

1 S.79

2 Senators Balint, Brock, Clarkson, Ram, and Sirotkin move to amend the bill
3 by striking out Sec. 9 in its entirety and inserting in lieu thereof Secs. 9–9A to
4 read:

5 Sec. 9. 10 V.S.A. chapter 29, subchapter 3 is added to read:

6 Subchapter 3. Housing; Investments

7 § 699. VERMONT RENTAL HOUSING INVESTMENT PROGRAM

8 (a) Creation of program.

9 (1) The Department of Housing and Community Development shall
10 design and implement a Vermont Rental Housing Investment Program,
11 through which the Department shall award funding to statewide or regional
12 non-profit housing organizations, or both, to provide competitive grants and
13 forgivable loans to private landlords for the rehabilitation and weatherization
14 of eligible rental housing units.

15 (2) The Department shall develop statewide standards for the Program,
16 including factors that partner organizations shall use to evaluate applications
17 and award grants and forgivable loans.

18 (b) Eligible rental housing units. The following units are eligible for a
19 grant or forgivable loan through the Program:

20 (1) Non-code compliant. The unit does not comply with the
21 requirements of applicable building, housing, or health laws.

1 (2) Vacant. The unit has not been leased or occupied for at least 90 days
2 prior to the date of application and remains unoccupied on the date of the
3 award.

4 (3) Accessory dwelling. The unit is an accessory dwelling unit that
5 meets the requirements of 24 V.S.A. § 4412(1)(E).

6 (c) Administration. The Department shall require a housing organization
7 that receives funding under the Program to adopt:

8 (1) a standard application form that describes the application process
9 and includes instructions and examples to help landlords apply;

10 (2) an award process that ensures equitable selection of landlords,
11 subject to a housing organization’s exercise of discretion based on the factors
12 adopted by the Department pursuant to subsection (a) of this section; and

13 (3) a grants and loan management system that ensures accountability for
14 funds awarded.

15 (d) Program requirements applicable to grants and forgivable loans.

16 (1) A grant or loan shall not exceed \$30,000 per unit.

17 (2) A landlord shall contribute matching funds or in-kind services that
18 equal or exceed 20 percent of the value of the grant or loan.

19 (3) A project shall include a weatherization component.

20 (4) A project shall comply with applicable building, housing, and health
21 laws.

1 (5) The terms and conditions of a grant or loan agreement apply to the
2 original recipient and to a successor in interest for the period the grant or loan
3 agreement is in effect.

4 (6) The identity of a recipient and the amount of a grant or forgivable
5 loan are public records that shall be available for public copying and
6 inspection.

7 (e) Program requirements applicable to grants. For a grant awarded under
8 the Program, the following requirements apply for a minimum period of five
9 years:

10 (1) A landlord shall coordinate with nonprofit housing partners and local
11 coordinated entry organizations to identify potential tenants.

12 (2)(A) Except as provided in subdivision (2)(B) of this subsection, a
13 landlord shall lease the unit to a household that is exiting homelessness.

14 (B) If, upon petition of the landlord, the Department or the housing
15 organization that issued the grant determines that a household exiting
16 homelessness is not available to lease the unit, then the landlord shall lease the
17 unit:

18 (i) to a household with an income equal to or less than 80 percent
19 of area median income; or

20 (ii) if such a household is unavailable, to another household with
21 the approval of the Department or housing organization.

1 (3)(A) A landlord shall accept any housing vouchers that are available to
2 pay all, or a portion of, the tenant’s rent and utilities.

3 (B) If no housing voucher or federal or State subsidy is available, the
4 total cost of rent for the unit, including utilities not covered by rent payments,
5 shall not exceed the applicable fair market rent established by the Department
6 of Housing and Urban Development.

7 (4)(A) A landlord may convert a grant to a forgivable loan upon
8 approval of the Department and the housing organization that approved the
9 grant.

10 (B) A landlord who converts a grant to a forgivable loan shall receive
11 a 10 percent credit for loan forgiveness for each year in which the landlord
12 participates in the grant program.

13 (f) Requirements applicable to forgivable loans. For a forgivable loan
14 awarded under the Program, the following requirements apply for a minimum
15 period of 10 years:

16 (1)(A) A landlord shall accept any housing vouchers that are available to
17 pay all, or a portion of, the tenant’s rent and utilities.

18 (B) If no housing voucher or federal or State subsidy is available, the
19 cost of rent for the unit, including utilities not covered by rent payments, shall
20 not exceed the applicable fair market rent established by the Department of
21 Housing and Urban Development.

1 (2) The Department shall forgive 10 percent of the amount of a
2 forgivable loan for each year a landlord participates in the loan program.

3 (g) Lien priority. A lien for a grant converted to a loan or for a forgivable
4 loan issued pursuant to this section is subordinate to:

5 (1) a lien on the property in existence at the time the lien for
6 rehabilitation and weatherization of the rental housing unit is filed in the land
7 records; and

8 (2) a first mortgage on the property that is refinanced and recorded after
9 the lien for rehabilitation and weatherization of the rental housing unit is filed
10 in the land records.

11 Sec. 9A. REPORT

12 On or before February 15, 2022 the Department of Housing and
13 Community Development shall report to the General Assembly concerning the
14 design, implementation, and outcomes of the Vermont Housing Investment
15 Program, including findings and any recommendations related to the amount of
16 grant awards.