

1 S.328

2 An act relating to housing and common interest communities

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

4 \* \* \* Common Interest Community Resources \* \* \*

5 Sec. 1. 3 V.S.A. § 119 is added to read:

6 § 119. COMMON INTEREST COMMUNITY RESOURCES

7 The Secretary of State shall provide on its website or otherwise distribute to  
8 the public information about Vermont's common interest communities. This  
9 information shall include the governing statutes.

10 \* \* \* Service-Supported Housing \* \* \*

11 Sec. 2. 3 V.S.A. § 3098 is added to read:

12 § 3098. SERVICE-SUPPORTED HOUSING ADVISORY COUNCIL

13 (a) The Service-Supported Housing Advisory Council is created for the  
14 purpose of identifying opportunities for increased alignment between human  
15 services programs and policies serving individuals who receive Medicaid-  
16 funded Developmental Disability Services and housing capital and support  
17 services programs.

18 (b) The Advisory Council shall be overseen by the Department of  
19 Disabilities, Aging, and Independent Living and shall be composed of the  
20 following individuals:

21 (1) one member, appointed by the Vermont Housing and Conservation  
22 Board;

1           (2) the Secretary of Human Services or designee;

2           (3) the Commissioner of Disabilities, Aging, and Independent Living or  
3 designee;

4           (4) the State Treasurer or designee;

5           (5) the Commissioner of Housing and Community Development or  
6 designee;

7           (6) two members, appointed by the Developmental Disabilities Housing  
8 Initiative;

9           (7) the Executive Director of the Vermont Developmental Disabilities  
10 Council or designee;

11           (8) two members, appointed by Green Mountain Self-Advocates; and

12           (9) one member, appointed by Vermont Care Partners.

13           (c)(1) The Advisory Council shall meet at least monthly.

14           (2) The Commissioner of Disabilities, Aging, and Independent Living  
15 shall convene the first meeting of the Advisory Council, during which the  
16 Advisory Council shall elect a chair from among its members.

17           (d) The Advisory Council shall have the administrative, technical, and legal  
18 assistance of the Department of Disabilities, Aging, and Independent Living.

19           (e) When requested by the Vermont Housing and Conservation Board, the  
20 Advisory Council shall provide advice to the Board regarding the expenditure  
21 of funds for the production of permanently affordable housing for individuals

1 who are eligible to receive Medicaid-funded Developmental Disability  
2 Services.

3 (f)(1) The Advisory Council shall report annually on or before November  
4 15 to the House Committees on General and Housing and on Human Services  
5 and the Senate Committees on Economic Development, Housing and General  
6 Affairs and on Health and Welfare regarding:

7 (A) administrative and programmatic reforms carried out to better  
8 align support-services and housing development programs and policies,  
9 including examples of projects or progress enabled by those changes;

10 (B) a housing needs assessment for individuals served by the  
11 Developmental Disabilities Services System of Care, including a summary of  
12 the number of units and an overview of the types of housing needed to support  
13 this population;

14 (C) activities undertaken pursuant to this section; and

15 (D) recommendations for future legislative action and funding  
16 sources, including actionable recommendations for changes in State laws or  
17 policies that are obstacles to the creation of housing needed by individuals who  
18 are eligible to receive Medicaid-funded Developmental Disability Services.

19 (2) The provisions of 2 V.S.A. § 20(d) (expiration of required reports)  
20 shall not apply to the annual report to be made under this subsection.

1       (g) Members of the Advisory Council who are not otherwise compensated  
2       for their time shall be entitled to per diem compensation as permitted under  
3       32 V.S.A. § 1010 for meetings of the Advisory Council. Payments to  
4       members of the Advisory Council authorized under this subsection shall be  
5       made from monies appropriated to the Department of Disabilities, Aging, and  
6       Independent Living's base budget.

7                   \* \* \* Vermont State Treasurer Credit Facility \* \* \*

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

9       § 10. VERMONT STATE TREASURER; CREDIT FACILITY FOR LOCAL  
10       INVESTMENTS

11       (a) Notwithstanding any provision of 32 V.S.A. § 433(a) to the contrary,  
12       the Vermont State Treasurer shall have the authority to establish a credit  
13       facility of up to ~~10~~ 12.5 percent of the State's average cash balance on terms  
14       acceptable to the Treasurer and consistent with prudent investment principles  
15       and guidelines pursuant to 32 V.S.A. § 433~~(b)~~ ~~(e)~~(b) and (c) and the Uniform  
16       Prudent Investor Act, 14A V.S.A. chapter 9.

17                   \* \* \*

18       (c) Notwithstanding any provision of 32 V.S.A. § 433(a) to the contrary,  
19       and in addition to the provisions of subsection (a) ~~or~~ of this section, the  
20       Vermont State Treasurer shall have the authority to establish a credit facility of  
21       up to two and one-half percent of the State's average cash balance on terms

1 acceptable to the Treasurer and consistent with prudent investment principles  
2 and guidelines pursuant to 32 V.S.A. § ~~433(b)-(e)~~ 433(b) and (c) and the  
3 Uniform Prudent Investor Act, 14A V.S.A. chapter 9. The Treasurer may use  
4 amounts available under this subsection only to provide financing for climate  
5 infrastructure and resilience projects and may modify the terms of such  
6 financing in the Treasurer's discretion as is necessary to protect the ~~interest~~  
7 interests of the State.

8 (d)(1) Annually, on or before November 15, the Treasurer shall submit a  
9 report detailing the activities, financing, and accounting of any credit facilities  
10 created pursuant to ~~subsection (e)~~ of this section during the preceding calendar  
11 year to the Governor; the House Committees on Appropriations, on Commerce  
12 and Economic Development, and on Ways and Means; and the Senate  
13 Committees on Appropriations, on Economic Development, Housing and  
14 General Affairs, and on Finance.

15 (2) The provisions of 2 V.S.A. § 20(d) (expiration of required reports)  
16 shall not apply to the annual report to be made under this subsection.

17 \* \* \* Off-Site Construction Accelerator Pilot \* \* \*

18 Sec. 4. OFF-SITE CONSTRUCTION ACCELERATOR PILOT

19 (a)(1) The Office of the State Treasurer may develop and administer a pilot  
20 demonstration project that explores the possibility of reducing housing  
21 development costs through modular construction.

1           (2) The Treasurer may utilize requests for information or requests for  
2           proposal to identify participating modular construction manufacturers and  
3           developers and to determine manufacturer and developer needs and priorities.

4           (3) In contracting with a manufacturer or developer under this pilot  
5           program, the State Treasurer shall be exempt from the requirements of 3  
6           V.S.A. chapter 14.

7           (4) In order to fund off-site constructed housing under the pilot program  
8           authorized by this section, the Treasurer may utilize funds authorized under 10  
9           V.S.A. § 10 subject to the requirements of that section.

10          (b) The pilot may consider the following elements:

11           (1) bulk purchasing for a single development or aggregation of multiple  
12           developments;

13           (2) creating a loan loss reserve for construction loans;

14           (3) utilization of off-site construction, including panelized or volumetric  
15           modular construction; and

16           (4) establishing a statewide procurement consortium for bulk orders of  
17           modular units and materials.

18          (c)(1) As part of the pilot, the Office of the State Treasurer may identify the  
19          feasibility of the State providing a guarantee or other device to facilitate bulk  
20          purchasing of the off-site construction of homes.



1 manufactured primarily out of State, and except further that an eligible facility  
2 or project shall not include the portion of an enterprise or endeavor relating to  
3 housing unless otherwise authorized in this chapter. Such enterprises or  
4 endeavors may include:

5 \* \* \*

6 (U) After consultation with, and with deference to, the Vermont  
7 Housing Finance Agency on applications that are eligible for financing from  
8 both the Authority and the Agency, multiunit housing developments of five or  
9 more units when requested by, and jointly financed with, a financing lender,  
10 except that the Authority shall not finance portions or phases of a multiunit  
11 housing development that:

12 (i) the Agency determines is being primarily developed for  
13 occupancy by persons and families of low and moderate income as defined in  
14 subdivision 601(11) of this title; or

15 (ii) utilizes funding issued by the Agency, whether in the form of  
16 debt or tax credits.

17 \* \* \*

18 \* \* \* Vermont Housing Finance Agency \* \* \*

19 Sec. 5a. INTENT TO CODIFY RENTAL HOUSING REVOLVING LOAN  
20 PROGRAM



1 application process that is accessible to small developers, builders, and  
2 contractors.

3 (2)(A) To be eligible for a subsidized loan through the Program, a  
4 project shall create two or more new rental housing units, which may include  
5 market rate and affordable units, provided that at least 25 percent of the units  
6 in the project are affordable to a household earning up to 150 percent of the  
7 applicable area median income.

8 (B) Projects may include new construction, acquisition with  
9 substantial rehabilitation, and preservation of naturally occurring affordable  
10 housing.

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

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

15 (i) 35 percent of the costs of the project allocable to the affordable  
16 units; or

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

18 (I) \$150,000.00 per unit for each unit that is affordable to a  
19 household earning up to 80 percent of area median income; and

20 (II) \$100,000.00 per unit for each unit that is affordable to a  
21 household earning from 81 to 150 percent of area median income.

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

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

8                   (A) a lower interest rate;

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

10                  (C) partial loan forgiveness.

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

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

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

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

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

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

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

4                           (i) seven years; or

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

6                   (B) during the affordability period determined pursuant to  
7           subdivision (A) of this subdivision (7), the annual increase in rent for a  
8           subsidized unit does not exceed three percent or an amount otherwise  
9           authorized by the Agency.

10           (c) Program design.

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

13                   (2) The Program shall include:

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

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

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

20                                   (i) geographic distribution;

21                                   (ii) community size;



1 General and Housing and the Senate Committee on Economic Development,  
2 Housing and General Affairs regarding the following:

3 (1) separately, the number of units funded and the number of units  
4 rehabilitated through grants, through a five-year forgivable loan, and through a  
5 10-year forgivable loan;

6 (2) for grants and five-year forgivable loans, for the first year after the  
7 expiration of the lease requirements outlined in subdivision (e)(2)(A) of this  
8 section, whether the unit is still occupied by a tenant who meets the  
9 qualifications of that subdivision;

10 (3) for each program, for the first year after the expiration of the  
11 applicable lease requirements outlined in this section, the amount of rent  
12 charged by the landlord and how that rent compares to fair market rent  
13 established by the Department of Housing and Urban Development; and

14 (4) the rate of turnover for tenants housed utilizing grants or five-year  
15 forgivable loans and 10-year forgivable loans separately.

16 \* \* \* Special Assessment Bonds \* \* \*

17 Sec. 7. 24 V.S.A. § 3257 is added to read:

18 § 3257. SPECIAL ASSESSMENT BONDS

19 (a) Upon approval of the legislative body of the municipality and subject to  
20 subsection (c) of this section, a municipality may issue revenue bonds for the  
21 purpose of financing a public improvement for the benefit of the limited area

1 of the municipality to be served by the improvement. A revenue bond issued  
2 under this section is issued for an essential and governmental purpose.

3 (b) A revenue bond issued pursuant to this section shall be payable solely  
4 and exclusively from the special assessments levied on the properties to be  
5 served by the improvement and shall not constitute general indebtedness of the  
6 municipality. No holder of a bond issued under this section shall have the right  
7 to compel any exercise of the taxing power of the municipality to pay on the  
8 bond.

9 (c) The municipality may issue a revenue bond pursuant to this section only  
10 if one or more of the following conditions are met:

11 (1) one of the following entities provides a commitment letter for the  
12 issuance:

13 (A) the Vermont Bond Bank;

14 (B) a bank regulated by the Federal Deposit Insurance Corporation,  
15 the Office of the Comptroller of the Currency, or the Federal Reserve Board;

16 or

17 (C) a credit union regulated by the National Credit Union  
18 Administration; or

19 (2) a nationally recognized statistical rating organization that has an  
20 active U.S. public finance practice rates the issuance at a minimum credit  
21 rating of BBB or equivalent.

1 Sec. 7a. 24 V.S.A. § 1896(c) is amended to read:

2 (c) Notwithstanding any charter provision or other provision, all property  
3 taxes assessed within a district shall be subject to the provision of subsection  
4 (a) of this section. Special assessments levied under chapters 76A or 87 of this  
5 title or under a municipal charter shall not be considered property taxes for the  
6 purpose of this section if the proceeds are used exclusively for operating  
7 expenses related to properties within the district, and not for improvements  
8 within the district, as defined in subdivision 1891(4) of this title, or if the  
9 special assessments secure a special assessment bond issued pursuant to  
10 section 3257 of this title.

11 Sec. 7b. 24 V.S.A. § 1910b(f) is amended to read:

12 (f) Notwithstanding any charter provision or other provision, all  
13 property taxes assessed within a housing development site shall be subject to  
14 the provisions of this section. Special assessments levied under chapter 76A or  
15 87 of this title or under a municipal charter shall not be considered property  
16 taxes for the purpose of this section if the proceeds are used exclusively for  
17 operating expenses related to properties within the housing development site  
18 and not for improvements within the housing development site or if the special  
19 assessments secure a special assessment bond issued pursuant to section 3257  
20 of this title.

\* \* \* Municipal Plans \* \* \*

Sec. 8. 24 V.S.A. § 4382 is amended to read:

§ 4382. THE PLAN FOR A MUNICIPALITY

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

\* \* \*

(10) A housing element that shall include a recommended program for public and private actions to address housing needs and targets as identified by the regional planning commission pursuant to subdivision 4348a(a)(9) of this title. The housing element shall also include an analysis of any regulatory, labor, and physical constraints preventing the development, redevelopment, or rehabilitation of sufficient housing to meet the housing needs and targets, and a description of what actions the municipality may take to accommodate the projected housing needs. The program shall use data on year-round and seasonal dwellings and include specific actions to address the housing needs of persons with low income and persons with moderate income and account for permitted residential development as described in section 4412 of this title. Progress toward the construction of the housing units identified as needed to meet projected housing targets shall be documented within the

1 housing element and updated as appropriate when the plan is amended or  
2 readopted according to section 4385 or 4387 of this title, as the case may be.

3 \* \* \*

4 \* \* \* Municipal Zoning \* \* \*

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

6 § 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

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

9 (1) Equal treatment of housing and required provisions for affordable  
10 housing.

11 \* \* \*

12 (B) Except as provided in subdivisions 4414(1)(E) and (F) of this  
13 title, no bylaw shall have the effect of excluding mobile homes, modular  
14 housing, manufactured housing, or prefabricated housing from any district that  
15 allows year-round residential development in the municipality, except upon the  
16 same terms and conditions as conventional housing is excluded. A  
17 municipality may establish specific site standards in the bylaws to regulate  
18 individual sites within preexisting mobile home parks with regard to distances  
19 between structures and other standards as necessary to ensure public health,  
20 safety, and welfare, provided the standards do not have the effect of  
21 prohibiting the replacement of mobile homes on existing lots.

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\* \* \*

(D) Bylaws shall designate appropriate districts and reasonable regulations for multiunit or multifamily dwellings. No bylaw shall have the effect of excluding these multiunit or multifamily dwellings from the municipality. In any district that allows year-round residential development, duplexes shall be ~~an allowed~~ a permitted use with dimensional standards that are not more restrictive than is required for a single-unit dwelling, including no additional land or lot area than would be required for a single-unit dwelling. In any district that is served by municipal sewer and water infrastructure that allows residential development, multiunit dwellings with four or fewer units shall be a permitted use on the same size lot as a single-unit dwelling, ~~unless that district specifically requires multiunit structures to have more than four dwelling units.~~

(E) Except for flood hazard and fluvial erosion area bylaws adopted pursuant to section 4424 of this title, no bylaw shall have the effect of excluding as a permitted use one accessory dwelling unit that is located within or appurtenant to a single-family dwelling ~~on an owner-occupied lot~~. A bylaw shall require a single-family dwelling with an accessory dwelling unit to be subject to the same review, dimensional, or other controls as required for a single-family dwelling without an accessory dwelling unit. The criteria for conversion of an existing detached nonresidential building to habitable space

1 for an accessory dwelling unit shall not be more restrictive than the criteria  
2 used for a single-family dwelling without an accessory dwelling unit.

3 \* \* \*

4 (15) No bylaw shall require a duplex to be constructed on an owner-  
5 occupied lot.

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

7 § 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

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

10 (1) Equal treatment of housing and required provisions for affordable  
11 housing.

12 \* \* \*

13 (D) Bylaws shall designate appropriate districts and reasonable  
14 regulations for multiunit or multifamily dwellings. No bylaw shall have the  
15 effect of excluding these multiunit or multifamily dwellings from the  
16 municipality. In any district that allows year-round residential development,  
17 duplexes shall be a permitted use with dimensional standards that are not more  
18 restrictive than is required for a single-unit dwelling, including no additional  
19 land or lot area than would be required for a single-unit dwelling. In any  
20 district that is served by municipal sewer and water infrastructure that allows  
21 residential development, multiunit dwellings with four or fewer units shall be a

1 permitted use on the same size lot as a single-unit dwelling, unless that district  
2 specifically requires multiunit structures to have more than four dwelling units.

3 \* \* \*

4 (15) ~~No bylaw shall require a duplex to be constructed on an owner-~~  
5 ~~occupied lot.~~ [Repealed.]

6 \* \* \* State Community Investment Program \* \* \*

7 Sec. 9b. 24 V.S.A. § 5803 is amended to read:

8 § 5803. DESIGNATION OF DOWNTOWN AND VILLAGE CENTERS

9 \* \* \*

10 (f) Benefits Steps. A center may receive the benefits associated with the  
11 steps in this section by meeting the established requirements. The Department  
12 shall review applications from municipalities to advance from Step One to  
13 Two and from Step Two to Three and issue written decisions. The Department  
14 shall issue a written administrative decision within 30 days following an  
15 application. If a municipal application is rejected by the Department, the  
16 municipality may appeal the administrative decision to the State Board. To  
17 maintain a downtown approved under chapter 76A after December 31, 2026,  
18 the municipality shall apply for renewal following a regional planning  
19 approval by the LURB and meet the program requirements. Step Three  
20 designations that are not approved for renewal revert to Step Two. The  
21 municipality may appeal the administrative decision of the Department to the

1 State Board. Appeals of administrative decisions shall be heard by the State  
2 Board at the next meeting following a timely filing stating the reasons for the  
3 appeal. The State Board's decision is final. The Department shall issue  
4 guidance to administer these steps.

5 \* \* \*

6 (2) Step Two.

7 (A) Requirements. Step Two is established to create a mid-level  
8 designation for villages throughout the State to increase planning and  
9 implementation capacity for community-scale projects. A center reaches Step  
10 Two if it:

11 \* \* \*

12 (iv) a portion of the center is listed or eligible for listing in the  
13 National Register of Historic Places, unless recognized by the program as a  
14 preexisting designated new town center.

15 \* \* \*

16 (3) Step Three.

17 (A) Requirements. Step Three is established to create an advanced  
18 designation for downtowns throughout the State to create mixed-use centers  
19 and join the Vermont Downtown Program. A center reaches Step Three if the  
20 Department finds that it meets the following requirements:

21 \* \* \*



1 Sec. 11. VERMONT HOUSING AND CONSERVATION BOARD;

2 FARMWORKER HOUSING REPORT

3 On or before January 15, 2027, the Vermont Housing and Conservation  
4 Board shall submit a written report to the General Assembly with information  
5 on the progress made towards meeting the goals identified in the Farmworker  
6 Housing Needs Assessment of 2021. The report shall describe the farmworker  
7 housing program established by the Board following the initial report, evaluate  
8 the program's impact on farmworker housing in Vermont, and identify barriers  
9 to improving and expanding farmworker housing.

10 Sec. 12. DEPARTMENT OF HOUSING AND COMMUNITY

11 DEVELOPMENT; CORPORATE PURCHASE OF HOMES

12 REPORT

13 (a)(1) On or before November 15, 2026, the Department of Housing and  
14 Community Development shall submit a report to the House Committee on  
15 General and Housing and the Senate Committee on Economic Development,  
16 Housing and General Affairs with information on the purchase in Vermont of  
17 single- and two-family residences by institutional real estate investors. As part  
18 of the report, the Department shall provide the following information:

19 (A) bills introduced in other states implementing restrictions or  
20 limitations on the corporate purchase of single- or two-family residences;

1           (B) the number of covered entities operating in Vermont;

2           (C) the number of single- and two-family residences owned by  
3 covered entities in Vermont;

4           (D) the number of single- and two-family residences purchased by a  
5 covered entity in Vermont between 2020 and 2026; and

6           (E) proposed methods of enforcement to ensure effective  
7 implementation of any statutory restriction on the corporate purchase of single-  
8 or two-family residences.

9           (2) In the event the Department cannot provide the information required  
10 by subdivisions (1)(B)–(D) of this subsection, the Department shall identify  
11 methods of gathering the information for future use.

12           (b) As used in this section:

13           (1)(A) “Covered entity” means an institutional real estate investor or an  
14 entity that receives funding from an institutional real estate investor for the  
15 purchase of a single-family residence or two-family residence. A loan  
16 provided in exchange for a mortgage of the residence that is being purchased  
17 shall not be considered funding for the purposes of this subdivision (1),  
18 provided that such mortgage shall be of a type for which members of the  
19 general public can apply.

1           (B) “Covered entity” does not include:

2                   (i) an organization that is described in section 501(c)(3) of the  
3           Internal Revenue Code and exempt from tax under section 501(a) of the  
4           Internal Revenue Code;

5                   (ii) a land bank;

6                   (iii) a community land trust; or

7                   (iv) a creditor or its loan servicer acquiring ownership of real  
8           property in full or partial satisfaction of a secured debt.

9           (2)(A) “Institutional real estate investor” means an entity or combined  
10           group that, directly or indirectly:

11                   (i) owns 10 or more single-family residences or two-family  
12           residences, or both;

13                   (ii) manages or receives funds pooled from investors and acts as a  
14           fiduciary with respect to one or more investors; and

15                   (iii) has \$30,000,000.00 or more in net value or assets under  
16           management on any day during the taxable year.

17           (B) An entity is considered owning a single-family residence or two-  
18           family residence if it directly owns the single-family residence or two-family  
19           residence or indirectly owns 10 percent or more of the single-family residence  
20           or two-family residence.

1           (3) “Single-family residence” means a residential property consisting of  
2           one dwelling unit, provided that the term does not include:

3                   (A) any single-family residence that is to be used as the principal  
4                   residence of any person who has an ownership interest in the covered entity  
5                   that seeks to purchase the single-family residence; or

6                   (B) any single-family residence constructed, acquired, or operated  
7                   with federal, state, or local appropriated funding sources.

8           (4) “Two-family residence” means a residential property consisting of  
9           two dwelling units, provided that the term does not include:

10                   (A) any two-family residence in which one of the dwelling units is to  
11                   be used as the principal residence of any person who has an ownership interest  
12                   in the covered entity that seeks to purchase the two-family residence; or

13                   (B) any two-family residence constructed, acquired, or operated with  
14                   federal, State, or local appropriated funding sources.

15                   \* \* \* Fiscal Year 2024 Appropriation to VHCB \* \* \*

16           Sec. 13. [Deleted.]

17                   \* \* \* Effective Dates \* \* \*

18           Sec. 14. EFFECTIVE DATES

19           This act shall take effect on July 1, 2026, except that Sec. 9a shall take  
20           effect on January 1, 2028.