1	H.111
2	Introduced by Representatives Sims of Craftsbury, Harrison of Chittenden,
3	Andrews of Westford, Andriano of Orwell, Anthony of Barre
4	City, Beck of St. Johnsbury, Birong of Vergennes, Bos-Lun of
5	Westminster, Boyden of Cambridge, Branagan of Georgia,
6	Burrows of West Windsor, Buss of Woodstock, Campbell of St.
7	Johnsbury, Clifford of Rutland City, Cole of Hartford, Cordes
8	of Lincoln, Demrow of Corinth, Donahue of Northfield,
9	Donnally of Hyde Park, Elder of Starksboro, Farlice-Rubio of
10	Barnet, Galfetti of Barre Town, Graning of Jericho, Gregoire of
11	Fairfield, Hango of Berkshire, Jerome of Brandon, Labor of
12	Morgan, Lalley of Shelburne, Leavitt of Grand Isle, Lipsky of
13	Stowe, Maguire of Rutland City, McCann of Montpelier,
14	McGill of Bridport, Morgan, M. of Milton, Mrowicki of Putney,
15	Nicoll of Ludlow, Noyes of Wolcott, O'Brien of Tunbridge,
16	Pajala of Londonderry, Patt of Worcester, Roberts of Halifax,
17	Smith of Derby, Surprenant of Barnard, Taylor of Milton,
18	Templeman of Brownington, Torre of Moretown, Troiano of
19	Stannard, White of Bethel, Williams of Barre City, and
20	Williams of Granby

- 1 Referred to Committee on
- 2 Date:

3 Subject: Housing; land use; municipal zoning; rental housing

4 Statement of purpose of bill as introduced: This bill proposes to make multiple 5 changes related to housing investment and regulatory reform. It would amend 6 the Vermont Rental Housing Improvement Program to expand eligible uses of 7 funds and provide additional funding, amend the Missing Middle-Income 8 Homeownership Development Pilot Program to expand geographic distribution 9 of funds and provide additional funding, and create the Middle-Income Rental 10 Housing Revolving Loan Program and a revolving loan fund to provide 11 subsidized loans for rental housing developments that serve middle-income 12 households. The bill would also amend the Municipal Bylaw Modernization 13 Grant Program to exempt municipalities with populations of less than 1,500 14 persons from the grant requirement to implement the complete streets 15 principals. It would appropriate funds to the Municipal Planning Grants with a 16 portion of the grants reserved for municipalities that do not yet have a 17 municipal plan or do not yet have zoning bylaws. The bill proposes to hire 18 Housing Resource Navigators at the Vermont Association of Planning and 19 Development Agencies for use by the regional planning commissions. It 20 would exempt housing projects in downtowns and village centers with zoning 21 from needing an Act 250 permit. It would remove the ability of 10 residents or

1	property owners to appeal municipal zoning decisions. It would allow towns
2	to register with Agency of Natural Resources (ANR) to issue authorizations for
3	wastewater permits, in lieu of the ANR permit. It would not require mitigation
4	of primary agricultural soils under Act 250 for an alternative or community
5	wastewater system that will serve development within a designated area.

6	An act relating to workforce housing
7	It is hereby enacted by the General Assembly of the State of Vermont:
8	* * * Vermont Rental Housing Improvement Program * * *
9	Sec. 1. 10 V.S.A. § 699 is amended to read:
10	§ 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM
11	(a) Creation of Program.
12	(1) The Department of Housing and Community Development shall
13	design and implement the Vermont Rental Housing Improvement Program,
14	through which the Department shall award funding to statewide or regional
15	nonprofit housing organizations, or both, to provide competitive grants and
16	forgivable loans to private landlords for the rehabilitation, including
17	weatherization, of eligible rental housing units.
18	(2) The Department shall develop statewide standards for the Program,
19	including factors that partner organizations shall use to evaluate applications
20	and award grants and forgivable loans.

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1	(b) Eligible rental housing units. The following units are eligible for a
2	grant or forgivable loan through the Program:
3	(1) Non-code compliant Non-code-compliant. The unit does not comply
4	with the requirements of applicable building, housing, or health laws and:
5	(A) the unit has been unoccupied for not less than 90 days prior to the
6	date of application; or
7	(B) the landlord agrees to antidisplacement measures developed by
8	the Department.
9	(2) New accessory dwelling <u>unit</u> . The unit will be a newly created
10	accessory dwelling unit that meets the requirements of 24 V.S.A. § 4412(1)(E).
11	The unit may be created within an existing structure or may be a new, or part
12	of a new, structure built on the existing parcel.
13	(3) New dwelling unit. The unit will be a newly created dwelling unit.
14	The unit may be created within an existing structure or may be a new, or part
15	of a new, structure built on an existing parcel.
16	(c) Administration.
17	(1) The Department shall require a housing organization that receives
18	funding under the Program to adopt:
19	(1)(A) a standard application form that describes the application
20	process and includes instructions and examples to help landlords apply;

1	(2)(B) an award process that ensures equitable selection of landlords,
2	subject to a housing organization's exercise of discretion based on the factors
3	adopted by the Department pursuant to subsection (a) of this section; and
4	(3)(C) a grant and loan management system that ensures
5	accountability for funds awarded.
6	(2) A housing organization that receives funding under the Program may
7	use a portion of the funding for reasonable administrative expenses, as
8	determined by the Department.
9	(d) General Program requirements applicable to grants and forgivable
10	loans.
11	(1) A grant or loan shall not exceed \$50,000.00 per unit. In determining
12	the amount of a grant or loan, a housing organization shall consider the number
13	of bedrooms in the unit and whether the unit is being rehabilitated or newly
14	created.
15	(2) A landlord shall contribute matching funds or in-kind services that
16	equal or exceed 20 percent of the value of the grant or loan.
17	(3) A project may include a weatherization component.
18	(4) A project shall comply with applicable building, housing, and health
19	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 inspection
6	and the Department shall publish this information at least quarterly on its
7	website.
8	(7) A landlord shall not offer a unit assisted through the Program as a
9	short-term rental as defined in 18 V.S.A. § 4301.
10	(8)(A) In a project with multiple new dwelling units, not more than five
11	units are eligible for Program funding.
12	(B) The Department may adopt additional Program parameters to
13	ensure a wide distribution of units among developers and geographic areas.
14	(9) The Department or housing organization shall use amounts that are
15	repaid or recaptured to provide additional grants or loans under the Program.
16	(e) Program requirements applicable to grants for new or non-code-
17	<u>compliant units</u> . For a grant awarded under subdivision $(b)(1)$ or $(b)(3)$ of this
18	section for a unit that is non-code compliant non-code-compliant or a new
19	dwelling unit, the following requirements apply for a minimum period of five
20	years:

1	(1)(A) A landlord shall coordinate with nonprofit housing partners and,
2	local coordinated entry organizations, or other similar organizations as
3	determined by the Department to identify potential tenants qualifying
4	households.
5	(B) As used in this subsection (e), "qualifying household" means a
6	household that is:
7	(i) exiting homelessness or in need of resettlement; and
8	(ii) referred by a local coordinated entry organization, refugee
9	resettlement program, or another similar organization or program approved by
10	the Department.
11	(2)(A) Except as provided in subdivision (2)(B) of this subsection (e), a
12	landlord shall lease the unit to a <u>qualifying</u> household that is exiting
13	homelessness or actively working with an immigrant or refugee resettlement
14	<del>program</del> .
15	(B) If, upon petition of the landlord, the Department or the housing
16	partner or organization that issued the grant determines that a qualifying
17	household exiting homelessness is not available to lease the unit, then the
18	landlord shall lease the unit:
19	(i) to a household with an income equal to or less than 80 percent
20	of area median income; or

1	(ii) if such a household is unavailable, to another household with
2	the approval of the Department or housing organization at or below the
3	applicable fair market rent, including utilities not covered by rent payments, as
4	established by the U.S. Department of Housing and Urban Development.
5	(3)(A)(C) A landlord shall accept any housing vouchers that are
6	available to pay all, or a portion of, the tenant's rent and utilities.
7	(B) If no housing voucher or federal or State subsidy is available, the
8	total cost of rent for the unit, including utilities not covered by rent payments,
9	shall not exceed the applicable fair market rent established by the Department
10	of Housing and Urban Development.
11	(4)(A) A landlord may convert a grant to a forgivable loan upon approval
12	of the Department and the housing organization that approved the grant.
13	(B) A landlord who converts a grant to a forgivable loan shall receive
14	a 10-percent credit for loan forgiveness for each year in which the landlord
15	participates in the grant program.
16	(f) Requirements applicable to forgivable loans for new or non-code-
17	<u>compliant units</u> . For a forgivable loan awarded under subdivision (b)(1) $\underline{or}$
18	(b)(3) of this section for a unit that is non-code compliant new or non-code-
19	compliant, the following requirements apply for a minimum period of 10
20	years:

1	(1)(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	cost of rent for the unit, including utilities not covered by rent payments, shall
5	not exceed the applicable fair market rent established by the Department of
6	Housing and Urban Development.
7	(2) The Department shall forgive 10 percent of the amount of a
8	forgivable loan for each year a landlord participates in the loan program.
9	(g) Requirements for an accessory dwelling unit.
10	(1) For a grant or forgivable loan awarded under subdivision (b)(2) of
11	this section for a unit that is a new accessory dwelling unit, for a minimum
12	period of five years, the total cost of rent for the unit, including utilities not
13	covered by rent payments, shall not exceed the applicable fair market rent
14	established by the Department of Housing and Urban Development.
15	(2) A landlord shall not offer an accessory dwelling unit created through
16	the Program as a short term rental, as defined in 18 V.S.A. § 4301.
17	(h) Lien priority. A lien for a grant converted to a loan or for a forgivable
18	loan issued pursuant to this section is subordinate to:
19	(1) a lien on the property in existence at the time the lien for
20	rehabilitation and weatherization of the rental housing unit is filed in the land
21	records; and

1	(2) a first mortgage on the property that is refinanced and recorded after
2	the lien for rehabilitation and weatherization of the rental housing unit is filed
3	in the land records.
4	(i) Loan conversion.
5	(1) A landlord may convert a grant to a forgivable loan upon approval of
6	the Department and the housing organization that approved the grant.
7	(2) A landlord who converts a grant to a forgivable loan shall receive a
8	10-percent credit for loan forgiveness for each year in which the landlord
9	participates in the grant program.
10	Sec. 2. VHIP; APPROPRIATION
11	In fiscal year 2024, the amount of \$15,000,000.00 is appropriated from the
12	General Fund to the Department of Housing and Community Development for
13	the Vermont Rental Housing Improvement Program.
14	* * * Missing Middle-Income Homeownership
15	Development Pilot Program * * *
16	Sec. 3. 2022 Acts and Resolves No. 182, Sec. 11 is amended to read:
17	Sec. 11. MISSING MIDDLE-INCOME HOMEOWNERSHIP
18	DEVELOPMENT PILOT PROGRAM
19	(a) The following amounts are appropriated from the America Rescue Plan
20	Act (ARPA) - Coronavirus State Fiscal Recovery Funds to the Department of
21	Housing and Community Development to grant to the Vermont Housing

1	Finance Agency to establish the Missing Middle-Income Homeownership
2	Development Pilot Program:
3	(1) \$5,000,000.00 in fiscal year 2022; and
4	(2) \$10,000,000.00 in fiscal year 2023.
5	(b) As used in this section:
6	(1) "Affordable owner-occupied housing" means owner-occupied
7	housing identified in 26 U.S.C. § 143(c)(1) or that qualifies under Vermont
8	Housing Finance Agency criteria governing owner-occupied housing.
9	(2) "Income-eligible homebuyer" means a Vermont household with
10	annual income that does not exceed 120 percent of area median income.
11	(c) The Agency shall use the funds appropriated in this section to provide
12	subsidies for new construction or acquisition and substantial rehabilitation of
13	affordable owner-occupied housing for purchase by income-eligible
14	homebuyers.
15	(d) The total amount of subsidies for a project shall not exceed 35 percent
16	of eligible development costs, as determined by the Agency, which the Agency
17	may allocate consistent with the following:
18	(1) Developer subsidy. The Agency may provide a direct subsidy to the
19	developer, which shall not exceed the difference between the cost of
20	development and the market value of the home as completed.

1	(2) Affordability subsidy. Of any remaining amounts available for the
2	project after the developer subsidy, the Agency may provide a subsidy for the
3	benefit of the homebuyer to reduce the cost of purchasing the home, provided
4	that:
5	(A) the Agency includes conditions in the subsidy, or uses another
6	legal mechanism, to ensure that, to the extent the home value has risen, the
7	amount of the subsidy remains with the home to offset the cost to future
8	homebuyers; or
9	(B) the subsidy is subject to a housing subsidy covenant, as defined
10	in 27 V.S.A. § 610, that preserves the affordability of the home for a period of
11	99 years or longer.
12	(3) <u>Allocation</u> . The Agency shall allocate not less than 33 percent of the
13	funds available through the Program to projects that include a housing subsidy
14	covenant consistent with subdivision (2)(B) of this subsection.
15	(e) The Agency shall adopt a Program plan that establishes application and
16	selection criteria, including:
17	(1) project location;
18	(2) geographic distribution, including in communities that score 50 or
19	higher on the Vermont Underserved Communities Index developed by the
20	Agency of Administration;
21	(3) leveraging of other programs;

1	(4) housing market needs;
2	(5) project characteristics, including whether the project includes the use
3	of existing housing as part of a community revitalization plan;
4	(6) construction standards, including considerations for size;
5	(7) priority for plans with deeper affordability and longer duration of
6	affordability requirements;
7	(8) sponsor characteristics;
8	(9) energy efficiency of the development; and
9	(10) historic nature of the project.
10	(f)(1) When designing and implementing the Program, the Agency shall
11	consult experts in the field and stakeholders to inform the design of the
12	Program.
13	(2) The Program shall include a streamlined and minimal application
14	process for applicants to apply.
15	(3) The Program design shall establish:
16	(A) an outreach and education plan including specific tactics to reach
17	and support eligible applicants, especially those from underserved regions or
18	sectors; and
19	(B) an equitable system for distributing grants statewide on the basis
20	of need according to a system of priorities, including:
21	(i) geographic location;

1	(ii) community size; and
2	(iii) whether an application has already received a grant or is from
3	an applicant in a community that has already received Program funding.
4	(4) The Agency shall use its best efforts to ensure:
5	(A) that grant funds awarded are targeted to the geographic
6	communities or regions with the most pressing economic and employment
7	needs; and
8	(B) that the allocation of grant funds provides equitable access to the
9	benefits to all eligible geographical areas.
10	(g) The Agency may assign its rights under any investment or subsidy made
11	under this section to the Vermont Housing and Conservation Board or any
12	State agency or nonprofit organization qualifying under 26 U.S.C. § 501(c)(3),
13	provided such assignee acknowledges and agrees to comply with the
14	provisions of this section.
15	(g)(h) The Agency shall ensure that initial investments made under this
16	Program are obligated by December 31, 2024 and expended by December 31,
17	2026.
18	(h)(i) The Department shall report to the House Committee on General and
19	Housing, Housing, and Military Affairs and Senate Committee on Economic
20	Development, Housing and General Affairs on the status of the Program
21	annually, on or before January 15, through 2027.

1	Sec. 4. MISSING MIDDLE-INCOME HOMEOWNERSHIP
2	DEVELOPMENT PILOT PROGRAM; APPROPRIATION
3	In fiscal year 2024, the amount of \$10,000,000.00 is appropriated from the
4	General Fund to the Vermont Housing Finance Agency to provide funding
5	through the Missing Middle-Income Homeownership Development Pilot
6	Program.
7	* * * Middle-Income Rental Housing Revolving Loan Program * * *
8	Sec. 5. 10 V.S.A. § 629 is added to read:
9	<u>§ 629. MIDDLE-INCOME RENTAL HOUSING REVOLVING LOAN</u>
10	PROGRAM
11	(a) Creation; administration. The Agency shall design and implement the
12	Middle-Income Rental Housing Revolving Loan Program and shall create and
13	administer a revolving loan fund to provide subsidized loans for rental housing
14	developments that serve middle-income households.
15	(b) Loans; eligibility; criteria.
16	(1) The Agency shall adopt processes, procedures, and guidelines to
17	implement the Program consistent with this section, including a simple
18	application process that is accessible to small developers, builders, and
19	contractors.
20	(2) To be eligible for a subsidized loan through the Program, a project
21	shall create two or more new rental housing units, which may include market

1	rate and affordable units, provided that at least 25 percent of the units in the
2	project are affordable to a household earning between 65 and 120 percent of
3	the applicable area median income. Projects may include new construction,
4	acquisition with substantial rehabilitation, and preservation of naturally
5	occurring affordable housing.
6	(3) A loan is available only for the costs of the project allocable to the
7	affordable units.
8	(4) The Agency shall calculate the maximum amount of a loan, which
9	shall not exceed the lesser of:
10	(A) 35 percent of the costs of the project allocable to the affordable
11	units; or
12	(B) the following amounts based on area median income bands:
13	(i) \$125,000.00 per unit for each unit that is affordable to a
14	household earning between 65 and 80 percent of area median income; and
15	(ii) \$100,000.00 per unit for each unit that is affordable to a
16	household earning between 81 and 120 percent of area median income.
17	(5) The Agency shall determine the term and interest rate of a loan. The
18	Agency may adopt one or more mechanisms to provide an enhanced subsidy to
19	incentivize projects, including:
20	(A) a lower interest rate;
21	(B) an interest-only option with deferred principal repayment; and

1	(C) partial loan forgiveness.
2	(6) The Agency shall adopt a Program plan that allows for an enhanced
3	subsidy for a project that meets one or more of the following:
4	(A) The project receives five percent or more of the total funding
5	from an employer or employer-capitalized loan or grant.
6	(B) The project receives five percent or more of the total funding
7	from a municipal or regional housing fund, local or State fiscal recovery fund,
8	or other form of direct government affordable housing investment.
9	(C) The project utilizes tax-exempt bond funding or federal low-
10	income housing tax credits for at least 20 percent of the project's total units.
11	(D) The project is small in scale and provides infill development
12	within a historic settlement pattern.
13	(E) The project is located in an underserved rural community that
14	scores 50 percent or higher on the Vermont Underserved Communities Index
15	developed by the Agency of Administration.
16	(7) The Agency shall use one or more legal mechanisms to ensure that a
17	subsidized unit remains affordable to a household earning the applicable
18	percent of area median income for the longer of seven years or full repayment
19	of the loan.
20	(c) Revolving funds; costs of administration.

1	(1) The Agency may use not more than six percent of Program funds for
2	the costs of administration.
3	(2) The Agency shall retain payments of principal, interest, and any fees
4	in a revolving loan fund, the amounts of which it shall use to issue future loans
5	through the Program.
6	Sec. 6. APPROPRIATION
7	In fiscal year 2024, the amount of \$15,000,000.00 is appropriated from the
8	General Fund to the Vermont Housing Finance Agency to implement the
9	Middle-Income Rental Housing Revolving Loan Program created in 10 V.S.A.
10	<u>§ 629.</u>
11	* * * Bylaw Modernization Grants * * *
12	Sec. 7. 24 V.S.A. § 4307 is amended to read:
13	§ 4307. MUNICIPAL BYLAW MODERNIZATION GRANTS
14	* * *
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. However, municipalities with communities that
19	that score 75 percent or higher on the Vermont Underserved Community
20	Priority Index receive priority status in grant applications.
21	* * *

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1	(f) To receive the grant, the municipality shall:
2	* * *
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, except municipalities with populations of less than 1,500 persons,
6	which are exempt from this requirement;
7	* * *
8	* * * Grant Appropriation * * *
9	Sec. 8. APPROPRIATION
10	The sum of \$500,000.00 is appropriated in FY24 for Municipal Planning
11	Grants established under 24 V.S.A. § 4306. Municipalities that do not yet
12	have a municipal plan or do not yet have zoning bylaws that apply for the
13	grants shall be given priority.
14	* * * Housing Navigator * * *
15	Sec. 9. HOUSING RESOURCE NAVIGATOR FOR REGIONAL
16	PLANNING COMMISSIONS
17	(a) The Vermont Association of Planning and Development Agencies shall
18	hire Housing Resource Navigators, which shall serve underserved communities
19	by working with municipalities, local housing organizations, and private
20	developers to identify housing opportunities, match communities with funding
21	resources, and provide project management support.

1	(b) There is appropriated the sum of \$300,000.00 in fiscal year 2024 to the
2	Vermont Association of Regional Planning and Development Agencies for the
3	purpose of hiring the Housing Resource Navigators as described in subsection
4	(a) of this section.
5	* * * Designated Areas * * *
б	Sec. 10. 3 V.S.A. § 2822(j)(4)(D) is amended to read:
7	(D) Notwithstanding the other provisions of this subdivision (4), when a
8	project is located in a Vermont designated downtown, designated
9	neighborhood development area, or a village center, as designated under
10	24 V.S.A. chapter 76A, the fee shall be $\frac{1}{100}$ more than \$50.00 in situations
11	in which the application has received an allocation for sewer capacity from an
12	approved municipal system. This limitation shall not apply in the case of fees
13	charged as part of a duly delegated municipal program.
14	Sec. 11. 24 V.S.A. § 4471 is amended to read:
15	§ 4471. APPEAL TO ENVIRONMENTAL DIVISION
16	* * *
17	(e) Neighborhood development area Designated areas. Notwithstanding
18	subsection (a) of this section, a determination by an appropriate municipal
19	panel that a residential development will not result in an undue adverse effect
20	on the character of the area affected shall not be subject to appeal if the
21	determination is that a proposed residential development seeking conditional

1	use approval under subdivision 4414(3) of this title is within a designated
2	downtown development district, designated growth center, designated Vermont
3	neighborhood, designated village center, or designated neighborhood
4	development area seeking conditional use approval will not result in an undue
5	adverse effect on the character of the area affected under subdivision 4414(3)
6	of this title. Other elements of the determination made by the appropriate
7	municipal panel may be appealed.
8	* * * Act 250* * *
9	Sec. 12. 10 V.S.A. § 6001 is amended to read:
10	§ 6001. DEFINITIONS
11	* * *
12	(D) The word "development" does not include:
13	* * *
14	(ix) The construction of improvements for a housing project
15	within a designated downtown or village center designated under 24 V.S.A.
16	chapter 76A with permanent zoning and subdivision bylaws.
17	* * *
18	(19)(A) "Subdivision" means each of the following:
19	* * *

1	(iv) A tract or tracts of land, owned or controlled by a person, that
2	the person has partitioned or divided for the purpose of resale into 10 or more
3	lots located within a designated downtown or designated village center.
4	* * *
5	* * * Zoning Appeals * * *
6	Sec. 13. 24 V.S.A. § 4465 is amended to read:
7	§ 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER
8	* * *
9	(b) For the purposes of this chapter, an interested person means any one of
10	the following:
11	* * *
11 12	* * * (4) Any ten persons who may be any combination of voters or real
12	(4) Any ten persons who may be any combination of voters or real
12 13	(4) Any ten persons who may be any combination of voters or real property owners within a municipality listed in subdivision (2) of this
12 13 14	(4) Any ten persons who may be any combination of voters or real property owners within a municipality listed in subdivision (2) of this subsection who, by signed petition to the appropriate municipal panel of a
12 13 14 15	(4) Any ten persons who may be any combination of voters or real property owners within a municipality listed in subdivision (2) of this subsection who, by signed petition to the appropriate municipal panel of a municipality, the plan or a bylaw of which is at issue in any appeal brought
12 13 14 15 16	(4) Any ten persons who may be any combination of voters or real property owners within a municipality listed in subdivision (2) of this subsection who, by signed petition to the appropriate municipal panel of a municipality, the plan or a bylaw of which is at issue in any appeal brought under this title, allege that any relief requested by a person under this title, if
12 13 14 15 16 17	(4) Any ten persons who may be any combination of voters or real property owners within a municipality listed in subdivision (2) of this subsection who, by signed petition to the appropriate municipal panel of a municipality, the plan or a bylaw of which is at issue in any appeal brought under this title, allege that any relief requested by a person under this title, if granted, will not be in accord with the policies, purposes, or terms of the plan

1	(5) Any department and administrative subdivision of this State owning
2	property or any interest in property within a municipality listed in subdivision
3	(2) of this subsection, and the Agency of Commerce and Community
4	Development of this State.
5	* * *
6	* * * Wastewater Connection Permits * * *
7	Sec. 14. 10 V.S.A. § 1974 is amended to read:
8	§ 1974. EXEMPTIONS
9	Notwithstanding any other requirements of this chapter, the following
10	projects and actions are exempt:
11	* * *
12	(9) A project completed by a person who receives an authorization from
13	a municipality that administers a program registered with the Secretary
14	pursuant to section 1983 of this title.
15	Sec. 15. 10 V.S.A. § 1983 is added to read:
16	<u>§ 1983. AUTHORIZATION FOR MUNICIPAL WASTEWATER SYSTEM</u>
17	AND POTABLE WATER SUPPLY CONNECTIONS
18	(a) A municipality may issue an authorization for a connection or an
19	existing connection with a change in use to the municipal sanitary sewer
20	collection line via a sanitary sewer service line or a connection to a water main
21	via a new water service line in lieu of permits issued under this chapter,

1	provided that the municipality documents the following in a form prescribed
2	by the Secretary:
3	(1) The municipality owns or has legal control over connections to a
4	public community water system permitted pursuant to chapter 56 of this title
5	and over connections to a wastewater treatment facility permitted pursuant to
6	chapter 47 of this title.
7	(2) The municipality shall only issue authorizations for:
8	(A) a sanitary sewer service line that connects to the sanitary sewer
9	collection line; and
10	(B) a water service line that connects to the water main.
11	(3) The building or structure authorized under this section connects to
12	both the sanitary sewer collection line and public community water system.
13	(4) The authorizations from the municipality comply with the technical
14	standards for sanitary sewer service lines and water service lines in the
15	Wastewater System and Potable Water Supply Rules.
16	(5) The municipality requires documentation issued by a professional
17	engineer or licensed designer that is filed in the land records that the
18	connection authorized by the municipality was installed in accordance with the
19	technical standards.
20	(6) The municipality requires the retention of plans that show the
21	location and design of authorized connections.

1	(b) The municipality shall notify the Secretary 30 days in advance of
2	terminating any authorization. The municipality shall provide all
3	authorizations and plans to the Secretary as a part of this termination notice.
4	(c) A municipality issuing an authorization under this section shall require
5	the person to whom the authorization is issued to post notice of the
6	authorization as part of the notice required for a permit issued under 24 V.S.A.
7	<u>§ 4449 or other bylaw authorized under this chapter.</u>
8	* * * Prime Agricultural Soils * * *
9	Sec. 16. 10 V.S.A. § 6093 is amended to read:
10	§ 6093. MITIGATION OF PRIMARY AGRICULTURAL SOILS
11	(a) Mitigation for loss of primary agricultural soils. Suitable mitigation for
12	the conversion of primary agricultural soils necessary to satisfy subdivision
13	6086(a)(9)(B)(iv) of this title shall depend on where the project tract is located.
14	(1) Project located in certain designated areas. This subdivision applies
15	to projects located in the following areas designated under 24 V.S.A. chapter
16	76A: a downtown development district, a growth center, a new town center
17	designated on or before January 1, 2014, and a neighborhood development area
18	associated with a designated downtown development district. If the project
19	tract is located in one of these designated areas, an applicant who complies
20	with subdivision $6086(a)(9)(B)(iv)$ of this title shall deposit an offsite
21	mitigation fee into the Vermont Housing and Conservation Trust Fund

1	established under section 312 of this title for the purpose of preserving primary
2	agricultural soils of equal or greater value with the highest priority given to
3	preserving prime agricultural soils as defined by the U.S. Department of
4	Agriculture. Any required offsite mitigation fee shall be derived by:
5	(A) Determining the number of acres of primary agricultural soils
6	affected by the proposed development or subdivision.
7	(B) Multiplying the number of affected acres of primary agricultural
8	soils by a factor resulting in a ratio established as follows:
9	(i) For development or subdivision within a designated area
10	described in this subdivision (a)(1), the ratio shall be 1:1.
11	(ii) For residential construction that has a density of at least eight
12	units of housing per acre, of which at least eight units per acre or at least
13	40 percent of the units, on average, in the entire development or subdivision,
14	whichever is greater, meets the definition of affordable housing established in
15	this chapter, no mitigation shall be required, regardless of location in or outside
16	a designated area described in this subdivision (a)(1). However, all affordable
17	housing units shall be subject to housing subsidy covenants, as defined in
18	27 V.S.A. § 610, that preserve their affordability for a period of 99 years or
19	longer. As used in this section, housing that is rented shall be considered
20	affordable housing when its inhabitants have a gross annual household income
21	that does not exceed 60 percent of the county median income or 60 percent of

1	the standard metropolitan statistical area income if the municipality is located
2	in such an area.
3	(iii) For an alternative or community wastewater system that will
4	serve development within a designated area, no mitigation shall be required.
5	* * *
6	* * * Effective Date * * *
7	Sec. 17. EFFECTIVE DATE
8	This act shall take effect on July 1, 2023.