) the county median income, as defined by the U.S. Department
6	of Housing and Urban Development;
7	(ii) the standard metropolitan statistical area median income if the
8	municipality is located in such an area, as defined by the U.S. Department of
9	Housing and Urban Development; or
10	(iii) the statewide median income, as defined by the U.S.
11	Department of Housing and Urban Development.
12	* * *
13	(35) "Priority housing project" means a discrete project located on a
14	single tract or multiple contiguous tracts of land that consists exclusively of÷
15	(A) mixed income housing or mixed use, or any combination thereof,
16	and is located entirely within a designated downtown development district,
17	designated new town center, designated growth center, <u>designated Vermont</u>
18	neighborhood, designated neighborhood development area, or designated
19	
	village center <del>that is also a designated neighborhood development area</del> under

1	(B) mixed income housing and is located entirely within a designated
2	Vermont neighborhood or designated neighborhood development area under
3	24 V.S.A. chapter 76A.
4	* * *
5	Sec. 16b. 10 V.S.A. § 6081(p) is amended to read:
6	(p) <del>(1) No permit or permit amendment is required for any change to a</del>
7	project that is located entirely within a downtown development district
8	designated pursuant to 24 V.S.A. § 2793, if the change consists exclusively of
9	any combination of mixed use and mixed income housing, and the cumulative
10	changes within any continuous period of five years, commencing on or after
11	May 28, 2002, remain below any applicable jurisdictional threshold specified
12	in subdivision 6001(3)(A)(iv)(I) of this title.
13	(2) No permit or permit amendment is required for a priority housing
14	project in a designated center <del>other than a downtown development district</del> if
15	the project remains below any applicable jurisdictional threshold specified in
16	subdivision $6001(3)(A)(iv)(I)$ of this title and will comply with all conditions of
17	any existing permit or permit amendment issued under this chapter that
18	applies to the tract or tracts on which the project will be located. If such a
19	priority housing project will not comply with one or more of these conditions,
20	an application may be filed pursuant to section 6084 of this title.
21	Sec. 16c. 10 V.S.A. § 6086b is amended to read:

1	§ 6086b. <del>DOWNTOWN</del> DEVELOPMENT <u>IN</u>
2	DOWNTOWNS AND DEVELOPMENT OF HOUSING IN
3	<u>COUNTIES WITH HIGH DEMAND</u> ; FINDINGS
4	(a) Downtown development. Notwithstanding any provision of this chapter
5	to the contrary, each of the following shall apply to a development or
6	subdivision that is completely within a downtown development district
7	designated under 24 V.S.A. chapter 76A and for which a permit or permit
8	amendment would otherwise be required under this chapter:
9	(1) In lieu of obtaining a permit or permit amendment, a person may
10	request findings and conclusions from the District Commission, which shall
11	approve the request if it finds that the development or subdivision will meet
12	subdivisions $6086(a)(1)$ (air and water pollution), (2) (sufficient water
13	available), (3) (burden on existing water supply), (4) (soil erosion), (5)
14	(traffic), (8) (aesthetics, historic sites, rare and irreplaceable natural areas),
15	(8)(A) (endangered species; necessary wildlife habitat), $(9)(B)$ (primary
16	agricultural soils), $(9)(C)$ (productive forest soils), $(9)(F)$ (energy
17	conservation), and $(9)(K)$ (public facilities, services, and lands) of this title.
18	* * *
19	(b) Housing development in counties with high demand. During any period
20	in which a county's median gross rent is 10 percent above the median gross
21	rent for the State, the option established under subsection (a) of this section
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1	shall be available for a development under subdivision 6001(3)(A)(iv) of this
2	title within that county for which a permit or permit amendment would
3	otherwise be required.
4	Sec. 16d. 10 V.S.A. § 6081(v) is amended to read:
5	(v) A permit or permit amendment shall not be required for a development
6	or subdivision in a designated downtown development district or for a housing
7	development in a high-demand county for which the District Commission has
8	issued positive findings and conclusions under section 6086b of this title on all
9	the criteria listed in that section. A person shall obtain new or amended
10	findings and conclusions from the District Commission under section 6086b of
11	this title prior to commencement of a material change, as defined in the rules
12	of the Board, to a development or subdivision for which the District
13	Commission has issued such findings and conclusions. A person may seek a
14	jurisdictional opinion under section 6007 of this title concerning whether such
15	a change is a material change.
16	* * * Sales and Use Tax Exemption * * *
17	Sec. 17. 32 V.S.A. § 9743 is amended to read:
18	§ 9743. ORGANIZATIONS NOT COVERED
19	Any sale, service, or admission to a place of entertainment charged by or to
20	any of the following or any use by any of the following are not subject to the
21	sales and use taxes imposed under this chapter:

1	* * *
2	(4) Sales of building materials and supplies to be used in the
3	construction, reconstruction, alteration, remodeling, or repair of:
4	(A) any building, structure, or other public works owned by or held
5	in trust for the benefit of any governmental body or agency mentioned in
6	subdivisions $(1)$ and $(2)$ of this section and used exclusively for public
7	purposes;
8	(B) any building or structure owned by or held in trust for the benefit
9	of any organization described in subdivision (3) and used exclusively for the
10	purposes upon which its exempt status is based; and
11	(C) any building or structure owned by any "local development
12	corporation" as defined in 10 V.S.A. § 212(10) <del>,</del> and used exclusively for the
13	purposes authorized in 10 V.S.A. chapter 12; and
14	(D) any building or structure that meets the definition of priority
15	housing project as defined in 10 V.S.A. § 6001; provided, however, that the
16	governmental body or agency, the organization, <del>or</del> the development
17	corporation, or the developer of a priority housing project has first obtained a
18	certificate from the Commissioner stating that it is entitled to the exemption,
19	and the vendor keeps a record of the sales price of each separate sale, the
20	name of the purchaser, the date of each separate sale, and the number of the
21	certificate. In this subdivision, the words "building materials and supplies"
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1	shall include all materials and supplies consumed, employed, or expended in
2	the construction, reconstruction, alteration, remodeling, or repair of any
3	building, structure, or other public work, as well as the materials and supplies
4	physically incorporated therein.
5	* * *
6	* * * Act 250 Appeals * * *
7	Sec. 18. 10 V.S.A. § 6089 is amended to read:
8	§ 6089. APPEALS
9	(a) Appeals of any act or decision of a District Commission under this
10	chapter or a district coordinator under subsection 6007(c) of this title shall be
11	made to the Environmental Division in accordance with chapter 220 of this
12	title. For the purpose of this section, a decision of the Chair of a District
13	Commission under section 6001e of this title on whether action has been taken
14	to circumvent the requirements of this chapter shall be considered an act or
15	decision of the District Commission.
16	(b) The Environmental Division shall act upon the petition of an appeal
17	within 30 days after receiving the petition if the decision relates to a project
18	covered under subdivision 6001(3)(A)(iv) of this title.
19	(c) The Environmental Division shall issue a final decision within 120 days
20	after taking the action described in subsection (b) of this section if the decision
21	relates to a project covered under subdivision 6001(3)(A)(iv) of this title.

1	(d) If the Environmental Division fails to meet the timelines in subsections
2	(b) and (c) of this section, the Natural Resources Board shall refund the
3	applicant any fees paid to the State under section 6083a of this title and the
4	applicant shall not be liable for any additional fees under the same section,
5	regardless of the final decision issued by the Environmental Decision on the
6	<u>appeal.</u>
7	* * * Environmental Court * * *
8	Sec. 19. ENVIRONMENTAL DIVISION OF SUPERIOR COURT;
9	POSITIONS; APPROPRIATION
10	(a) Establishment of the following limited service positions is authorized in
11	the Environmental Division of the Superior Court in fiscal year 2023:
12	(1) one Environmental Division judge; and
13	(2) one law clerk.
14	(b) There is appropriated the sum of \$300,000.00 to the Environmental
15	Division of the Superior Court in fiscal year 2023 from the American Rescue
16	Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund for the positions
17	established in subsection (a) of this section.
18	* * * Accessory Dwelling Units * * *
19	Sec. 20. 24 V.S.A. § 4414 amended to read:
20	<b>§ 4414. ZONING; PERMISSIBLE TYPES OF REGULATIONS</b>
21	* * *

1	(4) Parking and loading facilities. A municipality may adopt provisions
2	setting forth standards for permitted and required facilities for off-street
3	parking and loading which may vary by district and by uses within each
4	district. These bylaws may also include provisions covering the location, size,
5	design, access, landscaping, and screening of those facilities. In determining
6	the number and size of parking spaces required under these regulations, the
7	appropriate municipal panel may take into account the existence or availability
8	of employer "transit pass" and rideshare programs, public transit routes, and
9	public parking spaces in the vicinity of the development. However, a
10	municipality shall not require an accessory dwelling unit to have more than
11	one parking space per bedroom.
11 12	one parking space per bedroom. * * *
12	* * * 
12 13	* * * Sec. 20a. APPROPRIATION; CREATION OFACCESSORY DWELLING
12 13 14	* * * Sec. 20a. APPROPRIATION; CREATION OFACCESSORY DWELLING UNIT NAVIGATION CENTER
12 13 14 15	* * * Sec. 20a. APPROPRIATION; CREATION OFACCESSORY DWELLING UNIT NAVIGATION CENTER (a) There is appropriated the sum of \$5,700,000.00 from the General Fund
12 13 14 15 16	*** Sec. 20a. APPROPRIATION; CREATION OFACCESSORY DWELLING UNIT NAVIGATION CENTER (a) There is appropriated the sum of \$5,700,000.00 from the General Fund to the Department of Housing and Community Development in fiscal year
12 13 14 15 16 17	*** Sec. 20a. APPROPRIATION; CREATION OFACCESSORY DWELLING UNIT NAVIGATION CENTER (a) There is appropriated the sum of \$5,700,000.00 from the General Fund to the Department of Housing and Community Development in fiscal year 2023 to be used on the creation of the Accessory Dwelling Unit Navigation

1	assist municipalities and homeowners in developing accessory dwelling units
2	(ADUs) as follows:
3	(1) the hiring of a consultant to develop a statewide ADU guidebook
4	which shall include a variety of designs with floorplans that can be used for
5	ADUs;
6	(2) pilot program to hire local ADU ambassadors in towns to provide
7	local assistance on development of ADUs;
8	(3) central statewide resource center to support pilot communities and
9	any homeowner statewide interested in building an ADU that will provide
10	materials and training on planning, design, and development of ADUs;
11	(4) work with Vermont Housing and Finance Agency to develop an
12	ADU loan loss reserve fund;
13	(5) create ADU down payment grants for homeowners; and
14	(6) create Social Enterprise Pilot Program for Weatherization and
15	Internal Conversion to identify workforce for ADU construction.
16	* * * Missing Middle Housing * * *
17	Sec. 21. MISSING MIDDLE INCOME HOME OWNERSHIP
18	DEVELOPMENT PROGRAM
19	(a) In fiscal year 2023 the amount of \$15,000,000 is appropriated [from] to
20	the Department of Housing and Community Development to grant to the
21	Vermont

1	Housing Finance Agency to establish a Missing Middle Income Home
2	Ownership Development Program to provide development subsidies for new
3	construction or acquisition and substantial rehabilitation of owner-occupied
4	homes.
5	(b) The Agency shall use funds to provide a direct project subsidy for up to
6	35 percent of eligible development costs for income-eligible buyers. Funds
7	invested to buy down the sales price of a home will remain permanently
8	available to future buyers.
9	(c) "Affordable owner-occupied housing" means owner-occupied housing
10	identified in 26 U.S.C. § 143 (c)(1) or that qualifies under Vermont
11	Housing Finance Agency criteria governing owner-occupied housing.
12	(d) The Agency shall have the authority to provide funds to make grants or
13	investments to eligible applicants for affordable owner-occupied housing. An
14	eligible applicant may apply to the agency in adherence with program priorities
15	set by the Agency. Selection criteria set forth in a program plan must include:
16	(1) Project location:
17	(2) Geographic distribution;
18	(3) Leveraging of other programs;
19	(4) Housing market needs:
20	(5) Project characteristics, including whether the project includes the use
21	of existing housing as part of a community revitalization plan;

1	(6) Construction standards, including considerations for size;
2	(7) Priority will be given for plans with deeper affordability and longer
3	duration of affordability
4	requirements;
5	(8) Sponsor characteristics;
6	(9) Energy efficiency of the development; and
7	(10) Historic nature of the project.
8	(e) The Agency shall use the proceeds to provide long-term affordability on
9	homes that receive investments from the program or use the proceeds of the
10	program for investments or grants to eligible owner-occupied housing projects.
11	(f) The Agency may assign its rights under any investment or grant made
12	under this section to the Vermont Housing and Conservation Board or any
13	State agency or nonprofit organization qualifying under 26 U.S.C. § 501(c)(3),
14	provided such assignee acknowledges and agrees to comply with the
15	provisions of subdivision XXX of this section.
16	(g) Initial investments made under this program must be obligated by
17	December 31, 2024, and expended by December 31, 2026, as defined by
18	[ARPA State Local Fiscal Recovery Funds].
19	(f) The Department will report to the House Housing, General, and Military
20	Affairs Committee and Senate Economic Development, Housing, and General

1	Affairs Committee on the status of the program every year by January 15th	
2	<u>through 2026.</u>	
3	* * * Effective Date * * *	
4	Sec. X. EFFECTIVE DATE	
5	This act shall take effect on July 1, 2022.	
6		
7		
8		
9	(Committee vote:)	
10		-
11	Senator	
12	FOR THE COMMITTEE	