

1 S.79

2 Senators Balint, Brock, Clarkson, Ram and Sirotkin move that bill be
3 amended by striking out the matter following Sec. 7 (rental housing health and
4 safety; transition provisions) and inserting in lieu thereof the following:

5 * * * Vermont Housing Investments * * *

6 Sec. 8. VERMONT RENTAL HOUSING INVESTMENT PROGRAM;

7 PURPOSE

8 (a) Recognizing that Vermont’s rental housing stock is some of the oldest
9 in the country and that much of it needs to be updated to meet code
10 requirements and other standards, the Vermont Rental Housing Investment
11 Program is intended to incentivize private apartment owners to make
12 significant improvements to both housing quality and weatherization by
13 providing grants and forgivable loans that are matched in part by the property
14 owner.

15 (b) The Program seeks to take the lessons learned from the successful Re-
16 housing Recovery Program established with funds provided by the Federal
17 CARES Act and implement them in a State-funded program.

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

19 Subchapter 3. Housing; Investments

20 § 699. VERMONT RENTAL HOUSING INVESTMENT PROGRAM

21 (a) Creation of program.

1 (1) The Department of Housing and Community Development shall
2 design and implement the Vermont Rental Housing Investment Program
3 through which the Department shall award funding to statewide or regional
4 nonprofit housing organizations, or both, to provide competitive grants and
5 forgivable loans to private landlords for the rehabilitation and weatherization
6 of eligible rental housing units.

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

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

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

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

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

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

- 1 (1) a standard application form that describes the application process
2 and includes instructions and examples to help landlords apply;
- 3 (2) an award process that ensures equitable selection of landlords,
4 subject to a housing organization’s exercise of discretion based on the factors
5 adopted by the Department pursuant to subsection (a) of this section; and
- 6 (3) a grants and loan management system that ensures accountability for
7 funds awarded.
- 8 (d) Program requirements applicable to grants and forgivable loans.
- 9 (1) A grant or loan shall not exceed \$30,000 per unit.
- 10 (2) A landlord shall contribute matching funds or in-kind services that
11 equal or exceed 20 percent of the value of the grant or loan.
- 12 (3) A project shall include a weatherization component.
- 13 (4) A project shall comply with applicable building, housing, and health
14 laws.
- 15 (5) The terms and conditions of a grant or loan agreement apply to the
16 original recipient and to a successor in interest for the period the grant or loan
17 agreement is in effect.
- 18 (6) The identity of a recipient and the amount of a grant or forgivable
19 loan are public records that shall be available for public copying and inspection
20 and the Department shall publish this information at least monthly on its
21 website.

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

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

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

8 (B) If, upon petition of the landlord, the Department or the housing
9 organization that issued the grant determines that a household exiting
10 homelessness is not available to lease the unit, then the landlord shall lease the
11 unit:

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

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

16 (3)(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 total cost of rent for the unit, including utilities not covered by rent payments,
20 shall not exceed the applicable fair market rent established by the Department
21 of Housing and Urban Development.

1 (4)(A) A landlord may convert a grant to a forgivable loan upon
2 approval of the Department and the housing organization that approved the
3 grant.

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

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

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

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

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

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

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

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

7 Sec. 10. REPORT

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

13 * * * Effective Dates * * *

14 Sec. 11. EFFECTIVE DATES

15 (a) This section and the following sections shall take effect on passage:

16 (1) Sec. 1 (DPS authority for rental housing health and safety).

17 (2) Sec. 2 (rental housing registry).

18 (3) Sec. 6 (conforming changes to Department of Health statutes).

19 (4) Sec. 7 (DPS rulemaking authority and transition provisions).

20 (b) The following sections take effect on July 1, 2021:

21 (1) Sec. 4 (DPS positions).

- 1 (2) Sec. 5 (DHCD positions);
- 2 (3) Secs. 8-10 (Vermont Housing Investment Program).
- 3 (c) Sec. 3 (rental housing registration) shall take effect on January 1, 2022.