

1 Introduced by Senator Ram Hinsdale

2 Referred to Committee on

3 Date:

4 Subject: Housing

5 Statement of purpose of bill as introduced: This bill proposes to increase the  
6 supply of affordable housing in this State, promote homeownership, and  
7 broaden housing opportunities for Vermonters.

8 An act relating to expanding access to safe and affordable housing

9 It is hereby enacted by the General Assembly of the State of Vermont:

10 \* \* \* Municipal Zoning \* \* \*

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

12 § 4414. ZONING; PERMISSIBLE TYPES OF REGULATIONS

13 \* \* \*

14 (4) Parking and loading facilities. A municipality may adopt provisions  
15 setting forth standards for permitted and required facilities for off-street  
16 parking and loading, which may vary by district and by uses within each  
17 district. However, a municipality shall not require more than one parking  
18 space per dwelling unit or accessory dwelling unit. These bylaws may also  
19 include provisions covering the location, size, design, access, landscaping, and  
20 screening of those facilities. In determining the number of parking spaces for

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

7 \* \* \*

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

9 § 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

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

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

14 \* \* \*

15 (D) Bylaws shall designate appropriate districts and reasonable  
16 regulations for multiunit or multifamily dwellings. No bylaw shall have the  
17 effect of excluding these multiunit or multifamily dwellings from the  
18 municipality. In any district that allows residential development, duplexes and  
19 accessory dwelling units shall be an allowed use. In any district that is served  
20 by municipal sewer and water service that allows residential development,  
21 multiunit dwellings with four or fewer units shall be an allowed use.

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

15 (i) The property has sufficient wastewater capacity.

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

18 \* \* \*

19 (12) In any district served by municipal sewer and water infrastructure  
20 that allows residential development, bylaws shall establish lot and building  
21 dimensional standards that allow five or more dwelling units per acre for

1 allowed residential uses, and no dimensional standard for multiunit dwellings  
2 shall be more restrictive than those required for single-family dwellings.

3 (13) In any district served by municipal sewer and water infrastructure that  
4 allows residential development, any mixed use developments and affordable  
5 housing developments, as defined in section 4303(2) of this title, may exceed  
6 building height limitations by one additional habitable floor beyond the  
7 maximum height and using that additional floor may exceed density limitations  
8 for residential developments by an additional 40 percent, provided that the  
9 structure complies with the Vermont Fire and Building Safety Code.

10 (14) No bylaw shall have the effect of limiting the square footage of a  
11 duplex that otherwise complies with the applicable building code.

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

13 § 4413. LIMITATIONS ON MUNICIPAL BYLAWS

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

20 (A) State- or community-owned and ~~operated~~ operated institutions  
21 and facilities;

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

3 (C) churches and other places of worship, convents, and parish  
4 houses;

5 (D) public and private hospitals;

6 (E) regional solid waste management facilities certified under 10  
7 V.S.A. chapter 159;

8 (F) hazardous waste management facilities for which a notice of  
9 intent to construct has been received under 10 V.S.A. § 6606a; and

10 (G) emergency shelters.

11 (2) Except for State-owned and -operated institutions and facilities, a  
12 municipality may regulate each of the land uses listed in subdivision (1) of this  
13 subsection for compliance with the National Flood Insurance Program and for  
14 compliance with a municipal ordinance or bylaw regulating development in a  
15 flood hazard area or river corridor, consistent with the requirements of  
16 subdivision 2291(25) and section 4424 of this title. These regulations shall not  
17 have the effect of interfering with the intended functional use.

18 (3) For purposes of this subsection, regulating the daily or seasonal  
19 hours of operation of an emergency shelter shall constitute interfering with the  
20 intended functional use.

21 \* \* \*

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) “Duplex” means a residential building that has two dwelling units  
7 in the same building. For purposes of subdivision 4412(E) of this title, in areas  
8 of a municipality served by municipal sewer and water infrastructure, each unit  
9 of a duplex shall constitute a single-family dwelling unit.

10 (39) “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 (40) “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) confirms that all changes to zoning districts have been uploaded to  
20 the Vermont Open Geodata Portal;

1           (2) confirms that the complete bylaw has been uploaded to the  
2 Municipal Plan and Bylaw Database;

3           (3) demonstrates conformity with sections 4412, 4413, and 4414 of this  
4 title; and

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

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

10       § 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

11                                               \* \* \*

12       (b) For the purposes of this chapter, an interested person means any one of  
13 the following:

14                                               \* \* \*

15       ~~(4) Any ten persons who may be any combination of voters or real~~  
16 ~~property owners within a municipality listed in subdivision (2) of this~~  
17 ~~subsection who, by signed petition to the appropriate municipal panel of a~~  
18 ~~municipality, the plan or a bylaw of which is at issue in any appeal brought~~  
19 ~~under this title, allege that any relief requested by a person under this title, if~~  
20 ~~granted, will not be in accord with the policies, purposes, or terms of the plan~~  
21 ~~or bylaw of that municipality. This petition to the appropriate municipal panel~~



1 ~~must designate one person to serve as the representative of the petitioners~~  
2 ~~regarding all matters related to the appeal.~~

3 (5) Any department and administrative subdivision of this State owning  
4 property or any interest in property within a municipality listed in subdivision  
5 (2) of this subsection, and the Agency of Commerce and Community  
6 Development of this State.

7 \* \* \*

8 \* \* \* Subdivisions \* \* \*

9 Sec. 7. 24 V.S.A. § 4463 is amended to read:

10 § 4463. SUBDIVISION REVIEW

11 (a) Approval of plats. Before ~~any~~ a plat for a major subdivision is  
12 approved, a public hearing on the plat shall be held by the appropriate  
13 municipal panel after public notice. A bylaw may provide for the  
14 administrative officer to approve minor subdivisions. A copy of the notice  
15 shall be sent to the clerk of an adjacent municipality, in the case of a plat  
16 located within 500 feet of a municipal boundary, at least 15 days prior to the  
17 public hearing.

18 (b) Plat; record. The approval of the appropriate municipal panel or  
19 administrative officer, if the bylaws provide for their approval of minor  
20 subdivisions, shall expire 180 days from that approval or certification unless,  
21 within that 180-day period, that plat shall have been duly filed or recorded in

1 the office of the clerk of the municipality. After an approved plat or  
2 certification by the clerk is filed, no expiration of that approval or certification  
3 shall be applicable.

4 (1) The bylaw may allow the administrative officer to extend the date  
5 for filing the plat by an additional 90 days, if final local or State permits or  
6 approvals are still pending.

7 (2) No plat showing a new street or highway may be filed or recorded in  
8 the office of the clerk of the municipality until it has been approved by the  
9 appropriate municipal panel, or administrative officer if allowed under the  
10 bylaws, pursuant to subsection (a) of this section, and that approval is endorsed  
11 in writing on the plat, or the certificate of the clerk of the municipality showing  
12 the failure of the appropriate municipal panel to take action within the 45-day  
13 period is attached to the plat and filed or recorded with the plat. After that  
14 filing or recording, the plat shall be a part of the official map of the  
15 municipality.

16 \* \* \*

17 Sec. 8. 24 V.S.A. § 4418 is amended to read:

18 § 4418. SUBDIVISION BYLAWS

19 \* \* \*

20 (2) Subdivision bylaws may include:



1       (e) ~~Neighborhood development area~~ Designated areas. Notwithstanding  
2 subsection (a) of this section, a determination by an appropriate municipal  
3 panel that a residential development will not result in an undue adverse effect  
4 on the character of the area affected shall not be subject to appeal if the  
5 ~~determination is that a proposed residential development~~ seeking conditional  
6 use approval under subdivision 4414(3) of this title is within a designated  
7 downtown development district, designated growth center, ~~designated Vermont~~  
8 neighborhood, or designated neighborhood development area seeking  
9 ~~conditional use approval will not result in an undue adverse effect on the~~  
10 ~~character of the area affected under subdivision 4414(3) of this title.~~ Other  
11 elements of the determination made by the appropriate municipal panel may be  
12 appealed.

13                                   \* \* \* By Right \* \* \*

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

15       (b) Decisions.

16                                   \* \* \*

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

20                       (i) increase the minimum lot size required in the municipal  
21 bylaws;

1                    (ii) increase the minimum parking requirements required in the  
2                    municipal bylaws and in section 4414 of this title;

3                    (iii) reduce the building size to less than that allowed in the  
4                    municipal bylaws, including reducing the building footprint or height;

5                    (iv) reduce the density of dwelling units allowed in the municipal  
6                    bylaws; and

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

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

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

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

19                  Sec. 11. APPROPRIATION



1 or mobile home parks, with ~~40~~ 20 or more units, constructed or maintained on  
2 a tract or tracts of land, owned or controlled by a person, within a radius of five  
3 miles of any point on any involved land and within any continuous period of  
4 five years. ~~However:~~

5 ~~(I) A priority housing project shall constitute a development~~  
6 ~~under this subdivision (iv) only if the number of housing units in the project is:~~

7 ~~(aa) [Repealed.]~~

8 ~~(bb) [Repealed.]~~

9 ~~(cc) 75 or more, in a municipality with a population of 6,000 or~~  
10 ~~more but less than 10,000.~~

11 ~~(dd) 50 or more, in a municipality with a population of less than~~  
12 ~~6,000.~~

13 ~~(ee) [Repealed.]~~

14 \* \* \*

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

16 \* \* \*

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

19 \* \* \*

20 (ix) Notwithstanding subdivision (iv) of this subdivision (3)(A),  
21 the construction of improvements in a designated neighborhood development

1 area for a housing project or mixed-use development, with 10 or more units,  
2 constructed or maintained on a tract or tracts of land, owned or controlled by a  
3 person.

4 \* \* \*

5 (19)(A) “Subdivision” means each of the following:

6 \* \* \*

7 (iv) A tract or tracts of land, owned or controlled by a person, that  
8 the person has partitioned or divided for the purpose of resale into 10 or more  
9 lots located within a designated neighborhood development area.

10 \* \* \*

11 (35) “Priority housing project” means a discrete project located on a  
12 single tract or multiple contiguous tracts of land that consists exclusively of  
13 mixed income housing or mixed use, or any combination thereof, and is  
14 located entirely within a designated downtown development district,  
15 designated new town center, designated village center that has permanent  
16 zoning and subdivision bylaws, designated growth center, or designated  
17 neighborhood development area under 24 V.S.A. chapter 76A.

18 Sec. 14. 10 V.S.A. § 6081(p) is amended to read:

19 (p) No permit or permit amendment is required for a priority housing  
20 project in a designated center ~~if the project remains below any applicable~~  
21 ~~jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title.~~



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\* \* \* Covenants \* \* \*

Sec. 15. 27 V.S.A. § 545 is amended to read:

§ 545. COVENANTS, CONDITIONS, AND RESTRICTIONS OF  
SUBSTANTIAL PUBLIC INTEREST

(a) Deed restrictions, covenants, or similar binding agreements added after March 1, 2021 that prohibit or have the effect of prohibiting land development allowed under 24 V.S.A. § 4412(1)(E) and (2)(A) shall not be valid.

(b) Deed restrictions or covenants added after July 1, 2023 shall not be valid if they require a minimum dwelling unit size on the property or more than one parking space per dwelling unit.

(c) This section shall not affect the enforceability of any property interest held in whole or in part by a qualified organization or State agency as defined in 10 V.S.A. § 6301a, including any restrictive easements, such as conservation easements and historic preservation rights and interests defined in 10 V.S.A. § 822. This section shall not affect the enforceability of any property interest that is restricted by a housing subsidy covenant as defined by section 610 of this title and held in whole or in part by an eligible applicant as defined in 10 V.S.A. § 303(4) or the Vermont Housing Finance Agency.

\* \* \* Road Disclosure \* \* \*

Sec. 16. 27 V.S.A. § 617 is added to read:

§ 617. DISCLOSURE OF CLASS 4 ROAD



1 via a new water service line in lieu of permits issued under this chapter,  
2 provided that the municipality documents the following in a form prescribed  
3 by the Secretary:

4 (1) The municipality owns or has legal control over connections to a  
5 public community water system permitted pursuant to chapter 56 of this title  
6 and over connections to a wastewater treatment facility permitted pursuant to  
7 chapter 47 of this title.

8 (2) The municipality shall only issue authorizations for:

9 (A) a sanitary sewer service line that connects to the sanitary sewer  
10 collection line; and

11 (B) a water service line that connects to the water main.

12 (3) The building or structure authorized under this section connects to  
13 both the sanitary sewer collection line and public community water system.

14 (4) The authorizations from the municipality comply with the technical  
15 standards for sanitary sewer service lines and water service lines in the  
16 Wastewater System and Potable Water Supply Rules.

17 (5) The municipality requires documentation issued by a professional  
18 engineer or licensed designer that is filed in the land records that the  
19 connection authorized by the municipality was installed in accordance with the  
20 technical standards.



1 extraction of plant botanicals utilizing flammable, volatile, or otherwise  
2 unstable liquids, pressurized gases, or other substances capable of combusting  
3 or whose properties would readily support combustion or pose a deflagration  
4 hazard; and

5 (ii) notwithstanding subdivision (b)(3) of this section, a building on a  
6 working farm or farms that meets the criteria of subdivision (G)(i) of this  
7 subsection (a) is a “public building”; or

8 (H) an accessory dwelling unit as permitted under 24 V.S.A.  
9 § 4412(1)(E);

10 (2)(A) Use Except as provided in subdivision (B) of this subdivision  
11 (a)(2), use of any portion of a building in a manner described in this subsection  
12 (a) shall make the entire building a “public building” for purposes of this  
13 subsection.

14 (B) As used in this subsection (a), in a building that includes both an  
15 owner-occupied single-family dwelling unit and an accessory dwelling unit,  
16 only the accessory dwelling unit shall be considered a public building unless  
17 the single-family residence is used for a purpose described in subdivision (1)  
18 of this subsection (a).

19 (C) For purposes of As used in this subsection (a), a “person” does  
20 not include an individual who is directly related to the employer and who  
21 resides in the employment-related building.

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

2 \* \* \*

3 ~~(4) A single family residence with an accessory dwelling unit as~~  
4 ~~permitted under 24 V.S.A. § 4412(1)(E).~~

5 \* \* \*

6 \* \* \*Enforcement \* \* \*

7 Sec. 20. 9 V.S.A. § 4506 is amended to read:

8 § 4506. ENFORCEMENT; CIVIL ACTION; RETALIATION PROHIBITED

9 (a)(1) A person aggrieved by a violation of this chapter may file a charge of  
10 discrimination with the Human Rights Commission pursuant to chapter 141 of  
11 this title or may bring an action for injunctive relief and compensatory and  
12 punitive damages and any other appropriate relief in the Superior Court of the  
13 county in which the violation is alleged to have occurred.

14 (2) A charge of discrimination filed pursuant to subdivision (1) of this  
15 subsection may, pursuant to the provisions of section 4554 of this title, be  
16 referred by the Commission to the Attorney General or a State’s Attorney for  
17 either investigation and enforcement or, following an investigation by the  
18 Commission, for enforcement.

19 \* \* \*

20 (d) The initiation or completion of an investigation by the Human Rights  
21 Commission, the Attorney General, or a State’s Attorney shall not be a

1 condition precedent to the filing of any lawsuit ~~for~~ pursuant to subsection (a) of  
2 this section by a person alleging a violation of this chapter.

3 (e) A person shall not coerce, threaten, interfere, or otherwise discriminate  
4 against any individual who:

5 \* \* \*

6 (2) has lodged a complaint or has testified, assisted, or participated in  
7 any manner with the Human Rights Commission, the Attorney General, or a  
8 State's Attorney in an investigation of acts or practices prohibited by this  
9 chapter;

10 \* \* \*

11 Sec. 21. 9 V.S.A. § 4554 is amended to read:

12 § 4554. COMPLAINT; INVESTIGATION AND CONCILIATION

13 (a)(1) Any person who ~~believes he or she~~ has been subject to unlawful  
14 discrimination may file a complaint under oath with the Commission stating  
15 the facts concerning the alleged discrimination. Every complaint shall be  
16 reviewed by the staff of the Commission.

17 (2) If a complaint states a prima facie case, ~~it may be:~~

18 (A) the complaint may be accepted for investigation by the  
19 Commission; or

20 (B) if the complaint alleges a violation of the provisions of chapter  
21 139 of this title by a person other than the State, the Commission may, in its

1 discretion, refer the complaint to either the Attorney General or a State’s  
2 Attorney for investigation and enforcement pursuant to subsection (i) of this  
3 section.

4 \* \* \*

5 (c) Upon receipt of ~~such~~ a complaint under subsection (a) or (b) of this  
6 section, if the Commission does not refer the complaint to the Attorney  
7 General or a State’s Attorney, the Commission or its designated representative  
8 shall make every reasonable effort to resolve the matter by informal means  
9 prior to a determination whether there are reasonable grounds to believe that  
10 unlawful discrimination has occurred. The Commission or its designated  
11 representative shall conduct ~~such~~ a preliminary investigation as it deems  
12 necessary to determine whether there are reasonable grounds to believe that  
13 unlawful discrimination has occurred. In conducting an investigation, the  
14 Commission or its designated representative shall have access at all reasonable  
15 times to premises, records, documents, individuals, and other evidence or  
16 possible sources of evidence and may examine, record, and copy those  
17 materials and take and record the testimony or statements of such persons as  
18 are reasonably necessary. The Commission shall make every reasonable effort  
19 to interview each relevant and noncumulative witness identified by a party. If  
20 a witness is interviewed, a summary of the witness statement shall be included  
21 in any report prepared in connection with the complaint. ~~Such~~ The statement



1 shall be taken into consideration in determining whether or not there are  
2 reasonable grounds to believe that unlawful discrimination has occurred.

3 \* \* \*

4 (e)(1) If the Commission finds reasonable grounds to believe that unlawful  
5 discrimination has occurred, but does not find an emergency, it shall make  
6 every reasonable effort to eliminate the discrimination by informal means, such  
7 as conference, conciliation, and persuasion. If the case is disposed of by  
8 informal means in a manner satisfactory to a majority of the Commission, it  
9 shall dismiss the proceeding.

10 (2) If the case is not disposed of by informal means in a manner  
11 satisfactory to a majority of the Commission within six months, ~~the~~  
12 Commission shall either do one of the following within not more than 90  
13 additional days:

14 (A) bring an action in Superior Court as provided in section 4553 of  
15 this title;

16 (B) refer the case to the Attorney General or a State's Attorney for  
17 enforcement pursuant to subsection (i) of this section and section 4507 of this  
18 title; or

19 (C) dismiss the proceedings, ~~unless an extension is necessary to~~  
20 ~~complete ongoing good faith negotiations and all parties consent to the~~  
21 ~~extension.~~



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

3 \* \* \* Building Safety \* \* \*

4 Sec. 23. VERMONT FIRE AND BUILDING SAFETY CODE; POTENTIAL  
5 REVISIONS; REPORT

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

10 (1) would facilitate in Vermont:

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

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

13 (C) both; and

14 (2) could be incorporated into the Vermont Fire and Building Safety  
15 Code.

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

19 \* \* \* Single-Room Occupancy \* \* \*

20 Sec. 24. SINGLE-ROOM OCCUPANCY

1       Of the amounts available from State funds and federal COVID-19 relief  
2       funds, it is the intent of the General Assembly to appropriate funding to the  
3       Department of Housing and Community Development to design and  
4       implement a pilot program to provide matching funds for the new development  
5       or redevelopment of single-room occupancy facilities.

6                               \* \* Risk Mitigation Pool \* \* \*

7       Sec. 25. RISK POOL FUNDING

8       Of the amounts available from State funds and federal COVID-19 relief  
9       funds, it is the intent of the General Assembly to appropriate funding to the  
10       Agency of Human Services to provide additional support for housing risk  
11       pools and housing mitigation funds.

12                              \* \* \* Employer Housing Partnership \* \* \*

13       Sec. 26. EMPLOYER HOUSING PARTNERSHIP PROGRAM

14       Of the amounts available from State funds and federal COVID-19 relief  
15       funds, it is the intent of the General Assembly to appropriate to the Department  
16       of Housing and Community Development funding to design and implement a  
17       program to provide matching funds for the costs an employer incurs to create  
18       housing for its workforce.

19                              \* \* \* Conversion of Commercial Properties to Residential Use \* \* \*

20       Sec. 27. COMMERCIAL PROPERTY CONVERSION INCENTIVE  
21                              PROGRAM; APPROPRIATION



1 and resiliency of existing mobile home communities, and to support the safety  
2 and improvement of mobile home park infrastructure.

3 \* \* \* Vermont Housing Finance Agency \* \* \*

4 Sec. 30. VHFA WHOLE LOAN FUND

5 Of the amounts available from State funds and federal COVID-19 relief  
6 funds, it is the intent of the General Assembly to appropriate necessary funds  
7 and grant necessary authority to the Vermont Housing Finance Agency to  
8 support the creation and implementation of a Whole Loan Fund.

9 \* \* \* Missing Middle-Income Homeownership

10 Development Pilot Program \* \* \*

11 Sec. 31. 2022 Acts and Resolves No. 182, Sec. 11 is amended to read:

12 Sec. 11. MISSING MIDDLE-INCOME HOMEOWNERSHIP

13 DEVELOPMENT PILOT PROGRAM

14 (a) The following amounts are appropriated from the America Rescue Plan  
15 Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Department of  
16 Housing and Community Development to grant to the Vermont Housing  
17 Finance Agency to establish the Missing Middle-Income Homeownership  
18 Development Pilot Program:

19 (1) \$5,000,000.00 in fiscal year 2022; and

20 (2) \$10,000,000.00 in fiscal year 2023.

21 (b) As used in this section:

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

4           (2) “Income-eligible homebuyer” means a Vermont household with  
5           annual income that does not exceed 120 percent of area median income.

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

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

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

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

20                       (A) the Agency includes conditions in the subsidy, or uses another  
21                       legal mechanism, to ensure that, to the extent the home value has risen, the

1 amount of the subsidy remains with the home to offset the cost to future  
2 homebuyers; or

3 (B) the subsidy is subject to a housing subsidy covenant, as defined  
4 in 27 V.S.A. § 610, that preserves the affordability of the home for a period of  
5 99 years or longer.

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

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

- 11 (1) project location;
- 12 (2) geographic distribution;
- 13 (3) leveraging of other programs;
- 14 (4) housing market needs;
- 15 (5) project characteristics, including whether the project includes the use  
16 of existing housing as part of a community revitalization plan;
- 17 (6) construction standards, including considerations for size;
- 18 (7) priority for plans with deeper affordability and longer duration of  
19 affordability requirements;
- 20 (8) sponsor characteristics;
- 21 (9) energy efficiency of the development; and



1 (10) historic nature of the project.

2 (f)(1) When designing and implementing the program, the Agency shall  
3 consult experts in the field and stakeholders to inform the design of the  
4 program.

5 (2) The program shall include a streamlined and minimal application  
6 process for applicants to apply.

7 (3) The program design shall establish:

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

11 (B) an equitable system for distributing grants statewide on the basis  
12 of need according to a system of priorities, including:

13 (i) geographic location;

14 (ii) community size; and

15 (iii) whether an application has already received a grant or is from  
16 an applicant in a community that has already received Program funding.

17 (4) The Agency shall use its best efforts to assure:

18 (A) that grant funds awarded are targeted to the geographic  
19 communities or regions with the most pressing economic and employment  
20 needs; and

1           (B) that the allocation of grant funds provides equitable access to the  
2           benefits to all eligible geographical areas.

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

8           ~~(g)~~ (h) The Agency shall ensure that initial investments made under this  
9           Program are obligated by December 31, 2024 and expended by December 31,  
10          2026.

11          ~~(h)~~ (i) The Department shall report to the House Committee on General,  
12          Housing, and Military Affairs and Senate Committee on Economic  
13          Development, Housing and General Affairs on the status of the Program  
14          annually, on or before January 15, through 2027.

15          Sec. 32. MISSING MIDDLE; FUNDING

16          Of the amounts available from State funds and federal COVID-19 relief  
17          funds, it is the intent of the General Assembly to appropriate additional  
18          funding to the Vermont Housing Finance Agency for the Missing Middle-  
19          Income Homeownership Development Pilot Program.

20                 \* \* \* Middle-Income Rental Housing Revolving Loan Program \* \* \*

21          Sec. 33. 10 V.S.A. § 629 is added to read:

1     § 629. MIDDLE-INCOME RENTAL HOUSING REVOLVING LOAN

2             PROGRAM

3             (a) Creation; administration. The Agency shall design and implement the  
4             Middle-Income Rental Housing Revolving Loan Program and shall create and  
5             administer a revolving loan fund to provide subsidized loans for rental housing  
6             developments that serve middle-income households.

7             (b) Loans; eligibility; criteria.

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

12                (2) To be eligible for a subsidized loan through the Program, a project  
13                shall create two or more new rental housing units, which may include market  
14                rate and affordable units, provided that at least 25 percent of the units in the  
15                project are affordable to a household earning between 65 and 120 percent of  
16                the applicable area median income. Projects may include new construction,  
17                acquisition with substantial rehabilitation, and preservation of naturally  
18                occurring affordable housing.

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

1           (4) The Agency shall calculate the maximum amount of a loan, which  
2           shall not exceed the lesser of:

3                   (A) 35 percent of the costs of the project allocable to the affordable  
4           units; or

5                   (B) the following amounts based on area median income bands:

6                           (i) \$125,000.00 per unit for each unit that is affordable to a  
7           household earning between 65 and 80 percent of area median income; and

8                           (ii) \$100,000.00 per unit for each unit that is affordable to a  
9           household earning between 81 and 120 percent of area median income.

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

13                   (A) a lower interest rate;

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

15                   (C) partial loan forgiveness.

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

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

1           (B) The project receives five percent or more of the total funding  
2           from a municipal or regional housing fund, local or State fiscal recovery fund,  
3           or other form of direct government affordable housing investment.

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

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

8           (E) The project is located in an underserved rural community that  
9           scores 50 percent or higher on the Vermont Underserved Communities Index  
10           developed by the Agency of Administration.

11           (7) The Agency shall use one or more legal mechanisms to ensure that a  
12           subsidized unit remains affordable to a household earning the applicable  
13           percent of area median income for the longer of seven years or full repayment  
14           of the loan.

15           (c) Revolving funds; costs of administration.

16           (1) The Agency may use not more than six percent of Program funds for  
17           the costs of administration.

18           (2) The Agency shall retain payments of principal, interest, and any fees  
19           in a revolving loan fund, the amounts of which it shall use to issue future loans  
20           through the Program.

21           Sec. 34. APPROPRIATION

1        Of the amounts available from State funds and federal COVID-19 relief  
2        funds, it is the intent of the General Assembly to appropriate funding to the  
3        Vermont Housing Finance Agency to implement the Middle-Income Rental  
4        Housing Revolving Loan Program created in 10 V.S.A. § 629.

5                    \* \* \* Vermont Rental Housing Improvement Program \* \* \*

6        Sec. 35. 10 V.S.A. § 699 is amended to read:

7        § 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

8            (a) Creation of Program.

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

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

18            (3) A landlord shall not offer unit created through the Program as a  
19        short-term rental, as defined in 18 V.S.A. § 4301.

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

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

3           (2) New accessory dwelling. The unit will be a newly created accessory  
4 dwelling unit that meets the requirements of 24 V.S.A. § 4412(1)(E).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18           (B) If, upon petition of the landlord, the Department or the housing  
19 organization that issued the grant determines that a household exiting  
20 homelessness is not available to lease the unit, then the landlord shall lease the  
21 unit:



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

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

5 (3)(A) A landlord shall accept any housing vouchers that are available to  
6 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 a forgivable loan  
17 awarded under subdivision (b)(1) of this section for a unit that is non-code  
18 compliant, the following requirements apply for a minimum period of 10  
19 years:

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

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

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

7           (g) Requirements for an accessory dwelling unit.

8           ~~(4)~~ For a grant or forgivable loan awarded under subdivision (b)(2) of  
9           this section for a unit that is a new accessory dwelling unit, the total cost of  
10          rent for the unit, including utilities not covered by rent payments, shall not  
11          exceed the applicable fair market rent established by the Department of  
12          Housing and Urban Development.

13          ~~(2) A landlord shall not offer an accessory dwelling unit created through~~  
14          ~~the Program as a short-term rental, as defined in 18 V.S.A. § 4301.~~

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

17               (1) a lien on the property in existence at the time the lien for  
18               rehabilitation and weatherization of the rental housing unit is filed in the land  
19               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           Sec. 36. VHIP; FUNDING

5           Of the amounts available from State funds and federal COVID-19 relief  
6           funds, it is the intent of the General Assembly to appropriate additional  
7           funding to the Department of Housing and Community Development for the  
8           Vermont Rental Housing Improvement Program.

9                                                                 \* \* \* Effective Date \* \* \*

10          Sec. 37. 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.