

1 S.328

2 An act relating to housing and common interest communities

3 The House proposes to the Senate to amend the bill by striking out all after  
4 the enacting clause and inserting in lieu thereof the following:

5 \* \* \* Common Interest Community Resources \* \* \*

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

7 § 119. COMMON INTEREST COMMUNITY RESOURCES

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

11 \* \* \* Service-Supported Housing \* \* \*

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

13 § 3098. SERVICE-SUPPORTED HOUSING ADVISORY COUNCIL

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

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

1           (1) one member, appointed by the Vermont Housing and Conservation

2 Board;

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

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

6           (4) the State Treasurer or designee;

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

9           (6) two members, appointed by the Developmental Disabilities Housing  
10 Initiative;

11           (7) the Executive Director of the Vermont Developmental Disabilities  
12 Council or designee;

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

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

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

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

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

1       (e) When requested by the Vermont Housing and Conservation Board, the  
2       Advisory Council shall provide advice to the Board regarding the expenditure  
3       of funds for the production of permanently affordable housing for individuals  
4       who are eligible to receive Medicaid-funded Developmental Disability  
5       Services.

6       (f)(1) The Advisory Council shall report annually on or before November  
7       15 to the House Committees on General and Housing and on Human Services  
8       and the Senate Committees on Economic Development, Housing and General  
9       Affairs and on Health and Welfare regarding:

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

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

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

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

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

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

9                                   \* \* \* Vermont State Treasurer Credit Facility \* \* \*

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

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

13           (a)(1) Notwithstanding any provision of 32 V.S.A. § 433(a) to the contrary  
14 and consistent with prudent investment principles and guidelines pursuant to  
15 32 V.S.A. § 433(b) and (c) and the Uniform Prudent Investor Act, 14A V.S.A.  
16 chapter 9, the Vermont State Treasurer shall have the authority to establish on  
17 terms acceptable to the Treasurer:

18                   (A) a credit facility of up to ~~10~~ 12.5 percent of the State's average  
19 ~~cash balance on terms acceptable to the Treasurer and consistent with prudent~~  
20 ~~investment principles and guidelines pursuant to 32 V.S.A. § 433(b) (c) and~~  
21 ~~the Uniform Prudent Investor Act, 14A V.S.A. chapter 9; and~~



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

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

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

11       Sec. 4. OFF-SITE CONSTRUCTION ACCELERATOR PILOT

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

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

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

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

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

5           (1) bulk purchasing for a single development or aggregation of multiple  
6 developments;

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

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

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

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

15           (2) Prior to distributing any funds under this section, the Treasurer shall  
16 consult with the Department of Housing and Community Development, the  
17 Vermont State Housing Authority, the Vermont Housing Finance Agency, and  
18 the Vermont Housing and Conservation Board.

19           (d) On or before January 15, 2027, the Treasurer shall submit a written  
20 report to the House Committee on General and Housing and the Senate

1 Committee on Economic Development, Housing and General Affairs with its  
2 findings and any recommendations for legislative action.

3 \* \* \* Vermont Economic Development Authority \* \* \*

4 Sec. 5. 10 V.S.A. § 212 is amended to read:

5 § 212. DEFINITIONS

6 As used in this chapter:

7 \* \* \*

8 (6) “Eligible facility” or “eligible project” means any industrial,  
9 commercial, or agricultural enterprise or endeavor approved by the Authority  
10 used in a trade or business whether or not such business is operated for profit,  
11 including land and rights in land, air, or water; buildings; structures;  
12 machinery; and equipment of such eligible facilities or eligible projects, except  
13 that an eligible facility or project shall not include the portion of an enterprise  
14 or endeavor relating to the sale of goods at retail where such goods are  
15 manufactured primarily out of State, and except further that an eligible facility  
16 or project shall not include the portion of an enterprise or endeavor relating to  
17 housing unless otherwise authorized in this chapter. Such enterprises or  
18 endeavors may include:

19 \* \* \*

20 (U) After consultation with, and with deference to, the Vermont  
21 Housing Finance Agency on applications that are eligible for financing from

1 both the Authority and the Agency, multiunit housing developments of five or  
2 more units when requested by, and jointly financed with, a financing lender,  
3 except that the Authority shall not finance portions or phases of a multiunit  
4 housing development that:

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

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

10 \* \* \*

11 \* \* \* Vermont Housing Finance Agency \* \* \*

12 Sec. 5a. INTENT TO CODIFY RENTAL HOUSING REVOLVING LOAN  
13 PROGRAM

14 The intent and purpose of Sec. 5b of this act is to codify in statute the  
15 Rental Housing Revolving Loan Program originally enacted in 2023 Acts and  
16 Resolves No. 47, as amended by 2025 Acts and Resolves No. 69. The  
17 Program designed and implemented by the Vermont Housing Finance Agency  
18 shall remain in effect under 10 V.S.A. § 629. Loans issued through the  
19 Program prior to July 1, 2026, shall remain in effect in accordance with the  
20 executed terms and conditions.

1 Sec. 5b. 10 V.S.A. chapter 25 is amended to read:

2 CHAPTER 25. VERMONT HOUSING FINANCE AGENCY

3 \* \* \*

4 Subchapter 3. Powers and Duties

5 \* \* \*

6 § 629. RENTAL HOUSING REVOLVING LOAN PROGRAM

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

11 (b) Loans; eligibility; criteria.

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

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

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

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

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

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

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

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

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

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

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

1           (A) a lower interest rate;

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

3           (C) partial loan forgiveness.

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

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

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

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

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

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

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

18                   (i) seven years; or

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

20           (B) during the affordability period determined pursuant to

21 subdivision (A) of this subdivision (7), the annual increase in rent for a

1 subsidized unit does not exceed three percent or an amount otherwise  
2 authorized by the Agency.

3 (c) Program design.

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

6 (2) The Program shall include:

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

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

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

13 (i) geographic distribution;

14 (ii) community size;

15 (iii) community economic need; and

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

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

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



1 partnership organizations to advance funding at the beginning of a project as  
2 part of an award.

3 \* \* \*

4 (j) Annual report. Annually, on or before November 15, the Department  
5 shall submit a report to the House Committees on Human Services and on  
6 General and Housing and the Senate Committee on Economic Development,  
7 Housing and General Affairs regarding the following:

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

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

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

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

1                                   \* \* \* Special Assessment Bonds \* \* \*

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

3    § 3257. SPECIAL ASSESSMENT BONDS

4       (a) Upon approval of the legislative body of the municipality and subject to  
5    subsection (c) of this section, a municipality may issue revenue bonds for the  
6    purpose of financing a public improvement for the benefit of the limited area  
7    of the municipality to be served by the improvement. A revenue bond issued  
8    under this section is issued for an essential and governmental purpose.

9       (b) A revenue bond issued pursuant to this section shall be payable solely  
10   and exclusively from the special assessments levied on the properties to be  
11   served by the improvement and shall not constitute general indebtedness of the  
12   municipality. No holder of a bond issued under this section shall have the right  
13   to compel any exercise of the taxing power of the municipality to pay on the  
14   bond.

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

17           (1) one of the following entities provides a commitment letter for the  
18   issuance:

1           (A) the Vermont Bond Bank;

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

5           (C) a credit union regulated by the National Credit Union  
6 Administration; or

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

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

11       (c) Notwithstanding any charter provision or other provision, all property  
12 taxes assessed within a district shall be subject to the provision of subsection  
13 (a) of this section. Special assessments levied under chapters 76A or 87 of this  
14 title or under a municipal charter shall not be considered property taxes for the  
15 purpose of this section if the proceeds are used exclusively for operating  
16 expenses related to properties within the district, and not for improvements  
17 within the district, as defined in subdivision 1891(4) of this title, or if the  
18 special assessments secure a special assessment bond issued pursuant to  
19 section 3257 of this title.

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

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

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

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

13 § 4382. THE PLAN FOR A MUNICIPALITY

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

18 \* \* \*

19 (10) A housing element that shall include a recommended program for  
20 public and private actions to address housing needs and targets as identified by  
21 the regional planning commission pursuant to subdivision 4348a(a)(9) of this

1 title. The housing element shall also include an analysis of any regulatory and  
2 physical constraints preventing the development, redevelopment, or  
3 rehabilitation of sufficient housing to meet the housing needs and targets, and a  
4 description of what actions the municipality may take to accommodate the  
5 projected housing needs. The program shall use data on year-round and  
6 seasonal dwellings and include specific actions to address the housing needs of  
7 persons with low income and persons with moderate income and account for  
8 permitted residential development as described in section 4412 of this title.  
9 Progress toward the construction of the housing units identified as needed to  
10 meet projected housing targets shall be documented within the housing  
11 element and updated as appropriate when the plan is amended or readopted  
12 according to section 4385 or 4387 of this title, as the case may be.

13 \* \* \*

14 \* \* \* Municipal Zoning \* \* \*

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

16 § 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

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

19 (1) Equal treatment of housing and required provisions for affordable  
20 housing.

21 \* \* \*



1           (3) permit the construction of accessory dwelling units on land reserved  
2 for the exclusive use of a unit owner.

3           (b) In developing the report, the Office shall work with and identify  
4 external partners with knowledge and expertise in common interest  
5 communities across the State.

6 Sec. 11. VERMONT HOUSING AND CONSERVATION BOARD;

7           FARMWORKER HOUSING REPORT

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

15 Sec. 12. DEPARTMENT OF HOUSING AND COMMUNITY

16           DEVELOPMENT; CORPORATE PURCHASE OF HOMES

17           REPORT

18           (a)(1) On or before November 15, 2026, the Department of Housing and  
19 Community Development shall submit a report to the House Committee on  
20 General and Housing and the Senate Committee on Economic Development,  
21 Housing and General Affairs with information on the purchase in Vermont of

1 single- and two-family residences by institutional real estate investors. As part  
2 of the report, the Department shall provide the following information:

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

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

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

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

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

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

16 (b) As used in this section:

17 (1)(A) “Covered entity” means an institutional real estate investor or an  
18 entity that receives funding from an institutional real estate investor for the  
19 purchase of a single-family residence or two-family residence. A loan  
20 provided in exchange for a mortgage of the residence that is being purchased  
21 shall not be considered funding for the purposes of this subdivision (1),

1 provided that such mortgage shall be of a type for which members of the  
2 general public can apply.

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

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

7 (ii) a land bank;

8 (iii) a community land trust; or

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

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

13 (i) owns 10 or more single-family residences or two-family  
14 residences, or both;

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

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

19 (B) An entity is considered owning a single-family residence or two-  
20 family residence if it directly owns the single-family residence or two-family

1 residence or indirectly owns 10 percent or more of the single-family residence  
2 or two-family residence.

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

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

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

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

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

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

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

18 Sec. 13. [Deleted.]

19 \* \* \* Effective Date \* \* \*

20 Sec. 14. EFFECTIVE DATE

21 This act shall take effect on July 1, 2026.