

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on General and Housing to which was referred Senate Bill
3 No. 100 entitled “An act relating to housing opportunities made for everyone”
4 respectfully reports that it has considered the same and recommends that the
5 House propose to the Senate that the bill be amended by striking out all after
6 the enacting clause and inserting in lieu thereof the following:

7 * * * Municipal Zoning * * *

8 Sec. 1. 24 V.S.A. § 4414 is amended to read:

9 § 4414. ZONING; PERMISSIBLE TYPES OF REGULATIONS

10 * * *

11 (4) Parking and loading facilities. A municipality may adopt provisions
12 setting forth standards for permitted and required facilities for off-street
13 parking and loading, which may vary by district and by uses within each
14 district. For residential uses, a municipality shall not require more than one
15 parking space per dwelling unit or accessory dwelling unit. However, a
16 municipality may require 1.5 parking spaces per dwelling unit if the
17 development is located more than one-quarter of a mile away from public
18 parking or the need for parking cannot be reasonably met through the use of
19 on-street parking, public parking, or shared parking. Municipalities may round
20 up to the nearest whole parking space. These bylaws may also include
21 provisions covering the location, size, design, access, landscaping, and

1 screening of those facilities. In determining the number of parking spaces for
2 nonresidential uses and size of parking spaces required under these regulations,
3 the appropriate municipal panel may take into account the existence or
4 availability of employer “transit pass” and rideshare programs, public transit
5 routes, and public parking spaces in the vicinity of the development. ~~However,~~
6 ~~a municipality shall not require an accessory dwelling unit to have more than~~
7 ~~one parking space per bedroom.~~

8 * * *

9 Sec. 2. 24 V.S.A. § 4412 is amended to read:

10 § 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

11 Notwithstanding any existing bylaw, the following land development
12 provisions shall apply in every municipality:

13 (1) Equal treatment of housing and required provisions for affordable
14 housing.

15 * * *

16 (D) Bylaws shall designate appropriate districts and reasonable
17 regulations for multiunit or multifamily dwellings. No bylaw shall have the
18 effect of excluding these multiunit or multifamily dwellings from the
19 municipality. In any district that allows year-round residential development,
20 duplexes shall be an allowed use with the same dimensional standards as a
21 single-unit dwelling. In any district that is served by municipal sewer and

1 water infrastructure that allows residential development, multiunit dwellings
2 with four or fewer units shall be an allowed use.

3 (E) Except for flood hazard and fluvial erosion area bylaws adopted
4 pursuant to section 4424 of this title, no bylaw shall have the effect of
5 excluding as a permitted use one accessory dwelling unit that is located within
6 or appurtenant to a single-family dwelling on an owner-occupied lot. A bylaw
7 ~~may~~ shall require a single-family dwelling with an accessory dwelling unit to
8 be subject to the same review, dimensional, or other controls as required for a
9 single-family dwelling without an accessory dwelling unit. The criteria for
10 conversion of an existing detached nonresidential building to habitable space
11 for an accessory dwelling unit shall not be more restrictive than the criteria
12 used for a single-family dwelling without an accessory dwelling unit. An
13 “accessory dwelling unit” means a distinct unit that is clearly subordinate to a
14 single-family dwelling, and has facilities and provisions for independent living,
15 including sleeping, food preparation, and sanitation, provided there is
16 compliance with all the following:

17 (i) The property has sufficient wastewater capacity.

18 (ii) The unit does not exceed 30 percent of the total habitable floor
19 area of the single-family dwelling or 900 square feet, whichever is greater.

20 * * *

1 (15)(A) As used in this section, an area “served by municipal water and
2 sewer infrastructure” means:

3 (i) that residential connections and expansions are available to
4 municipal water and direct and indirect discharge wastewater systems and not
5 prohibited by:

6 (I) State regulations or permits;

7 (II) identified capacity constraints; or

8 (III) municipally adopted service and capacity agreements; or

9 (ii) areas established by the municipality by ordinance or bylaw
10 that:

11 (I) exclude flood hazard or inundation areas as established by
12 statute, river corridors or fluvial erosion areas as established by statute,
13 shorelands, and wherever year-round residential development is not allowed;

14 (II) reflect identified service limits established by State
15 regulations or permits, identified capacity constraints, or municipally adopted
16 service and capacity agreements;

17 (III) exclude areas served by water and sewer to address an
18 identified community-scale public health hazard or environmental hazard;

19 (IV) exclude areas serving a mobile home park that is not
20 within an area planned for year-round residential growth;

21 (V) exclude areas serving an industrial site or park;

1 (VI) exclude areas where service lines are located to serve the
2 areas described in subdivisions (III)–(V) of this subdivision (ii), but no
3 connections or expansions are permitted; or

4 (VII) modify the zoning provisions allowed under this chapter
5 in areas served by indirect discharge designed for less than 100,000 gallons per
6 day.

7 (B) Municipally adopted areas served by municipal water and sewer
8 infrastructure that limit water and sewer connections and expansions shall not
9 result in the unequal treatment of housing by discriminating against a year-
10 round residential use or housing type otherwise allowed in this chapter.

11 Sec. 3. 24 V.S.A. § 4413 is amended to read:

12 § 4413. LIMITATIONS ON MUNICIPAL BYLAWS

13 (a)(1) The following uses may be regulated only with respect to location,
14 size, height, building bulk, yards, courts, setbacks, density of buildings, off-
15 street parking, loading facilities, traffic, noise, lighting, landscaping, and
16 screening requirements, and only to the extent that regulations do not have the
17 effect of interfering with the intended functional use:

18 (A) State- or community-owned and ~~operated~~ operated institutions
19 and facilities;

20 (B) public and private schools and other educational institutions
21 certified by the Agency of Education;

1 Sec. 4. 24 V.S.A. § 4303 is amended to read:

2 § 4303. DEFINITIONS

3 The following definitions shall apply throughout this chapter unless the
4 context otherwise requires:

5 * * *

6 (38) “Accessory dwelling unit” has the same meaning as in subdivision
7 4412(E) of this title.

8 (39) “Duplex” means a residential building that has two dwelling units
9 in the same building and neither unit is an accessory dwelling unit.

10 (40) “Emergency shelter” means any facility, the primary purpose of
11 which is to provide a temporary shelter for the homeless in general or for
12 specific populations of the homeless and that does not require occupants to
13 sign leases or occupancy agreements.

14 (41) “Multiunit or multifamily dwelling” means a building that contains
15 three or more dwelling units in the same building.

16 Sec. 5. 24 V.S.A. § 4441 is amended to read:

17 § 4441. PREPARATION OF BYLAWS AND REGULATORY TOOLS;

18 AMENDMENT OR REPEAL

19 * * *

20 (c) When considering an amendment to a bylaw, the planning commission
21 shall prepare and approve a written report on the proposal. A single report

1 may be prepared so as to satisfy the requirements of this subsection concerning
2 bylaw amendments and subsection 4384(c) of this title concerning plan
3 amendments. ~~The Department of Housing and Community Development shall~~
4 ~~provide all municipalities with a form for this report.~~ The report shall provide
5 a brief explanation of the proposed bylaw, amendment, or repeal and shall
6 include a statement of purpose as required for notice under section 4444 of this
7 title; and shall include findings regarding how the proposal:

8 (1) ~~Conforms~~ conforms with or furthers the goals and policies contained
9 in the municipal plan, including the effect of the proposal on the availability of
10 safe and affordable housing-, and sections 4412, 4413, and 4414 of this title;

11 (2) ~~Is~~ is compatible with the proposed future land uses and densities of
12 the municipal plan-; and

13 (3) ~~Carries~~ carries out, as applicable, any specific proposals for any
14 planned community facilities.

15 * * *

16 (h) Upon adoption or amendment of a bylaw, the planning commission
17 shall prepare an adoption report in form and content provided by the
18 Department of Housing and Community Development that:

19 (1) demonstrates conformity with sections 4412, 4413, and 4414 of this
20 title; and

1 (2) provides information on the municipal application of subchapters 7
2 (bylaws), 9 (administration), and 10 (panels) of this chapter for the Municipal
3 Planning Data Center and the prospective development of a statewide zoning
4 atlas.

5 Sec. 6. 24 V.S.A. § 4465 is amended to read:

6 § 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

7 (a) An interested person may appeal any decision or act taken by the
8 administrative officer in any municipality by filing a notice of appeal with the
9 secretary of the board of adjustment or development review board of that
10 municipality or with the clerk of that municipality if no such secretary has been
11 elected. This notice of appeal must be filed within 15 days ~~of~~ following the
12 date of that decision or act, and a copy of the notice of appeal shall be filed
13 with the administrative officer.

14 (b) ~~For the purposes of~~ As used in this chapter, an “interested person”
15 means any one of the following:

16 (1) A person owning title to property, or a municipality or solid waste
17 management district empowered to condemn it or an interest in it, affected by a
18 bylaw, who alleges that the bylaw imposes on the property unreasonable or
19 inappropriate restrictions of present or potential use under the particular
20 circumstances of the case.

1 (2) The municipality that has a plan or a bylaw at issue in an appeal
2 brought under this chapter or any municipality that adjoins that municipality.

3 (3) A person owning or occupying property in the immediate
4 neighborhood of a property that is the subject of any decision or act taken
5 under this chapter, who can demonstrate a physical or environmental impact on
6 the person's interest under the criteria reviewed, and who alleges that the
7 decision or act, if confirmed, will not be in accord with the policies, purposes,
8 or terms of the plan or bylaw of that municipality.

9 (4) Any ~~ten~~ 10 persons who allege a common injury to a particularized
10 interest protected by this chapter, who may be any combination of voters or
11 real property owners within a municipality listed in subdivision (2) of this
12 subsection who, by signed petition to the appropriate municipal panel of a
13 municipality, the plan or a bylaw of which is at issue in any appeal brought
14 under this title, allege that any relief requested by a person under this title, if
15 granted, will not be in accord with the policies, purposes, or terms of the plan
16 or bylaw of that municipality. For purposes of this subdivision, a
17 particularized interest shall not include the character of the area affected. This
18 petition to the appropriate municipal panel must designate one person to serve
19 as the representative of the petitioners regarding all matters related to the
20 appeal.

1 public health, safety, and general welfare, or are inappropriate because of
2 inadequacy or lack of connecting facilities adjacent or in proximity to the
3 subdivision;

4 (B) ~~Proceedures~~ procedures for conceptual, preliminary, partial, and
5 other reviews preceding submission of a subdivision plat, including any
6 administrative reviews;

7 (C) ~~Specifie~~ specific development standards to promote the
8 conservation of energy or to permit the utilization of renewable energy
9 resources, or both;

10 (D) State standards and criteria under 10 V.S.A. § 6086(a); and

11 (E) provisions to allow the administrative officer to approve
12 subdivisions.

13 * * * Appeals * * *

14 Sec. 9. 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, or designated neighborhood development area seeking
4 conditional use approval will not result in an undue adverse effect on the
5 character of the area affected under subdivision 4414(3) of this title. Other
6 elements of the determination made by the appropriate municipal panel may be
7 appealed.

8 * * * By Right * * *

9 Sec. 10. 24 V.S.A. § 4464(b) is amended to read:

10 (b) Decisions.

11 * * *

12 (7)(A) A decision rendered by the appropriate municipal panel for a
13 housing development or the housing portion of a mixed-use development shall
14 not:

15 (i) require a larger lot size than the minimum as determined in the
16 municipal bylaws;

17 (ii) require more parking spaces than the minimum as determined
18 in the municipal bylaws and in section 4414 of this title;

19 (iii) limit the building size to less than that allowed in the
20 municipal bylaws, including reducing the building footprint or height;

1 (iv) limit the density of dwelling units to below that allowed in the
2 municipal bylaws; and

3 (v) otherwise disallow a development to abide by the minimum or
4 maximum applicable municipal standards;

5 (B) However, a decision may require adjustments to the applicable
6 municipal standards listed in subdivision (A) of this subdivision (7) if the panel
7 or officer issues a written finding stating:

8 (i) why the modification is necessary to comply with a
9 prerequisite State or federal permit, municipal permit, or a nondiscretionary
10 standard in a bylaw or ordinance, including requirements related to wetlands,
11 setbacks, and flood hazard areas and river corridors; and

12 (ii) how the identified restrictions do not result in an unequal
13 treatment of housing or an unreasonable exclusion of housing development
14 otherwise allowed by the bylaws.

15 Sec. 11. 24 V.S.A. § 4348a is amended to read:

16 § 4348a. ELEMENTS OF A REGIONAL PLAN

17 (a) A regional plan shall be consistent with the goals established in section
18 4302 of this title and shall include the following:

19 * * *

20 (9) A housing element that identifies the regional and community-level
21 need for housing for all economic groups in the region and communities. In

1 ~~establishing the identified need, due consideration shall be given to~~ that will
2 result in an adequate supply of building code and energy code compliant
3 homes where most households spend not more than 30 percent of their income
4 on housing and no more than 15 percent on transportation. To establish
5 housing needs, the Department of Housing and Community Development shall
6 publish statewide and regional housing targets or ranges as part of the
7 Statewide Housing Needs Assessment. The regional planning commission
8 shall consult the Statewide Housing Needs Assessment; current and expected
9 demographic data; the current location, quality, types and cost of housing;
10 other local studies related to housing needs; and data gathered pursuant to
11 subsection 4382(c) of this title. If no such data has been gathered, the regional
12 planning commission shall gather it. The regional planning commission's
13 assessment shall estimate the total needed housing investments in terms of
14 price, quality, unit size or type, and zoning district as applicable and shall
15 disaggregate regional housing targets or ranges by municipality. The housing
16 element shall include a set of recommended actions to satisfy the established
17 needs.

18 * * *

1 Sec. 12. 24 V.S.A. § 4382 is amended to read:

2 § 4382. THE PLAN FOR A MUNICIPALITY

3 (a) A plan for a municipality ~~may~~ shall be consistent with the goals
4 established in section 4302 of this title and compatible with approved plans of
5 other municipalities in the region and with the regional plan and shall include
6 the following:

7 * * *

8 (10) A housing element that shall include a recommended program for
9 ~~addressing low and moderate income persons'~~ public and private actions to
10 address housing needs as identified by the regional planning commission
11 pursuant to subdivision 4348a(a)(9) of this title. The program should include
12 specific actions to address the housing needs of persons with low income and
13 persons with moderate income and account for permitted accessory dwelling
14 units, as defined in subdivision 4412(1)(E) of this title, ~~which provide~~
15 ~~affordable housing~~ as well as any material impact of short-term rental units.

16 * * *

17 * * * Energy Codes * * *

18 Sec. 13. 24 V.S.A. § 3101(a) is amended to read:

19 (a) The mayor and board of aldermen of a city, the selectboard of a town,
20 or the trustees of an incorporated village, may, in accordance with this chapter,
21 establish codes and regulations for the construction, maintenance, repair, and

1 alteration of buildings and other structures within the municipality. Such
2 codes and regulations may include provisions relating to building materials,
3 structural design, passageways, stairways and exits, heating systems, fire
4 protection procedures, and such other matters as may be reasonably necessary
5 for the health, safety, and welfare of the public, but excluding electrical
6 installations subject to regulation under 26 V.S.A. chapter 15. Any energy
7 codes and regulations adopted after July 1, 2023 shall not be more restrictive
8 than the Residential Building Energy Standards or the stretch code adopted
9 under 30 V.S.A. § 51 or the Commercial Building Energy Standards adopted
10 under 30 V.S.A. § 53, except where enabled by a municipal charter.

11 Sec. 14. [Deleted.]

12 Sec. 15. [Deleted.]

13 Sec. 16. 10 V.S.A. § 6001 is amended to read:

14 § 6001. DEFINITIONS

15 * * *

16 (3)(A) “Development” means each of the following:

17 * * *

18 (iv) The construction of housing projects such as cooperatives,
19 condominiums, or dwellings, or construction ~~or maintenance~~ of mobile homes
20 or mobile home parks, with 10 or more units, constructed or maintained on a
21 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 * * *

4 (xi) Until July 1, 2026, the construction of housing projects such
5 as cooperatives, condominiums, dwellings, or mobile homes, with 25 or more
6 units, constructed or maintained on a tract or tracts of land, located entirely
7 within a designated downtown development district, a designated
8 neighborhood development area, or a designated growth center, owned or
9 controlled by a person, within a radius of five miles of any point on any
10 involved land and within any continuous period of five years.

11 * * *

12 (D) The word “development” does not include:

13 * * *

14 (viii)(I) The construction of a priority housing project in a
15 municipality with a population of 10,000 or more.

16 (II) If the construction of a priority housing project in this
17 subdivision (3)(D)(viii) involves demolition of one or more buildings that are
18 listed or eligible to be listed on the State or National Register of Historic
19 Places, this exemption shall not apply unless the Division for Historic
20 Preservation has made the determination described in subdivision (A)(iv)(I)(ff)

1 of this subdivision (3) and any imposed conditions are enforceable in the
2 manner set forth in that subdivision.

3 (III) Notwithstanding any other provision of law to the
4 contrary, until July 1, 2026, the construction of a priority housing project
5 located entirely within a designated downtown development district,
6 designated neighborhood development area, or a designated growth center.

7 * * *

8 Sec. 16a. 10 V.S.A. § 6086b is amended to read:

9 § 6086b. DOWNTOWN DEVELOPMENT; FINDINGS; MASTER PLAN

10 PERMITS

11 (a) Findings and conclusions. Notwithstanding any provision of this
12 chapter to the contrary, each of the following shall apply to a development or
13 subdivision that is completely within a downtown development district
14 designated under 24 V.S.A. chapter 76A and for which a permit or permit
15 amendment would otherwise be required under this chapter:

16 (1) In lieu of obtaining a permit or permit amendment, a person may
17 request findings and conclusions from the District Commission, which shall
18 approve the request if it finds that the development or subdivision will meet
19 subdivisions 6086(a)(1) (air and water pollution), (2) (sufficient water
20 available), (3) (burden on existing water supply), (4) (soil erosion), (5)
21 (traffic), (8) (aesthetics, historic sites, rare and irreplaceable natural areas),

1 (8)(A) (endangered species; necessary wildlife habitat), (9)(B) (primary
2 agricultural soils), (9)(C) (productive forest soils), (9)(F) (energy
3 conservation), and (9)(K) (public facilities, services, and lands) of this title.

4 * * *

5 (b) Master plan permits.

6 (1) Any municipality within which a downtown development district or
7 neighborhood development area has been formally designated pursuant to
8 24 V.S.A. chapter 76A may apply to the District Commission for a master plan
9 permit for that area or any portion of that area pursuant to the rules of the
10 Board. Municipalities making an application under this subdivision are not
11 required to exercise ownership of or control over the affected property.

12 (2) Subsequent development of an individual lot within the area of the
13 master plan permit that requires a permit under this chapter shall take the form
14 of a permit amendment.

15 (3) In neighborhood development areas, subsequent master plan permit
16 amendments may only be issued for development that is housing.

17 (4) In approving a master plan permit and amendments, the District
18 Commission may include specific conditions that an applicant for an individual
19 project permit will be required to meet.

20 (5) For a master plan permit issued pursuant to this section, an
21 application for an amendment may use the findings issued in the master plan

1 permit as a rebuttable presumption to comply within any applicable criteria
2 under subsection 6086(a) of this title.

3 Sec. 16b. ACT 250 EXEMPTION REQUIREMENTS

4 In order to qualify for the exemptions established in 10 V.S.A. § 6001
5 (3)(A)(xi) and (3)(D)(viii)(III) and 10 V.S.A. § 6081(y), a person shall apply
6 for a jurisdictional opinion under 10 V.S.A. § 6007 by July 1, 2026. The
7 jurisdictional opinion shall require the project to substantially complete
8 construction by June 30, 2029 in order to remain exempt.

9 * * * Enhanced Village Centers * * *

10 Sec. 17. 24 V.S.A. § 2793a is amended to read:

11 § 2793a. DESIGNATION OF VILLAGE CENTERS BY STATE BOARD

12 * * *

13 (e)(1) A village center designated by the State Board pursuant to subsection
14 (a) of this section is eligible to apply to the State Board to receive an enhanced
15 designation. This enhanced designation allows a priority housing project with
16 50 or fewer units located entirely within the village center to be exempt from
17 10 V.S.A. chapter 151.

18 (2) To receive enhanced designation under this subsection, a village
19 center shall have:

20 (A) duly adopted permanent zoning and subdivision bylaws;

1 to develop thresholds and tiers of jurisdiction as recommended in the
2 Commission on Act 250: the Next 50 Years Report.

3 (2) How to use the Capability and Development Plan to meet the
4 statewide planning goals.

5 (3) An assessment of the current level of staffing of the Board and
6 District Commissions, including whether there should be a district coordinator
7 located in every district.

8 (4) Whether the permit fees are sufficient to cover the costs of the
9 program and, if not, a recommendation for a source of revenue to supplement
10 the fees.

11 (5) Whether the permit fees are effective in providing appropriate
12 incentives.

13 (6) Whether the Board should be able to assess its costs on applicants.

14 (7) Whether increasing jurisdictional thresholds for housing
15 development to 25 units under 10 V.S.A. § 6001(3)(A)(iv) would affect
16 housing affordability, especially for primary homeownership, and what the
17 potential impact of increasing those thresholds to 25 units would have on
18 natural and community resources addressed under existing Act 250 criteria.

1 (2) municipal bylaws that are identical or are determined to be
2 consistent with the model bylaws written by the Natural Resources Board
3 pursuant to subsection (f) of this section;

4 (3) municipal bylaws that do not include broad exemptions excluding
5 significant private or public land development from requiring a municipal land
6 use permit; and

7 (4) adequate municipal staff to support coordinated comprehensive and
8 capital planning, development review, and zoning administration.

9 (c) Process for issuing enhanced designation.

10 (1) A preapplication meeting shall be held with Department staff to
11 review the program requirements. The meeting shall be held in the
12 municipality unless another location is agreed to by the municipality.

13 (2) An application by the municipality shall include the information and
14 analysis required by the Department’s guidelines established pursuant to
15 section 2792 of this title on how to meet the requirements of subsection (b) of
16 this section.

17 (3) The Department shall establish a procedure for submission of a draft
18 application that involves review and comment by all the parties to be noticed in
19 subdivision (4)(A) of this subsection and shall issue a preapplication memo
20 incorporating the comments to the applicant after receipt of a draft preliminary
21 application.

1 (4) After receipt of a complete final application, the Natural Resources
2 Board shall convene a public hearing in the municipality to consider whether
3 to issue a determination of enhanced designation under this section.

4 (A) Notice.

5 (i) At least 35 days in advance of the Natural Resources Board’s
6 meeting, the Department shall provide notice to the municipality and post it on
7 the Agency’s website.

8 (ii) The municipality shall publish notice of the meeting at least
9 30 days in advance of the Natural Resources Board’s meeting in a newspaper
10 of general circulation in the municipality, and deliver physically or
11 electronically, with proof of receipt or by certified mail, return receipt
12 requested to the Agency of Natural Resources; the State Downtown Board; the
13 Division for Historic Preservation; the Agency of Agriculture, Food and
14 Markets; the Agency of Transportation; the regional planning commission; the
15 regional development corporations; and the entities providing educational,
16 police, and fire services to the municipality.

17 (iii) The notice shall also be posted by the municipality in or near
18 the municipal clerk’s office and in at least two other designated public places
19 in the municipality and on the websites of the municipality and the Agency of
20 Commerce and Community Development.

1 (iv) The municipality shall also certify in writing that the notice
2 required by subdivision (4)(A) of this subsection (c) has been published,
3 delivered, and posted within the specified time.

4 (B) No defect in the form or substance of any requirements of this
5 subsection (c) shall invalidate the action of the Natural Resources Board where
6 reasonable efforts are made to provide adequate posting and notice. However,
7 the action shall be invalid when the defective posting or notice was materially
8 misleading in content. If an action is ruled to be invalid by the Superior Court
9 or by the Natural Resources Board itself, the Department shall provide and the
10 municipality shall issue new posting and notice, and the Board shall hold a
11 new hearing and take a new action.

12 (5) The Natural Resources Board may recess the proceedings on any
13 application pending submission of additional information. The Board shall
14 close the proceedings promptly after all parties have submitted the requested
15 information.

16 (6) The Board shall issue its determination in writing. The
17 determination shall include explicit findings on each of the requirements in
18 subsection (b) of this section.

19 (d) Review of enhanced designation status.

1 (1) Initial determination of an enhanced designation may be made at any
2 time. Thereafter, review of the enhanced designation shall be concurrent with
3 the next periodic review of the underlying designated area.

4 (2) The Natural Resources Board, on its motion, may review compliance
5 with the enhanced designation requirements at more frequent intervals.

6 (3) If at any time the Board determines that the enhanced designation
7 area no longer meets the standards for the designation, it shall take one of the
8 following actions:

9 (A) require corrective action within a reasonable time frame; or

10 (B) terminate the enhanced designation.

11 (4) If the underlying designation is terminated, the enhanced designation
12 also shall terminate.

13 (e) Appeal.

14 (1) An interested person may appeal any act or decision of the Board
15 under this section to the Environmental Division of the Superior Court within
16 30 days following the act or decision.

17 (2) As used in this section, an “interested person” means any one of the
18 following:

19 (A) a person owning a title to or occupying property within or
20 abutting the designated area;

1 (B) the municipality making the application or a municipality that
2 adjoins the municipality making the application; and

3 (C) the regional planning commission for the region that includes the
4 designated area or a regional planning commission whose region adjoins the
5 municipality in which the designated center is located.

6 (f) Model bylaws. The Natural Resources Board shall publish model
7 bylaws that may be adopted by a municipality seeking an enhanced
8 designation. These bylaws shall address all Act 250 criteria provided for in
9 10 V.S.A. § 6086(a)(1)–(10).

10 Sec. 20. 10 V.S.A. § 6001(45) is added to read:

11 (45) “Enhanced designation” means the process by which a designated
12 area demonstrates that it has satisfied the requirements of 24 V.S.A. § 2793f.
13 The term shall also refer to the resulting status.

14 Sec. 21. ENHANCED DESIGNATION BYLAW ADOPTION

15 On or before January 1, 2024, the Natural Resources Board shall publish
16 model bylaws that a municipality may adopt in order to achieve an enhanced
17 designation. These bylaws shall encompass all of the Act 250 criteria found in
18 10 V.S.A. § 6086(a)(1)–(10).

1 (3) The Division of Fire Safety in the Department of Public Safety is
2 responsible for development, administration, and enforcement of building
3 codes but does not currently have expertise or capacity to add administration or
4 enforcement of energy codes in buildings.

5 (4) Studies in recent years show compliance with the RBES at about 54
6 percent and CBES at about 87 percent, with both rates declining. Both codes
7 are scheduled to become more stringent with the goal of “net-zero ready” by
8 2030.

9 (5) In December 2022, the U.S. Department of Energy issued the
10 Bipartisan Infrastructure Law: Resilient and Efficient Codes Implementation
11 Funding Opportunity Announcement. The first \$45 million of a five-year \$225
12 million program is available in 2023. Vermont’s increased code compliance
13 plans should include contingencies for this potential funding.

14 Sec. 25. ENERGY CODE COMPLIANCE; STUDY COMMITTEE

15 (a) Creation. There is created the Building Energy Code Study Committee
16 to recommend strategies for increasing compliance with the Residential
17 Building Energy Standards (RBES) and Commercial Building Energy
18 Standards (CBES).

19 (b) Membership. The Committee shall have 15 members with applicable
20 expertise, to include program design and implementation, building code
21 administration and enforcement, and Vermont’s construction industry. The

1 Speaker of the House shall appoint three members, including up to one
2 legislator. The Committee on Committees shall appoint two members,
3 including up to one legislator. The remaining members shall be the following:

4 (1) the Commissioner of Public Service, or designee;

5 (2) the Director of Fire Safety, or designee;

6 (3) a representative of Efficiency Vermont;

7 (4) a representative of American Institute of Architects–Vermont;

8 (5) a representative of the Vermont Builders and Remodelers

9 Association;

10 (6) a representative of the Burlington Electric Department;

11 (7) a representative of Vermont Gas Systems;

12 (8) a representative of the Association of General Contractors of

13 Vermont;

14 (9) a representative of the Vermont League of Cities and Towns; and

15 (10) a representative from a regional planning commission.

16 (c) Powers and duties. The Committee shall consider and recommend
17 strategies to increase awareness of and compliance with the RBES and CBES,
18 including the potential designation of the Division of Fire Safety (DFS) in the
19 Department of Public Safety as the statewide authority having jurisdiction for
20 administration, interpretation, and enforcement, in conjunction with DFS'
21 existing jurisdiction, over building codes.

1 (d) Assistance. The Committee shall have the administrative, technical,
2 and legal assistance of the Department of Public Service. The Department
3 shall hire a third-party consultant to assist and staff the Committee which may
4 be funded by monies appropriated by the General Assembly or any grant
5 funding received.

6 (e) Report. On or before December 1, 2023, the Committee shall submit a
7 written report to the General Assembly with its findings and recommendations
8 for legislative action.

9 (f) Meetings.

10 (1) The Department of Public Service shall call the first meeting of the
11 Committee to occur on or before July 15, 2023.

12 (2) The Committee shall elect a chair from among its members at the
13 first meeting.

14 (3) A majority of the membership shall constitute a quorum.

15 (4) The final meeting shall be held on or before October 31, 2023. The
16 Committee shall cease to exist on December 1, 2023.

17 (g) Compensation and reimbursement.

18 (1) For attendance at meetings during adjournment of the General
19 Assembly, a legislative member of the Committee serving in the legislator's
20 capacity as a legislator shall be entitled to per diem compensation and

1 reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than six
2 meetings.

3 (2) Other members of the Committee who are not otherwise
4 compensated by their employer shall be entitled to per diem compensation and
5 reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more
6 than six meetings.

7 (3) The payments under this subsection (g) shall be made from monies
8 appropriated by the General Assembly or any grant funding received.

9 * * * ADU Jurisdiction * * *

10 Sec. 26. 20 V.S.A. § 2730 is amended to read:

11 § 2730. DEFINITIONS

12 (a) As used in this subchapter, “public building” means:

13 (1)(A) a building owned or occupied by a public utility, hospital, school,
14 house of worship, convalescent center or home for elders or persons who have
15 an infirmity or a disability, nursery, kindergarten, or child care;

16 * * *

17 (D) a building in which people rent accommodations, whether
18 overnight or for a longer term;

19 * * *

20 (b) The term “public building” does not include:

1 (1) An owner-occupied ~~single-family~~ single-family residence, unless
2 used for a purpose described in subsection (a) of this section.

3 * * *

4 (4) ~~A single-family~~ An owner-occupied single-family residence with an
5 accessory dwelling unit as permitted under 24 V.S.A. § 4412(1)(E), unless
6 rented overnight or for a longer term as described in subdivision (1)(D) of
7 subsection (a) of this section.

8 * * *

9 * * * Enforcement * * *

10 Sec. 27. HUMAN RIGHTS COMMISSION; POSITION; APPROPRIATION

11 (a) One new full-time, exempt litigator position is created in the Human
12 Rights Commission to prosecute violations of Vermont’s antidiscrimination
13 laws, including the fair housing laws.

14 (b) In fiscal year 2024, \$150,000.00 is appropriated from the General Fund
15 to the Human Rights Commission for personal services related to the new
16 litigator position.

17 Sec. 28. 9 V.S.A. § 4507 is amended to read:

18 § 4507. CRIMINAL PENALTY

19 A person who violates a provision of this chapter shall be fined not more
20 than ~~\$1,000.00~~ \$10,000.00 per violation.

21 * * * Building Safety * * *

1 Sec. 29. VERMONT FIRE AND BUILDING SAFETY CODE; POTENTIAL
2 REVISIONS; REPORT

3 (a) On or before January 15, 2024, the Executive Director of the Division
4 of Fire Safety shall submit a written report to the General Assembly that
5 identifies and examines provisions from other jurisdictions' fire and life safety
6 codes for residential buildings that:

7 (1) would facilitate in Vermont:

8 (A) the increased construction of new residential units;

9 (B) the conversion of existing space into new residential units; or

10 (C) both; and

11 (2) could be incorporated into the Vermont Fire and Building Safety
12 Code.

13 (b) The report shall include recommendations for any legislative action
14 necessary to enable the identified provisions to be incorporated into Vermont's
15 Fire and Building Safety Code.

16 * * Eviction Rescue Fund * * *

17 Sec. 30. HOUSING RISK MITIGATION; EVICTION RESCUE FUND

18 In fiscal year 2024, the amount of \$2,500,000.00 is appropriated from the
19 General Fund to the Agency of Human Services to provide eviction rescue
20 funding and programming for the benefit of tenants and landlords, including

1 for rental arrears to prevent eviction for nonpayment of rent if such funding
2 will preserve a tenancy.

3 * * * HomeShare * * *

4 Sec. 31. HOMESHARING OPPORTUNITIES; APPROPRIATION

5 In fiscal year 2024, the amount of \$200,000.00 is appropriated from the
6 General Fund to the Department of Housing and Community Development
7 funding to expand home-sharing opportunities throughout the State.

8 * * * Mobile Homes and Mobile Home Parks * * *

9 Sec. 32. MOBILE HOMES; MOBILE HOME PARKS; APPROPRIATION

10 (a) Creation. There is created the Mobile Home Task Force.

11 (b) Membership. The Task Force is composed of the following members:

12 (1) one current member of the House of Representatives, appointed by
13 the Speaker of the House;

14 (2) one current member of the Senate, appointed by the Committee on
15 Committees;

16 (3) one member, appointed by the Department of Housing and
17 Community Development;

18 (4) one member, appointed by the Champlain Valley Office of
19 Economic Opportunity;

20 (5) one member, appointed by The Housing Foundation Inc.;

1 (6) one member, appointed by the Speaker of the House, representing
2 mobile home cooperative owners; and

3 (7) one member, appointed by the Vermont Housing and Conservation
4 Board.

5 (c) Powers and duties. The Task Force shall study the current landscape
6 for mobile homes and mobile home parks in this State, including the following
7 issues:

8 (1) the status of mobile homes and mobile home parks within Vermont’s
9 housing portfolio;

10 (2) the condition and needs for mobile home park infrastructure among
11 parks of various sizes;

12 (3) the current statutory treatment of mobile homes either as personal or
13 real property;

14 (4) modern construction, energy efficiency, and durability of
15 manufactured housing, and the availability, affordability, and suitability of
16 alternative types of manufactured, modular, or other housing;

17 (5) the type and scope of data and information collected concerning
18 mobile home residents, mobile homes, and mobile home parks and
19 opportunities to make the data and information more centralized, accessible,
20 and useful for informing policy decisions; and

1 (6) conversion to cooperative ownership and technical assistance
2 available to prospective and new cooperative owners, including the availability
3 of guidance concerning governance structures, operation, and conflict
4 resolution.

5 (d) Assistance. For purposes of scheduling meetings and preparing a report
6 and recommendations, the Task Force shall have the assistance of the Office of
7 Legislative Operations, the Office of Legislative Counsel, and the Joint Fiscal
8 Office.

9 (e) Report. On or before January 15, 2024, the Task Force shall submit a
10 written report to the House Committee on General and Housing and the Senate
11 Committee on Economic Development, Housing and General Affairs with its
12 findings and any recommendations for legislative action.

13 (f) Meetings.

14 (1) The House of Representatives' member shall call the first meeting of
15 the Task Force to occur on or before September 1, 2023.

16 (2) The Committee shall select a chair from among its members at the
17 first meeting.

18 (3) A majority of the membership shall constitute a quorum.

19 (4) The Task Force shall cease to exist on January 15, 2024.

20 (g) Compensation and reimbursement.

1 (1) For attendance at meetings during adjournment of the General
2 Assembly, a legislative member of the Task Force shall be entitled to per diem
3 compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for
4 not more than six meetings.

5 (2) Other members of the Task Force shall be entitled to per diem
6 compensation and reimbursement of expenses as permitted under 32 V.S.A.
7 § 1010 for not more than six meetings.

8 (3) Payments to members of the Task Force authorized under this
9 subsection shall be made from monies appropriated to the General Assembly.

10 **(h)** In fiscal year 2024, the amount of \$500,000.00 is appropriated from the
11 General Fund to the Department of Housing and Community Development to
12 provide financial support for home repair, home improvement, housing
13 transition, park infrastructure, legal assistance, and technical assistance.

14 * * * Vermont Housing Finance Agency * * *

15 Sec. 33. 2022 Acts and Resolves No. 182, Sec. 2 is amended to read:

16 Sec. 2. FIRST-GENERATION HOMEBUYER; IMPLEMENTATION;
17 APPROPRIATION

18 (a) Guidelines. The Vermont Housing Finance Agency shall adopt
19 guidelines and procedures for the provision of grants to first-generation
20 homebuyers pursuant to 32 V.S.A. § 5930u(b)(3)(D) consistent with the

1 criteria of the Down Payment Assistance Program implemented pursuant to
2 32 V.S.A. § 5930u(b)(3) and with this section.

3 (b) As used in this section and 32 V.S.A. § 5930u(b)(3)(D), a “first-
4 generation homebuyer” means ~~an applicant~~ a homebuyer who self-attests that
5 the ~~applicant~~ homebuyer is an individual:

6 (1)~~(A)~~ whose parents or legal guardians;

7 (A) do not have and during the homebuyer’s lifetime have not had
8 any ~~present~~ residential ownership interest in any ~~State~~ state; ~~and or~~

9 ~~(B) whose spouse, or domestic partner, and each member of whose~~
10 ~~household has not, during the three year period ending upon acquisition of the~~
11 ~~eligible home to be acquired, had any present ownership interest in a principal~~
12 ~~residence in any State~~ lost ownership of a home due to foreclosure, short sale,
13 or deed-in-lieu of foreclosure and have not owned a home since that loss; or

14 (2) ~~is an individual~~ who has at any time been placed in foster care.

15 * * *

16 Sec. 34. FIRST GENERATION HOMEBUYER; APPROPRIATION

17 In fiscal year 2024, the amount of \$2,000,000.00 is appropriated from the
18 General Fund to the Vermont Housing Finance Agency for grants through the
19 First Generation Homebuyer Program.

20 * * * Middle-Income Homeownership

21 Development Program * * *

1 Sec. 35. REPEAL

2 2022 Acts and Resolves No. 182, Sec. 11 is repealed.

3 Sec. 36. 10 V.S.A. § 629 is added to read:

4 § 629. MIDDLE-INCOME HOMEOWNERSHIP DEVELOPMENT

5 PROGRAM

6 (a) The Vermont Housing Finance Agency shall establish a Middle-Income
7 Homeownership Development Program pursuant to this section.

8 (b) As used in this section:

9 (1) “Affordable owner-occupied housing” means owner-occupied
10 housing identified in 26 U.S.C. § 143(c)(1) or that qualifies under Vermont
11 Housing Finance Agency criteria governing owner-occupied housing.

12 (2) “Income-eligible homebuyer” means a Vermont household with
13 annual income that does not exceed 150 percent of area median income.

14 (c) The Agency shall use the funds appropriated in this section to provide
15 subsidies for new construction or acquisition and substantial rehabilitation of
16 affordable owner-occupied housing for purchase by income-eligible
17 homebuyers.

18 (d) The total amount of subsidies for a project shall not exceed 35 percent
19 of eligible development costs, as determined by the Agency, which the Agency
20 may allocate consistent with the following:

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

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

8 (A) the Agency includes conditions in the subsidy, or uses another
9 legal mechanism, to ensure that, to the extent the home value has risen, the
10 amount of the subsidy remains with the home to offset the cost to future
11 homebuyers; or

12 (B) the subsidy is subject to a housing subsidy covenant, as defined
13 in 27 V.S.A. § 610, that preserves the affordability of the home for a period of
14 99 years or longer.

15 (3) The Agency shall allocate not less than 33 percent of the funds
16 available through the Program to projects that include a housing subsidy
17 covenant consistent with subdivision (2)(B) of this subsection.

18 (e) The Agency shall adopt a Program plan that establishes application and
19 selection criteria, including:

20 (1) project location;

21 (2) geographic distribution;

- 1 (3) leveraging of other programs;
- 2 (4) housing market needs;
- 3 (5) project characteristics, including whether the project includes the use
4 of existing housing as part of a community revitalization plan;
- 5 (6) construction standards, including considerations for size;
- 6 (7) priority for plans with deeper affordability and longer duration of
7 affordability requirements;
- 8 (8) sponsor characteristics;
- 9 (9) energy efficiency of the development; and
- 10 (10) the historic nature of the project.

11 (f)(1) When implementing the Program, the Agency shall consult
12 stakeholders and experts in the field.

- 13 (2) The Program shall include:
- 14 (A) a streamlined and appropriately scaled application process;
- 15 (B) an outreach and education plan, including specific tactics to reach
16 and support eligible applicants, especially those from underserved regions or
17 sectors;
- 18 (C) an equitable system for distributing investments statewide on the
19 basis of need according to a system of priorities that includes consideration of:
- 20 (i) geographic distribution;
- 21 (ii) community size;

1 (iii) community economic need; and

2 (iv) whether an application has already received an investment or
3 is from an applicant in a community that has already received Program
4 funding.

5 (3) The Agency shall use its best efforts to ensure:

6 (A) that investments awarded are targeted to the geographic
7 communities or regions with the most pressing economic and employment
8 needs; and

9 (B) that the allocation of investments provides equitable access to the
10 benefits to all eligible geographical areas.

11 (g) The Agency may assign its rights under any investment or subsidy
12 made under this section to the Vermont Housing and Conservation Board or
13 any State agency or nonprofit organization qualifying under 26 U.S.C. §
14 501(c)(3), provided such assignee acknowledges and agrees to comply with the
15 provisions of this section.

16 (h) The Department shall report to the House Committee on General and
17 Housing and the Senate Committee on Economic Development, Housing and
18 General Affairs on the status of the Program annually, on or before January 15.

19 Sec. 37. MIDDLE-INCOME HOMEOWNERSHIP; APPROPRIATION

1 In fiscal year 2024, the amount of \$20,000,000.00 is appropriated from the
2 General Fund to the Vermont Housing Finance Agency for the Middle-Income
3 Homeownership Development Program.

4 * * * Rental Housing Revolving Loan Program * * *

5 Sec. 38. 10 V.S.A. § 629a is added to read:

6 § 629a. RENTAL HOUSING REVOLVING LOAN PROGRAM

7 (a) Creation; administration. The Vermont Housing Finance Agency shall
8 design and implement a Rental Housing Revolving Loan Program and shall
9 create and administer a revolving loan fund to provide subsidized loans for
10 rental housing developments that serve middle-income households.

11 (b) Loans; eligibility; criteria.

12 (1) The Agency shall adopt processes, procedures, and guidelines to
13 implement the Program consistent with this section, including a simple
14 application process that is accessible to small developers, builders, and
15 contractors.

16 (2)(A) To be eligible for a subsidized loan through the Program, a
17 project shall create two or more new rental housing units, which may include
18 market rate and affordable units, provided that at least 25 percent of the units
19 in the project are affordable to a household earning between 65 and 150
20 percent of the applicable area median income.

1 (B) Projects may include new construction, acquisition with
2 substantial rehabilitation, and preservation of naturally occurring affordable
3 housing.

4 (3) A loan is available only for the costs of the project allocable to the
5 affordable units.

6 (4)(A) The Agency shall calculate the maximum amount of a loan,
7 which shall not exceed the lesser of:

8 (i) 35 percent of the costs of the project allocable to the affordable
9 units; or

10 (ii) the following amounts based on area median income bands:

11 (I) \$150,000.00 per unit for each unit that is affordable to a
12 household earning from 65 percent to 80 percent of area median income; and

13 (II) \$100,000.00 per unit for each unit that is affordable to a
14 household earning not from 81 to 150 percent of area median income.

15 (B) The Agency shall adopt and implement a method to adjust the
16 values specified in this subdivision (b)(4)(A)(ii) of this section at least annually
17 for inflation and may adopt a smoothing mechanism to adjust the maximum
18 loan values within each band based on levels of affordability.

19 (5) The Agency shall determine the term and interest rate of a loan. The
20 Agency may adopt one or more mechanisms to provide an enhanced subsidy to
21 incentivize projects, including:

1 (A) a lower interest rate;

2 (B) an interest-only option with deferred principal repayment; and

3 (C) partial loan forgiveness.

4 (6) The Agency shall adopt a Program plan that allows for an enhanced
5 subsidy for a project that meets one or more of the following:

6 (A) The project receives five percent or more of the total funding
7 from an employer or employer-capitalized loan or grant.

8 (B) The project receives five percent or more of the total funding
9 from a municipal or regional housing fund, local fiscal recovery fund, or other
10 form of community investment.

11 (C) The project utilizes tax-exempt bond funding or federal low-
12 income housing tax credits for at least 20 percent of the project's total units.

13 (D) The project is small in scale and provides infill development
14 within a historic settlement pattern.

15 (7) The Agency shall use one or more legal mechanisms to ensure that:

16 (A) a subsidized unit remains affordable to a household earning the
17 applicable percent of area median income for the longer of:

18 (i) seven years; or

19 (ii) full repayment of the loan plus three years; and

1 (B) during the affordability period determined pursuant to
2 subdivision (A) of this subdivision (7), the annual increase in rent for a
3 subsidized unit does not exceed three percent.

4 (c) Program design.

5 (1) When designing and implementing the Program, the Agency shall
6 consult stakeholders and experts in the field.

7 (2) The Program shall include:

8 (A) a streamlined and appropriately scaled application process;

9 (B) an outreach and education plan, including specific tactics to reach
10 and support eligible applicants, especially those from underserved regions or
11 sectors;

12 (C) an equitable system for distributing investment statewide on the
13 basis of need according to a system of priorities that includes consideration of:

14 (i) geographic distribution;

15 (ii) community size;

16 (iii) community economic need; and

17 (iv) whether an application has already received an investment or
18 is from an applicant in a community that has already received Program
19 funding.

20 (3) The Agency shall use its best efforts to ensure:

1 (A) that investments are targeted to the geographic communities or
2 regions with the most pressing economic and employment needs; and

3 (B) that the allocation of investments provides equitable access to the
4 benefits to all eligible geographical areas.

5 (d) Revolving funds. The Agency shall retain payments of principal,
6 interest, and any fees in a revolving loan fund, the amounts of which it shall
7 use to issue future loans through the Program.

8 (e) The Agency shall report to the House Committee on General and
9 Housing and the Senate Committee on Economic Development, Housing and
10 General Affairs on the status of the Program annually, on or before January 15.

11 Sec. 39. RENTAL HOUSING REVOLVING LOAN PROGRAM;

12 APPROPRIATION

13 In fiscal year 2024, the amount of \$20,000,000.00 is appropriated from the
14 General Fund to the Vermont Housing Finance Agency to implement the
15 Rental Housing Revolving Loan Program created in 10 V.S.A. § 629.

16 * * * Vermont Rental Housing Improvement Program * * *

17 Sec. 40. 10 V.S.A. § 699 is amended to read:

18 § 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

19 (a) Creation of Program.

20 (1) The Department of Housing and Community Development shall
21 design and implement the Vermont Rental Housing Improvement Program,

1 through which the Department shall award funding to statewide or regional
2 nonprofit housing organizations, or both, to provide competitive grants and
3 forgivable loans to private landlords for the rehabilitation, including
4 weatherization **and accessibility improvements**, of eligible rental housing units.

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

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

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

13 (1) Non-code compliant.

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

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

19 (i) **that prohibit permanent, involuntary** displacement of the
20 current residents;

1 (ii) that provide for the temporary relocation of the current
2 residents if necessary to perform the rehabilitation; and

3 (iii) that ensure that the landlord complies with the affordability
4 requirements of the Program following the rehabilitation.

5 (2) ~~New accessory dwelling units.~~ The unit will be:

6 (A) a newly created accessory dwelling unit that meets the
7 requirements of 24 V.S.A. § 4412(1)(E);

8 (B) a newly created unit within an existing structure;

9 (C) a newly created residential structure that is a single unit; or

10 (D) a newly created unit within a newly created structure that
11 contains five or fewer residential units.

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

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

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

19 (3) a grant and loan management system that ensures accountability for
20 funds awarded.

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

1 (1) A grant or loan shall not exceed \$50,000.00 per unit. In determining
2 the amount of a grant or loan, a housing organization shall consider the number
3 of bedrooms in the unit and whether the unit is being rehabilitated or newly
4 created.

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

7 (3) A project may include a weatherization component.

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

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

13 (6) The identity of a recipient and the amount of a grant or forgivable
14 loan are public records that shall be available for public copying and inspection
15 and the Department shall publish this information at least quarterly on its
16 website.

17 (e) Program requirements applicable to grants. For a grant awarded ~~under~~
18 ~~subdivision (b)(1) of this section for a unit that is non-code compliant~~ through
19 the Program, the following requirements apply for a minimum period of five
20 years:

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

3 (2)(A) Except as provided in subdivision (2)(B) of this subsection (e), a
4 landlord shall lease the unit to a household that is exiting homelessness or
5 actively working with an immigrant or refugee resettlement program.

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

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

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

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

16 (B) If no housing voucher or federal or State subsidy is available, the
17 total cost of rent for the unit, including utilities not covered by rent payments,
18 shall not exceed the applicable fair market rent established by the Department
19 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 subdivision (b)(1) of this section for a unit that is non-code~~
9 ~~compliant through the Program~~, the following requirements apply for a
10 minimum period of 10 years:

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

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

19 (g) ~~Requirements for an accessory dwelling unit.~~

20 ~~(1) For a grant or forgivable loan awarded under subdivision (b)(2) of~~
21 ~~this section for a unit that is a new accessory dwelling unit the total cost of rent~~

1 ~~for the unit, including utilities not covered by rent payments, shall not exceed~~
2 ~~the applicable fair market rent established by the Department of Housing and~~
3 ~~Urban Development.~~

4 ~~(2) A landlord shall not offer an accessory dwelling unit created through~~
5 ~~the Program as a short term rental, as defined in 18 V.S.A. § 4301. [Repealed.]~~

6 (h) Lien priority. A lien for a grant converted to a loan or for a forgivable
7 loan issued pursuant to this section is subordinate to:

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

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

14 Sec. 41. VHIP; APPROPRIATION

15 In fiscal year 2024 the amount of \$20,000,000.00 is appropriated from the
16 General Fund to the Department of Housing and Community Development for
17 the Vermont Rental Housing Improvement Program.

18 Sec. 42. VERMONT HOUSING AND CONSERVATION BOARD;

19 APPROPRIATION

20 In fiscal year 2024, the amount of \$50,000,000.00 is appropriated from the
21 General Fund to the Vermont Housing and Conservation Board to provide

1 affordable mixed-income income rental housing and homeownership units;
2 improvements to manufactured homes and communities; recovery residences;
3 and, if determined eligible, housing available to farm workers and refugees.
4 VHCB shall also use the funds for shelter and permanent homes for those
5 experiencing homelessness in consultation with the Secretary of Human
6 Services.

7 * * * Housing Permitting and Approval Process; Performance Audit * * *

8 Sec. 43. [Reserved.]

9 * * * Effective Dates * * *

10 Sec. 44. EFFECTIVE DATES

11 This act shall take effect on July 1, 2023, except that Secs. 1 (24 V.S.A.
12 § 4414), 2 (24 V.S.A. § 4412) except for subdivision (D), 3 (24 V.S.A.
13 § 4413), and 4 (24 V.S.A. § 4303) shall take effect on December 1, 2024 and
14 Secs. 18–20 (enhanced designation) shall take effect on January 1, 2024.

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1 (Committee vote: _____)

2

3

Representative _____

4

FOR THE COMMITTEE