

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on General and Housing to which was referred House Bill
3 No. 829 entitled “An act relating to creating permanent upstream eviction
4 protections and enhancing housing stability” respectfully reports that it has
5 considered the same and recommends that the bill be amended by striking out
6 all after the enacting clause and inserting in lieu thereof the following:

7 * * * Housing Programs * * *

8 Sec. 1. 10 V.S.A. § 322 is amended to read:

9 § 322. ALLOCATION SYSTEM

10 (a) In determining the allocation of funds available for the purposes of this
11 chapter, the Board shall give priority to projects that combine the dual goals of
12 creating affordable housing and conserving and protecting Vermont’s
13 agricultural land, historic properties, important natural areas or recreation lands
14 and also shall consider, but not be limited to, the following factors:

15 (1) the need to maintain balance between the dual goals in allocating
16 resources;

17 (2) the need for a timely response to unpredictable circumstances or
18 special opportunities to serve the purposes of this chapter;

19 (3) the level of funding or other participation by private or public
20 sources in the activity being considered for funding by the Board;

21 (4) what resources will be required in the future to sustain the project;

1 (5) the need to pursue the goals of this chapter without displacing lower
2 income Vermonters;

3 (6) the long-term effect of a proposed activity and, with respect to
4 affordable housing, the likelihood that the activity will prevent the loss of
5 subsidized housing units and will be of perpetual duration;

6 (7) geographic distribution of funds.

7 (b) The Board's allocation system shall include a method, defined by rule,
8 that evaluates the need for, impact, and quality of activities proposed by
9 applicants.

10 (c) The Board shall allocate at least 80 percent of funds available for
11 purposes of this chapter to projects creating affordable housing.

12 **Sec. 2. PROSPECTIVE REPEAL**

13 **10 V.S.A. § 322(c) (VHCB 80/20 allocation) is repealed on July 1, 2027.**

14 Sec. 3. 10 V.S.A. § 699 is amended to read:

15 § 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

16 (a) Creation of Program.

17 (1) The Department of Housing and Community Development shall
18 design and implement the Vermont Rental Housing Improvement Program,
19 through which the Department shall award funding to statewide or regional
20 nonprofit housing organizations, or both, to provide competitive grants and

1 forgivable loans to private landlords for the rehabilitation, including
2 weatherization and accessibility improvements, of eligible rental housing units.

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

6 (3) A landlord shall not offer a unit created through the Program as a
7 short-term rental, as defined in 18 V.S.A. § 4301, for the period a grant or loan
8 agreement is in effect.

9 (4) The Department may utilize a reasonable percentage of
10 appropriations made to the Department for the Program to administer the
11 Program.

12 (5) The Department may cooperate with and subgrant funds to State
13 agencies and political subdivisions and public and private organizations in
14 order to carry out the purposes of this subsection.

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

17 (1) Non-code compliant.

18 (A) The unit is an existing unit, whether or not occupied, that does
19 not comply with the requirements of applicable building, housing, or health
20 laws.

1 (B) If the unit is occupied, the grant or forgivable loan agreement
2 shall include terms:

3 * * *

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

5 (1)(A) A grant or loan shall not exceed:

6 (i) \$70,000.00 per unit, for rehabilitation or creation of an eligible
7 rental housing unit meeting the applicable building accessibility requirements
8 under the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 and any
9 regulations promulgated to implement that act; or

10 (ii) \$50,000.00 per unit, for rehabilitation or creation of any other
11 eligible rental housing unit.

12 (B) In determining the amount of a grant or loan, a housing
13 organization shall consider the number of bedrooms in the unit, and whether
14 the unit is being rehabilitated or newly created, whether the project includes
15 accessibility improvements, and whether the unit is being converted from non-
16 residential to residential purposes.

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 may 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, the year in which the grant or forgivable loan was extended, and the year
6 in which any affordability covenant ends are public records that shall be
7 available for public copying and inspection and the Department shall publish
8 this information at least quarterly on its website.

9 [(7) A project for rehabilitation or creation of an accessible unit may
10 apply funds to the creation of a parking spot for individuals with disabilities.]

11 (e) Program requirements applicable to grants and five-year forgivable
12 loans. For a grant or five-year forgivable loan awarded through the Program,
13 the following requirements apply for a minimum period of five years:

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

16 (2)(A) Except as provided in subdivision (2)(B) of this subsection (e), a
17 landlord shall lease the unit to a household that is:

18 (i) exiting homelessness; ~~or~~

19 (ii) actively working with an immigrant or refugee resettlement
20 program; ~~or~~

1 (iii) composed of at least one individual with a disability who is
2 eligible to receive Medicaid-funded home and community based services.

3 (B) If, upon petition of the landlord, the Department or the housing
4 organization that issued the grant determines that a household ~~existing~~
5 homelessness under subdivision (2)(A) of this subsection (e) is not available to
6 lease the unit, then the landlord shall lease the unit:

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

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

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

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

17 (4)(A) A landlord may convert a grant to a forgivable loan upon
18 approval of the Department and the housing organization that approved the
19 grant.

1 (B) A landlord who converts a grant to a forgivable loan shall receive
2 a ~~10 percent~~ prorated credit for loan forgiveness for each year in which the
3 landlord participates in the ~~grant program~~ Program.

4 (f) Requirements applicable to 10-year forgivable loans. For a 10-year
5 forgivable loan awarded through the Program, the following requirements
6 apply for a minimum period of 10 years:

7 * * *

8 Sec. 4. VERMONT RENTAL HOUSING IMPROVEMENT
9 APPROPRIATION

10 The sum of \$6,000,000.00 is appropriated from the General Fund to the
11 Department of Housing and Community Development in fiscal year 2025 for
12 the Vermont Housing Improvement Program established in 10 V.S.A. § 699.

13 Sec. 5. 2023 Acts and Resolves No. 47, Sec. 36 is amended to read:

14 Sec. 36. MIDDLE-INCOME HOMEOWNERSHIP DEVELOPMENT
15 PROGRAM

16 * * *

17 (d) The total amount of subsidies for a project shall not exceed 35 percent
18 of eligible development costs, as determined by the Agency, ~~which the~~ at the
19 time of approval of the project, unless the Agency later determines that the
20 project will not result in affordable owner-occupied housing for income-
21 eligible homebuyers without additional subsidy, in which case the Agency

1 may, at its discretion, reasonably exceed this limitation and only to the extent
2 required to achieve affordable owner-occupied housing. The Agency may
3 shall allocate subsidies consistent with the following:

4 (1) Developer subsidy. The Agency may provide a direct subsidy to the
5 developer, which shall not exceed the difference between the cost of
6 development and the market value of the home as completed.

7 (2) Affordability subsidy. Of any remaining amounts available for the
8 project after the developer subsidy, the Agency may provide a subsidy for the
9 benefit of the homebuyer to reduce the cost of purchasing the home, provided
10 that:

11 (A) the Agency includes conditions in the subsidy, agreement or uses
12 another legal mechanism, to ensure that, ~~to the extent the home value has risen,~~
13 ~~the amount of the subsidy~~ upon sale of the home, to the extent proceeds are
14 available, the amount of the affordability subsidy either:

15 (i) remains with the home to offset the cost to future homebuyers;

16 or

17 (ii) is recaptured by the Agency upon sale of the home for use in a
18 similar program to support affordable homeownership development; or

19 (B) the subsidy is subject to a housing subsidy covenant, as defined
20 in 27 V.S.A. § 610, that preserves the affordability of the home for a period of
21 99 years or longer.

1 (1) to provide support and enhance capacity for the production and
2 preservation of affordable rental housing and homeownership units, including
3 support for manufactured home communities, permanent homes for those
4 experiencing homelessness, recovery residences, and housing available to farm
5 workers, and refugees, or individuals with disabilities who are eligible to
6 receive Medicaid-funded home and community based services;

7 (2) to fund the construction and preservation of emergency shelter for
8 households experiencing homelessness; and

9 (3) to fund permanent supportive housing.

10 **Sec. 9. APPROPRIATION; FIRST GENERATION HOMEBUYER**

11 **PROGRAM**

12 The sum of \$1,000,000.00 is appropriated from the General Fund to the
13 Department of Housing and Community Development in fiscal year 2025 for a
14 grant to the Vermont Housing Finance Agency for the First-Generation
15 Homebuyer Program established by 2022 Acts and Resolves No. 182, Sec. 2,
16 and amended from time to time.

17 * * * Eviction Prevention Initiatives * * *

18 **Sec. 10. APPROPRIATION; RENTAL HOUSING STABILIZATION**

19 **SERVICES**

20 The sum of \$400,000.00 is appropriated from the General Fund to the
21 Office of Economic Opportunity within the Department for Children and

1 Families in fiscal year 2025 for a grant to the Champlain Valley Office of
2 Economic Opportunity for the Rental Housing Stabilization Services Program
3 established by 2023 Acts and Resolves No. 47, Sec. 43.

4 Sec. 11. APPROPRIATION; TENANT REPRESENTATION PILOT
5 PROGRAM

6 The sum of \$1,025,000.00 is appropriated from the General Fund to the
7 Agency of Human Services in fiscal year 2025 for a grant to Vermont Legal
8 Aid for the Tenant Representation Pilot Program established by 2023 Acts and
9 Resolves No. 47, Sec. 44.

10 Sec. 12. APPROPRIATION; RENT ARREARS ASSISTANCE FUND

11 The sum of \$2,500,000.00 is appropriated from the General Fund to the
12 Vermont State Housing Authority in fiscal year 2025 for the Rent Arrears
13 Assistance Fund established by 2023 Acts and Resolves No. 47, Sec. 45.

14 **Sec. 13. RESIDENT SERVICES PROGRAM; APPROPRIATION**

15 **(a) The sum of \$6,000,000.00 is appropriated from the General Fund to the**
16 **Agency of Human Services in fiscal year 2025 for a grant to the Vermont**
17 **Housing and Conservation Board for the Resident Services Program**
18 **established by this section. The Agency shall work in coordination with the**
19 **Board to develop the Resident Services Program for the purpose of distributing**
20 **funds to eligible affordable housing organizations to respond to timely and**
21 **urgent resident needs and aid with housing retention.**

1 **(b) For purposes of this section, an “eligible affordable housing**
2 **organization” is a Vermont-based non-profit or public housing organization**
3 **that makes available at least 15 percent of its affordable housing portfolio to**
4 **homeless families and individuals, including those with special needs who**
5 **require service support and rental assistance to secure and maintain their**
6 **housing, consistent with the goal of Executive Order No. 03-16 (Publicly**
7 **Funded Housing for the Homeless).**

8 Sec. 14. RENT PAYMENT REPORTING REPORT

9 (a) To facilitate the development of a pilot program for housing providers
10 to report tenant rent payments for inclusion in consumer credit reports, the
11 Office of the State Treasurer shall study:

12 (1) any entities currently facilitating landlord credit reporting;

13 (2) the number of landlords in Vermont utilizing rent payment software,
14 related software expenses, and the need for or benefit of utilizing software for
15 positive pay reporting;

16 (3) the impacts on tenants from rent payment reporting programs,
17 including, if feasible, data gathered from the Champlain Housing Trust’s
18 program;

19 (4) any logistical steps the State must take to facilitate the program and
20 any associated administrative costs; and

1 (b) The Department administers the Manufactured Home Improvement and
2 Repair Program and may utilize a reasonable percentage of appropriations
3 made to the Department for the Program to administer the Program.

4 (c) The Department may cooperate with and subgrant funds to State
5 agencies and political subdivisions and public and private organizations in
6 order to carry out the purposes of subsection (a) of this section.

7 Sec. 16. MANUFACTURED HOME IMPROVEMENT AND REPAIR

8 PROGRAM APPROPRIATIONS; INFRASTRUCTURE; MOBILE

9 HOME REPAIR

10 The sum of \$2,000,000.00 is appropriated from the General Fund to the
11 Department of Housing and Community Development in fiscal year 2025 for
12 the following purposes:

13 (1) to improve mobile home park infrastructure under the Manufactured
14 Home Improvement and Repair Program established by 2022 Acts and
15 Resolves No. 182, Sec. 3, and amended from time to time; and

16 (2) to expand the Home Repair Awards program under the
17 Manufactured Home Improvement and Repair Program established by 2022
18 Acts and Resolves No. 182, Sec. 3, and amended from time to time.

19 Sec. 17. MOBILE HOME TECHNICAL ASSISTANCE APPROPRIATION

20 (a) The sum of \$700,000.00 is appropriated from the General Fund to the
21 Department of Housing and Community Development for a subgrant to the

1 Champlain Valley Office of Economic Opportunity in fiscal year 2025 to fund
2 the Mobile Home Park Technical Assistance Services Team, including
3 administration and direct project administration costs, such as advertising,
4 background check fees, office supplies, postage, staff mileage liability
5 insurance, training, service contracts, rent, utilities, telephone, space
6 maintenance, and staffing.

7 (b) The sum of \$300,000.00 is appropriated from the General Fund to the
8 Department of Housing and Community Development for a subgrant to the
9 Champlain Valley Office of Economic Opportunity in fiscal year 2025 to fund
10 individual resident emergency grants accessible to all income-eligible mobile
11 homeowners statewide to prevent loss of housing, remediate unsafe housing,
12 enhance housing safety, health, and habitability issues, and provide relief from
13 the impacts of natural disaster.

14 * * * Reporting * * *

15 Sec. 18. EMERGENCY HOUSING TRANSITION; AGENCY OF HUMAN
16 SERVICES; JOINT FISCAL COMMITTEE OVERSIGHT;
17 REPORTS

18 (a) As used in this act, “alternative housing placements” may include
19 shelter beds and pods; placements with family or friends; permanent housing
20 solutions, including tiny homes, manufactured homes, and apartments;

1 residential treatment beds for physical health, long-term care, substance use, or
2 mental health; nursing home beds; and recovery homes.

3 (b) On or before the last day of each month from July 2024 through March
4 2025, the Agency of Human Services, or other relevant agency or department,
5 shall report to the House Committees on Human Services and on General and
6 Housing, the Senate Committee on Health and Welfare, and the Joint Fiscal
7 Committee on its progress in assisting households housed in hotels and motels
8 with transitioning from the pandemic-era General Assistance Emergency
9 Housing Program to alternative housing placements and on the creation of
10 new, alternative housing solutions. Each update shall include:

11 (1) the number of households remaining in hotels and motels that have
12 not yet been transitioned to an alternative housing placement by household
13 size, by eligibility category, and by each Agency of Human Services district;

14 (2) the number of actual alternative housing placements made during the
15 previous reporting period compared with the targeted number of placements
16 for that period;

17 (3) of the households successfully transitioned to an alternative housing
18 placement during the previous month, the number of households whose
19 screening indicated a potential need for services from each department within
20 the Agency;

1 (4) the number of beds available for emergency housing in each Agency
2 of Human Services district in the State, with separate reporting on the number
3 of beds available in nursing homes and residential care homes for individuals
4 whose screening indicates they could meet the clinical criteria for those
5 settings and the number of emergency beds available for individuals whose
6 screening indicates they do not meet the clinical criteria, including low-barrier
7 shelters, beds for youth, and beds for individuals who have experienced
8 domestic violence;

9 (5) of the households that were housed in a hotel or motel for four
10 months or longer and transitioned out during the previous month, the number
11 that have had all or a portion of their security deposits returned to them since
12 leaving the hotel or motel or are awaiting the return of these funds;

13 (6) of the households that were housed in a hotel or motel for less than
14 four months and transitioned out during the previous month, the amount of
15 security deposit funds refunded to the State by the hotels and motels during
16 that month;

17 (7) the number of households that have been successfully transitioned to
18 an alternative housing placement since the previous report, the types of
19 housing settings in which they have been placed, and the supportive services
20 they are receiving in conjunction with their housing;

1 (8) the outlook for transitioning additional households to alternative
2 housing placements in the coming months, including an estimate of the number
3 of households likely to be placed per month;

4 (9) a projected timeline for transitioning the remaining households to
5 alternative housing placements;

6 (10) the average negotiated rate for rooms that the Agency paid to the
7 hotels and motels providing the temporary, continued hotel or motel housing
8 during the previous month;

9 (11) the status of responding to and implementing the letters of interest
10 from community partners and municipalities for housing and supportive
11 services;

12 (12) the status of contracts for housing and supportive services resulting
13 from the Agency’s requests for proposals (RFPs);

14 (13) the status of grants awarded through the Housing Opportunity
15 Grant Program and how those grants relate to the Agency’s efforts to assist
16 households with transitioning out of the pandemic-era General Assistance
17 Emergency Housing Program;

18 (14) once the Adverse Weather Conditions Policy takes effect again in
19 the fall of 2024, how the Agency plans to distinguish the households that
20 become eligible for the General Assistance Emergency Housing Program
21 under that Policy from the households that the Agency is assisting with

1 transitioning out of the pandemic-era General Assistance Emergency Housing
2 Program;

3 (15) the total amount of funds expended to date on housing placements
4 and supportive services for households transitioning out of the pandemic-era
5 General Assistance Emergency Housing Program; and

6 (16) beginning with the September 2024 reporting period, any State
7 rules and local regulations and ordinances that are impeding the timely
8 development of safe, decent, affordable housing in Vermont communities in
9 order to:

10 (A) identify areas in which flexibility or discretion are available; and

11 (B) advise whether the temporary suspension of relevant State rules
12 and local regulations and ordinances, or the adoption or amendment of State
13 rules, would facilitate faster and less costly revitalization of existing housing
14 and construction of new housing units.

15 (c) On or before the last day of each month from July 2024 through March
16 2025, the Vermont Housing and Conservation Board shall report to the House
17 Committees on Human Services and on General and Housing; the Senate
18 Committees on Health and Welfare and on Economic Development, Housing
19 and General Affairs; and the Joint Fiscal Committee on:

20 (1) the status of the Board’s initiatives to make additional housing units
21 available and how those initiatives support the Agency of Human Services’

1 efforts to assist households with transitioning out of the pandemic-era General
2 Assistance Emergency Housing Program; and

3 (2) the status of the Board’s efforts to expand emergency shelter
4 capacity, including the number of new beds available since the previous report,
5 the number of additional beds planned, and when the additional planned beds
6 are likely to become available.

7 (d) The Agency may hire temporary employees or contract with
8 community-based organizations, or both, as needed to support the Agency in
9 assisting households housed in hotels and motels with transitioning from the
10 pandemic-era General Assistance Emergency Housing Program to alternative
11 housing placements; to support the creation of new, alternative housing
12 solutions; and to collect and report on the information required by subsection
13 (b) of this section.

14 (e) On or before April 1, 2025, the Agency shall report to the House
15 Committees on Appropriations, on Human Services, and on Housing and
16 General Affairs; the Senate Committees on Appropriations, on Health and
17 Welfare, and on Economic Development, Housing and General Affairs; and
18 the Joint Fiscal Committee the number of households, if any, that were not
19 successfully transitioned out of the pandemic-era General Assistance
20 Emergency Housing Program into alternative housing placements and the
21 reason why each such household was not successfully placed.

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* * * Effective Date * * *

Sec. 19. EFFECTIVE DATE

This act shall take effect on July 1, 2024.

(Committee vote: _____)

Representative _____

FOR THE COMMITTEE