

1 Introduced by Senator Ram Hinsdale

2 Referred to Committee on

3 Date:

4 Subject: Housing; land use; municipal zoning; Act 250; Human Rights

5 Commission

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

9 An act relating to housing opportunities made for everyone

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

11 \* \* \* Municipal Zoning \* \* \*

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

13 § 4414. ZONING; PERMISSIBLE TYPES OF REGULATIONS

14 \* \* \*

15 (4) Parking and loading facilities. A municipality may adopt provisions  
16 setting forth standards for permitted and required facilities for off-street  
17 parking and loading, which may vary by district and by uses within each  
18 district. However, a municipality shall not require more than one parking  
19 space per dwelling unit or accessory dwelling unit. These bylaws may also  
20 include 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 ~~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 service that allows residential development, multiunit dwellings with  
2 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           (12) In any district served by municipal sewer and water infrastructure  
2           that allows residential development, bylaws shall establish lot and building  
3           dimensional standards that allow five or more dwelling units per acre for  
4           allowed residential uses, and density standards for multiunit dwellings shall be  
5           more restrictive than those required for single-family dwellings.

6           (13) In any district served by municipal sewer and water infrastructure that  
7           allows residential development, any mixed use developments and affordable  
8           housing developments, as defined in section 4303(2) of this title, may exceed  
9           density limitations for residential developments by an additional 20 percent,  
10           provided that the structure complies with the Vermont Fire and Building Safety  
11           Code.

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

14           (15)(A) For purposes of this section, “served by municipal water and sewer  
15           infrastructure” means:

16                   (i) that residential connections and expansions are available to  
17           municipal water and direct and indirect discharge wastewater systems and not  
18           prohibited by:

19                           (I) State regulations or permits;

20                           (II) identified capacity constraints; or

21                           (II) municipally adopted service and capacity agreements; or

1 (ii) areas established by the municipality by ordinance or bylaw

2 that:

3 (I) exclude flood hazard or inundation areas as established by

4 statute, river corridors or fluvial erosion areas as established by statute,

5 shorelands, and wherever year-round residential development is not allowed;

6 (II) reflect identified service limits established by State

7 regulations or permits, identified capacity constraints, or municipally adopted

8 service and capacity agreements;

9 (III) exclude areas served by water and sewer to address an

10 identified community -scale public health hazard or environmental hazard;

11 (IV) exclude areas serving a mobile home park that is not

12 within an area planned for year-round residential growth;

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

14 (VI) exclude areas where service lines are located to serve the

15 areas described in subdivisions (III)-(V) above, but no connections or

16 expansions are permitted; or

17 (VII) modify the zoning provisions allowed under this chapter

18 in areas served by indirect discharge designed for less than 100,000 gallons per

19 day.

20 (B) Municipally adopted areas served by municipal water and sewer

21 infrastructure that limit water and sewer connections and expansions shall not

1 result in the unequal treatment of housing by discriminating against a year-  
2 round residential use or housing type otherwise allowed in this chapter.

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

4 § 4413. LIMITATIONS ON MUNICIPAL BYLAWS

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

11 (A) State- or community-owned and ~~operated~~ operated institutions  
12 and facilities;

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

15 (C) churches and other places of worship, convents, and parish  
16 houses;

17 (D) public and private hospitals;

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

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

1           (G) emergency shelters.

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

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

12   \* \* \*

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

14           § 4303. DEFINITIONS

15           The following definitions shall apply throughout this chapter unless the  
16           context otherwise requires:

17   \* \* \*

18           (38) “Accessory dwelling unit” has the same meaning as defined in  
19           section 4412(E) of this title.

20           (39) “**Duplex**” means a residential building that has two dwelling units  
21           in the same building and is not an accessory dwelling unit.

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

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

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

8           § 4441. PREPARATION OF BYLAWS AND REGULATORY TOOLS;

9                           AMENDMENT OR REPEAL

10   \* \* \*

11           (c) When considering an amendment to a bylaw, the planning commission  
12           shall prepare and approve a written report on the proposal. A single report  
13           may be prepared so as to satisfy the requirements of this subsection concerning  
14           bylaw amendments and subsection 4384(c) of this title concerning plan  
15           amendments. ~~The Department of Housing and Community Development shall~~  
16           ~~provide all municipalities with a form for this report.~~ The report shall provide  
17           a brief explanation of the proposed bylaw, amendment, or repeal and shall  
18           include a statement of purpose as required for notice under section 4444 of this  
19           title; and shall include findings regarding how the proposal:



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

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

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

8 \* \* \*

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

12 (1) confirms that all changes to zoning districts have been uploaded to  
13 the Vermont Open Geodata Portal;

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

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

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

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

2 § 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

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

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

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

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

19 (3) A person owning or occupying property in the immediate  
20 neighborhood of a property that is the subject of any decision or act taken  
21 under this chapter, who can demonstrate a physical or environmental impact on

1 the person’s interest under the criteria reviewed, and who alleges that the  
2 decision or act, if confirmed, will not be in accord with the policies, purposes,  
3 or terms of the plan or bylaw of that municipality. (b) For the purposes of this  
4 chapter, an interested person means any one of the following:

5 ~~(4) Any ten persons who may be any combination of voters or real~~  
6 ~~property owners within a municipality listed in subdivision (2) of this~~  
7 ~~subsection who, by signed petition to the appropriate municipal panel of a~~  
8 ~~municipality, the plan or a bylaw of which is at issue in any appeal brought~~  
9 ~~under this title, allege that any relief requested by a person under this title, if~~  
10 ~~granted, will not be in accord with the policies, purposes, or terms of the plan~~  
11 ~~or bylaw of that municipality. This petition to the appropriate municipal panel~~  
12 ~~must designate one person to serve as the representative of the petitioners~~  
13 ~~regarding all matters related to the appeal.~~

14 ~~(5)~~ Any department and administrative subdivision of this State owning  
15 property or any interest in property within a municipality listed in subdivision  
16 (2) of this subsection, and the Agency of Commerce and Community  
17 Development of this State.

18 \* \* \*



1 bylaws, pursuant to subsection (a) of this section, and that approval is endorsed  
2 in writing on the plat, or the certificate of the clerk of the municipality showing  
3 the failure of the appropriate municipal panel to take action within the 45-day  
4 period is attached to the plat and filed or recorded with the plat. After that  
5 filing or recording, the plat shall be a part of the official map of the  
6 municipality.

7 \* \* \*

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

9 § 4418. SUBDIVISION BYLAWS

10 \* \* \*

11 (2) Subdivision bylaws may include:

12 (A) ~~Provisions~~ provisions allowing the appropriate municipal panel  
13 to waive or modify, subject to appropriate conditions, the provision of any or  
14 all improvements and requirements as in its judgment of the special  
15 circumstances of a particular plat or plats are not requisite in the interest of the  
16 public health, safety, and general welfare, or are inappropriate because of  
17 inadequacy or lack of connecting facilities adjacent or in proximity to the  
18 subdivision;

19 (B) ~~Procedures~~ procedures for conceptual, preliminary, partial, and  
20 other reviews preceding submission of a subdivision plat, including any  
21 administrative reviews;

1 (C) ~~Specific~~ specific development standards to promote the  
2 conservation of energy or to permit the utilization of renewable energy  
3 resources, or both;

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

5 (E) provisions to allow the administrative officer to approve  
6 subdivisions.

7 \* \* \* Appeals \* \* \*

8 Sec. 9. 24 V.S.A. § 4471 is amended to read:

9 § 4471. APPEAL TO ENVIRONMENTAL DIVISION

10 \* \* \*

11 (e) ~~Neighborhood development area~~ Designated areas. Notwithstanding  
12 subsection (a) of this section, a determination by an appropriate municipal  
13 panel that a residential development will not result in an undue adverse effect  
14 on the character of the area affected shall not be subject to appeal if the  
15 ~~determination is that a proposed residential development~~ seeking conditional  
16 use approval under subdivision 4414(3) of this title is within a designated  
17 downtown development district, designated growth center, ~~designated Vermont~~  
18 neighborhood, or designated neighborhood development area seeking  
19 ~~conditional use approval will not result in an undue adverse effect on the~~  
20 ~~character of the area affected under subdivision 4414(3) of this title.~~ Other

1 elements of the determination made by the appropriate municipal panel may be  
2 appealed.

3 \* \* \* By Right \* \* \*

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

5 (b) Decisions.

6 \* \* \*

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

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

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

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

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

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

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

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

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

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

12           § 4348a. ELEMENTS OF A REGIONAL PLAN

13                   (a) A regional plan shall be consistent with the goals established in section  
14           4302 of this title and shall include the following:

15   \* \* \*

16                   (9) A housing element that identifies the regional and community-level  
17           need for housing for all economic groups in the region and communities that  
18           will result in an adequate supply of building code and energy code compliant  
19           homes where most households spend no more than 30 percent of their income  
20           on housing and no more than 15 percent on transportation. To establish  
21           housing needs, the Department of Housing and Community Development shall



1 publish statewide and regional housing targets or ranges as part of the  
2 Statewide Housing Needs Assessment. In establishing the identified need, due  
3 consideration shall be given to The regional planning commission shall consult  
4 the Statewide Housing Needs Assessment; current and expected demographic  
5 data; the current location, quality, types and cost of housing; other local studies  
6 related to housing needs; and data gathered pursuant to subsection 4382(c) of  
7 this title. If no such data has been gathered, the regional planning commission  
8 shall gather it. The regional planning commission’s assessment shall estimate  
9 the total needed housing investments in terms of price; quality; unit size or  
10 type; zoning district as applicable; and shall disaggregate regional housing  
11 targets or ranges by municipality. The housing element shall include a set of  
12 recommended actions to satisfy the established needs.

13 \* \* \*

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

15 § 4382. THE PLAN FOR A MUNICIPALITY

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

20 \* \* \*

1           (10) A housing element that shall include a recommended program for  
2           addressing low and moderate income persons’ public and private actions to  
3           address housing needs as identified by the regional planning commission  
4           pursuant to subdivision 4348a(a)(9) of this title. The program should include  
5           specific actions to address low and moderate income persons’ housing needs  
6           and account for permitted accessory dwelling units, as defined in subdivision  
7           4412(1)(E) of this title, which provide affordable housing as well as any  
8           material impact of short term rental units.

9                                   \* \* \* Energy Codes \* \* \*

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

11           (a) The mayor and board of aldermen of a city, the selectboard of a town,  
12           or the trustees of an incorporated village, may, in accordance with this chapter,  
13           establish codes and regulations for the construction, maintenance, repair, and  
14           alteration of buildings and other structures within the municipality. Such  
15           codes and regulations may include provisions relating to building materials,  
16           structural design, passageways, stairways and exits, heating systems, fire  
17           protection procedures, and such other matters as may be reasonably necessary  
18           for the health, safety, and welfare of the public, but excluding electrical  
19           installations subject to regulation under 26 V.S.A. chapter 15. Any energy  
20           codes and regulations adopted after July 1, 2023 shall not be more restrictive  
21           than the Residential Building Energy Standards or the stretch code adopted

1 under 30 V.S.A. § 51 or the Commercial Building Energy Standards adopted  
2 under 30 V.S.A. § 53, except where enabled by a municipal charter.  
3 Municipalities may enact more stringent local residential building energy  
4 standards only for homes that are larger than 1,800 square feet per unit if the  
5 municipality receives approval by the Department of Public Service that the  
6 municipality followed 30 V.S.A. § 51(c)(1) and (2). Municipalities may enact  
7 more stringent local commercial building energy standards only for homes that  
8 are larger than 1,800 square feet per unit, if the municipality receives approval  
9 by the Public Service Department that the municipality followed 30 V.S.A. §  
10 53(c)(1) and (2).

11 Sec. 14. APPROPRIATION

12 The sum of \$750,000.00 is appropriated in fiscal year 2024 from the  
13 General Fund to the Municipal and Regional Planning Fund.

14 Sec. 15. HOUSING RESOURCE NAVIGATOR FOR REGIONAL  
15 PLANNING COMMISSIONS

16 (a) The Vermont Association of Planning and Development Agencies shall  
17 hire Housing Resource Navigators, to work with municipalities, local housing  
18 organizations and private developers to identify housing opportunities, match  
19 communities with funding resources, and provide project management support.



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

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

4    \* \* \*

5                                (ix) Notwithstanding subdivision (iv) of this subdivision (3)(A),  
6        the construction of improvements in a designated downtown, village center,  
7        and designated neighborhood development area for a housing project or  
8        mixed-use development, with 25 or more units, constructed or maintained on a  
9        tract or tracts of land, owned or controlled by a person.

10    \* \* \*

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

12    \* \* \*

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

15    \* \* \*

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

17    \* \* \*

18                                (iv) A tract or tracts of land, owned or controlled by a person, that  
19        the person has partitioned or divided for the purpose of resale into 15 or more  
20        lots located within a designated downtown, village center, and designated  
21        neighborhood development area.

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\* \* \*

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

Sec. 17. 10 V.S.A. § 6081(p) is amended to read:

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

**\* \* \* Act 250 Release from Jurisdiction for Commercial to Residential \* \* \***

**TWO OPTIONS**

**Sec. 17a. 10 V.S.A. § 6081 is amended to read:**

§ 6081. PERMITS REQUIRED; EXEMPTIONS

\* \* \*

(y) No permit amendment is required for the construction of improvements for less than 24 units of housing.

**Sec. 17b. 10 V.S.A. § 6090 is amended to read:**

§ 6090. RECORDING; DURATION AND REVOCATION OF PERMITS

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\* \* \*

(c) Change to nonjurisdictional use; release from permit.

(1) On an application signed by each permittee, the District Commission may release land subject to a permit under this chapter from the obligations of that permit and the obligation to obtain amendments to the permit and from jurisdiction under this chapter on finding each of the following:

(A) The use of the land as of the date of the application is not the same as the use of the land that caused the obligation to obtain a permit under this chapter.

(B) The use of the land as of the date of the application is for less than 20 units of housing and would not require a permit or permit amendment but for the fact that the land is already subject to a permit under this chapter.

(C) The permittee or permittees are in compliance with the permit and their obligations under this chapter.

(2) It shall be a condition of each affirmative decision under this subsection that a subsequent proposal of a development or subdivision on the land to which the decision applies shall be subject to this chapter as if the land had never previously received a permit under the chapter.

(3) An application for a decision under this subsection shall be made on a form prescribed by the Board. The form shall require evidence demonstrating that the application complies with subdivisions (1)(A) through

1 (C) of this subsection. The application shall be processed in the manner  
2 described in section 6084 of this title and may be treated as a minor application  
3 under that section. In addition to those required to be notified under section  
4 6084, the District Commission shall send notice at the same time to all other  
5 parties to the permit and to all current adjacent landowners.

6 \* \* \* Covenants \* \* \*

7 Sec. 18. 27 V.S.A. § 545 is amended to read:

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

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

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

16 (c) This section shall not affect the enforceability of any property interest  
17 held in whole or in part by a qualified organization or State agency as defined  
18 in 10 V.S.A. § 6301a, including any restrictive easements, such as  
19 conservation easements and historic preservation rights and interests defined in  
20 10 V.S.A. § 822. This section shall not affect the enforceability of any  
21 property interest that is restricted by a housing subsidy covenant as defined by



1 section 610 of this title and held in whole or in part by an eligible applicant as  
2 defined in 10 V.S.A. § 303(4) or the Vermont Housing Finance Agency.

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

4 Sec. 19. 27 V.S.A. § 617 is added to read:

5 § 617. DISCLOSURE OF CLASS 4 ROAD

6 (a) Disclosure of maintenance on class 4 highway. Any property owner  
7 who sells property located on a class 4 highway or legal trail shall disclose to  
8 the buyer that the municipality is not required to maintain the highway or trail  
9 as described in 19 V.S.A. § 310.

10 (b) Marketability of title. Noncompliance with the requirements of this  
11 section shall not affect the marketability of title of a property.

12 \* \* \* Grand List \* \* \*

13 Sec. 20. 32 V.S.A. § 4152(a)(3) is amended to read:

14 (3) A brief description of each parcel of taxable real estate in the town.  
15 “Parcel” means all contiguous land in the same ownership, together with all  
16 improvements thereon, including the number of residential dwelling units.

17 \* \* \* Wastewater Connection Permits \* \* \*

18 Sec. 21. 10 V.S.A. § 1974 is amended to read:

19 § 1974. EXEMPTIONS

20 Notwithstanding any other requirements of this chapter, the following  
21 projects and actions are exempt:

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\* \* \*

(9) A project completed by a person who receives an authorization from a municipality that administers a program registered with the Secretary pursuant to section 1983 of this title.

Sec. 22. 10 V.S.A. § 1983 is added to read:

§ 1983. AUTHORIZATION FOR MUNICIPAL WASTEWATER SYSTEM AND POTABLE WATER SUPPLY CONNECTIONS

(a) A municipality may issue an authorization for a connection or an existing connection with a change in use to the municipal sanitary sewer collection line via a sanitary sewer service line or a connection to a water main via a new water service line in lieu of permits issued under this chapter, provided that the municipality documents the following in a form prescribed by the Secretary:

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

(2) The municipality shall only issue authorizations for:

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

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

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

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

6           (5) The municipality requires documentation issued by a professional  
7           engineer or licensed designer that is filed in the land records that the  
8           connection authorized by the municipality was installed in accordance with the  
9           technical standards.

10           (6) The municipality requires the authorization to be filed in the land  
11           records.

12           (7) The municipality requires the retention of plans that show the  
13           location and design of authorized connections.

14           (b) The municipality shall notify the Secretary 30 days in advance of  
15           terminating any authorization. The municipality shall provide all  
16           authorizations and plans to the Secretary as a part of this termination notice.

17           (c) A municipality issuing an authorization under this section shall require  
18           the person to whom the authorization is issued to post notice of the  
19           authorization as part of the notice required for a permit issued under 24 V.S.A.  
20           § 4449 or other bylaw authorized under this chapter.



1 (a) shall make the entire building a “public building” for purposes of this  
2 subsection.

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

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

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

12 \* \* \*

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

15 \* \* \*

16 [Alternative Language Proposed by Division of Fire Safety]

17 Sec. 23. 20 V.S.A. § 2730 is amended to read:

18 § 2730. DEFINITIONS

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

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

4 \* \* \*

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

7 \* \* \*

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

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

11 \* \* \*

12 (4) ~~A single-family~~ An owner-occupied single-family residence with an  
13 accessory dwelling unit as permitted under 24 V.S.A. § 4412(1)(E), unless  
14 used for the purpose described in subdivision (1)(D) of subsection (a) of this  
15 section.

16 \* \* \*

17 \* \* \*Enforcement \* \* \*

18 Sec. 24. HUMAN RIGHTS COMMISSION; POSITION; APPROPRIATION

19 (a) One new full-time, exempt litigator position is created in the Human  
20 Rights Commission.



1 identifies and examines provisions from other jurisdictions’ fire and life safety  
2 codes for residential buildings that:

3 (1) would facilitate in Vermont:

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

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

6 (C) both; and

7 (2) could be incorporated into the Vermont Fire and Building Safety  
8 Code.

9 (b) The report shall include recommendations for any legislative action  
10 necessary to enable the identified provisions to be incorporated into Vermont’s  
11 Fire and Building Safety Code.

12 \* \* \* Single-Room Occupancy \* \* \*

13 Sec. 28. SINGLE-ROOM OCCUPANCY

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 funding to the  
16 Department of Housing and Community Development to design and  
17 implement a pilot program to provide matching funds for the new development  
18 or redevelopment of single-room occupancy facilities.

19 \* \* Risk Mitigation Pool \* \* \*

20 Sec. 29. RISK POOL FUNDING



1       Of the amounts available from State funds and federal COVID-19 relief  
2       funds, it is the intent of the General Assembly:

3       (1) to appropriate funding to the Agency of Human Services to provide  
4       additional support for housing risk pools and housing mitigation funds; and

5       (2) to appropriate \$1,500,000 to the Department of Housing and  
6       Community Development to provide funding on behalf of tenants for rental  
7       arrears and prevent eviction for nonpayment of rent if such funding will  
8       preserve a tenancy.

9                   \* \* \* Employer Housing Partnership \* \* \*

10       Sec. 30. [Reserved.]

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

12       Sec. 31. [Reserved.]

13                   \* \* \* HomeShare \* \* \*

14       Sec. 32. HOMESHARING OPPORTUNITIES; APPROPRIATION

15       In fiscal year 2024 the amount of \$200,000.00 is appropriated from the  
16       General Fund to the Department of Housing and Community Development  
17       funding to expand home-sharing opportunities and positions serving central  
18       and southern Vermont.

19                   \* \* \* Mobile Homes and Mobile Home Parks \* \* \*

20       Sec. 33. MOBILE HOMES; MOBILE HOME PARKS; APPROPRIATION



1           DEVELOPMENT PROGRAM

2           (a) The Vermont Housing Finance Agency shall establish a Missing  
3           Middle-Income Homeownership Development Program pursuant to this  
4           section.

5           (b) As used in this section:

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

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

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

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

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

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

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

9                   (B) the subsidy is subject to a housing subsidy covenant, as defined  
10                  in 27 V.S.A. § 610, that preserves the affordability of the home for a period of  
11                  99 years or longer.

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

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

17                          (1) project location;

18                          (2) geographic distribution;

19                          (3) leveraging of other programs;

20                          (4) housing market needs;

1           (5) project characteristics, including whether the project includes the use  
2 of existing housing as part of a community revitalization plan;

3           (6) construction standards, including considerations for size;

4           (7) priority for plans with deeper affordability and longer duration of  
5 affordability requirements;

6           (8) sponsor characteristics;

7           (9) energy efficiency of the development; and

8           (10) historic nature of the project.

9           (f)(1) When designing and implementing the program, the Agency shall  
10 consult experts in the field and stakeholders to inform the design of the  
11 program.

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

14           (3) The program design shall establish:

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

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

20           (i) geographic location;

21           (ii) community size; and

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

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

4                    (A) that grant funds awarded are targeted to the geographic  
5                    communities or regions with the most pressing economic and employment  
6                    needs; and

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

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

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

18                   Sec. 37. MISSING MIDDLE-INCOME HOMEOWNERSHIP;

19                   APPROPRIATION

1 In fiscal year 2024 the amount of \$5,000,000.00 is appropriated from the  
2 General Fund to the Vermont Housing Finance Agency for the Missing  
3 Middle-Income Homeownership Development Program.

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

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

6 § 629A. MIDDLE-INCOME RENTAL HOUSING REVOLVING LOAN  
7 PROGRAM

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

12 (b) Loans; eligibility; criteria.

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

17 (2) To be eligible for a subsidized loan through the Program, a project  
18 shall create two or more new rental housing units, which may include market  
19 rate and affordable units, provided that at least 25 percent of the units in the  
20 project are affordable to a household earning between 65 and 120 percent of  
21 the applicable area median income. Projects may include new construction,

1 acquisition with substantial rehabilitation, and preservation of naturally  
2 occurring affordable housing.

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

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

7 (A) 35 percent of the costs of the project allocable to the affordable  
8 units; or

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

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

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

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

17 (A) a lower interest rate;

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

19 (C) partial loan forgiveness.

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



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

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

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

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

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

14           (c) Program design.

15           (1) When designing and implementing the program, the Agency shall  
16           consult experts in the field and stakeholders to inform the design of the  
17           program.

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

20           (3) The program design shall establish:

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

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

6                   (i) geographic location;

7                   (ii) community size; and

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

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

11                   (A) that grant funds awarded are targeted to the geographic  
12           communities or regions with the most pressing economic and employment  
13           needs; and

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

16           (d) Revolving funds; costs of administration.

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

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

1       Sec. 39. MIDDLE-INCOME RENTAL HOUSING; APPROPRIATION

2               In fiscal year 2024 the amount of \$15,000,000.00 is appropriated from the  
3               General Fund to the Vermont Housing Finance Agency to implement the  
4               Middle-Income Rental Housing Revolving Loan Program created in 10 V.S.A.  
5               § 629.

6                       \* \* \* Vermont Rental Housing Improvement Program \* \* \*

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

8       § 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

9               (a) Creation of Program.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1           (B) If, upon petition of the landlord, the Department or the housing  
2 organization that issued the grant determines that a household exiting  
3 homelessness is not available to lease the unit, then the landlord shall lease the  
4 unit:

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

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

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

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

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

17           (B) A landlord who converts a grant to a forgivable loan shall receive  
18 a 10-percent credit for loan forgiveness for each year in which the landlord  
19 participates in the grant program.

20           (f) Requirements applicable to forgivable loans. For a forgivable loan  
21 awarded under subdivision (b)(1) of this section for a unit that is non-code

1 compliant, the following requirements apply for a minimum period of 10  
2 years:

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

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

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

11 (g) Requirements for an accessory dwelling unit.

12 (4) For a grant or forgivable loan awarded under subdivision (b)(2) of  
13 this section for a unit that is a new accessory dwelling unit,;

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

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

19 (2) period of years for grants and for loans?

20 (3) requirement that dwelling unit to which ADU is subordinate remain  
21 owner-occupied for a period of years?

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

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

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

9 Sec. 41. VHIP; APPROPRIATION

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

13 Sec. 42. VERMONT HOUSING & CONSERVATION BOARD;  
14 APPROPRIATION

15 In fiscal year 2024 the amount of \$15,000,000.00 is appropriated from the  
16 General Fund to the Vermont Housing and Conservation Board to provide  
17 affordable mixed-income income rental housing and homeownership units;  
18 improvements to manufactured homes and communities; recovery residences;  
19 and, if determined eligible, housing available to farm workers and refugees.  
20 VHCB shall also use the funds for shelter and permanent homes for those



1 experiencing homelessness in consultation with the Secretary of Human  
2 Services.

3 \* \* \* Effective Date \* \* \*

4 Sec. 43. EFFECTIVE DATES

5 This act shall take effect on July 1, 2023, except that Secs. 1 (24 V.S.A.  
6 § 4414), 2 (24 V.S.A. § 4412) except for subdivision (D), 3 (24 V.S.A.  
7 § 4413), and 4 (24 V.S.A. § 4303) shall take effect on December 1, 2024.