

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on General and Housing to which was referred House Bill
3 No. 775 entitled “An act relating to creating tools for housing production”
4 respectfully reports that it has considered the same and recommends that the
5 bill be amended by striking out all after the enacting clause and inserting in
6 lieu thereof the following:

7 * * * Special Assessment Bonds * * *

8 Sec. 1. 24 V.S.A. § 3257 is added to read:

9 § 3257. SPECIAL ASSESSMENT BONDS

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

15 (b) A revenue bond issued pursuant to this section shall be payable solely
16 and exclusively from the special assessments levied on the properties to be
17 served by the improvement and shall not constitute general indebtedness of the
18 municipality. No holder of a bond issued under this section shall have the right
19 to compel any exercise of the taxing power of the municipality to pay on the
20 bond.

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

3 (1) one of the following entities provides a commitment letter for the
4 issuance:

5 (A) the Vermont Bond Bank;

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

9 (C) a credit union regulated by the National Credit Union
10 Administration; or

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

14 * * * Vermont Housing Special Fund * * *

15 Sec. 2. 10 V.S.A. § 10 is amended to read:

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

18 (a)(1) Notwithstanding any provision of 32 V.S.A. § 433(a) to the contrary
19 and consistent with prudent investment principles and guidelines pursuant to
20 32 V.S.A. § 433(b) and (c) and the Uniform Prudent Investor Act, 14A V.S.A.

1 chapter 9, the Vermont State Treasurer shall have the authority to establish on
2 terms acceptable to the Treasurer:

3 (A) a credit facility of up to ~~40~~ 12.5 percent of the State's average
4 cash balance on terms acceptable to the Treasurer and consistent with prudent
5 investment principles and guidelines pursuant to 32 V.S.A. § 433(b) (c) and
6 the Uniform Prudent Investor Act, 14A V.S.A. chapter 9; and

7 (B) a credit facility of up to one percent of the State's average cash
8 balance, provided that the credit facility established under subdivision (A) of
9 this subdivision (1) shall be reduced by an equal amount to any credit facility
10 amount established under this subdivision (B).

11 (2) The credit facility established in subdivision (1)(B) of this
12 subsection may be used only to facilitate housing development through the
13 bulk purchasing of off-site constructed housing and to aid in the purchase of
14 off-site constructed housing units.

15 (3) Financial losses of the credit facility established in subdivision
16 (1)(B) of this subsection shall be repaid from the Vermont Housing Special
17 Fund established in section 12 of this title.

18 (b) The Treasurer may use amounts available under subsection (a) of this
19 section to provide financing for infrastructure projects in Vermont mobile
20 home parks and may modify the terms of such financing in the Treasurer's

1 discretion as is necessary to promote the availability of mobile home park
2 housing and to protect the interests of the State.

3 (c) Notwithstanding any provision of 32 V.S.A. § 433(a) to the contrary,
4 and in addition to the provisions of subsection (a) ~~on~~ of this section, the
5 Vermont State Treasurer shall have the authority to establish a credit facility of
6 up to two and one-half percent of the State’s average cash balance on terms
7 acceptable to the Treasurer and consistent with prudent investment principles
8 and guidelines pursuant to 32 V.S.A. § ~~433(b)–(e)~~ 433(b) and (c) and the
9 Uniform Prudent Investor Act, 14A V.S.A. chapter 9. The Treasurer may use
10 amounts available under this subsection only to provide financing for climate
11 infrastructure and resilience projects and may modify the terms of such
12 financing in the Treasurer’s discretion as is necessary to protect the ~~interest~~
13 interests of the State.

14 (d) Annually, on or before November 15, the Treasurer shall submit a
15 report detailing the activities, financing, and accounting of any credit facilities
16 created pursuant to subsection (c) of this section during the preceding calendar
17 year to the Governor; the House Committees on Appropriations, on Commerce
18 and Economic Development, and on Ways and Means; and the Senate
19 Committees on Appropriations, on Economic Development, Housing and
20 General Affairs, and on Finance.

1 (e) The Treasurer shall retain any interest paid on loans **authorized** under
2 this section. Interest funds shall be transferred upon receipt to the Vermont
3 Housing Special Fund established in section 12 of this title.

4 Sec. 3. 10 V.S.A. § 12 is added to read:

5 § 12. VERMONT HOUSING SPECIAL FUND

6 (a) There is established the Vermont Housing Special Fund to be
7 administered by the State Treasurer in accordance with 32 V.S.A. chapter 7,
8 subchapter 5.

9 (b) The Fund shall consist of the following:

10 (1) any monies appropriated to the Fund by the General Assembly;

11 (2) any monies transferred to the Fund from the federal government,
12 State agencies, or other governmental sources; and

13 (3) any interest paid on loans authorized pursuant to **section 10** of this
14 title.

15 (c)(1) The Treasurer shall use funds under this section to provide capital for
16 housing projects in Vermont that, in the Treasurer’s discretion, are necessary to
17 promote the increased availability of housing, including the bulk purchasing of
18 off-site constructed housing as authorized in subdivision 10(a)(2) of this title.

19 This capital may be provided on terms acceptable to the Treasurer, including in
20 the form of grants, interest-free loans, or the investment of equity stakes in
21 housing projects.

1 (2) The Treasurer may use funds to pay the administrative costs
2 necessary to support the credit facilities created in section 10 of this title.

3 (d)(1) The Treasurer shall credit to the Fund all interest and income derived
4 from the deposit and investment of monies in the Fund.

5 (2) Any unexpended and unencumbered monies at the end of a fiscal
6 year shall remain in the Fund.

7 * * * Off-Site Construction Accelerator Pilot * * *

8 Sec. 4. OFF-SITE CONSTRUCTION ACCELERATOR PILOT

9 (a) The Agency of Commerce and Community Development in
10 collaboration with the Department of Buildings and General Services shall
11 develop a pilot demonstration project and study that explores the possibilities
12 of reducing housing development costs through modular construction.

13 (b) The pilot will consider the following elements:

14 (1) bulk purchasing for a single development or aggregation of multiple
15 developments;

16 (2) streamlining regulatory processes by creating preapproved modular
17 designs;

18 (3) creating a loan loss reserve for construction loans;

19 (4) off-site construction, including panelized or volumetric modular
20 construction;

1 (5) establishing a statewide procurement consortium for bulk orders of
2 modular units and materials;

3 (6) aligning State and local permitting; and

4 (7) the creation and adoption of off-site building codes.

5 (c)(1) As part of the pilot, the Agency shall work with the Office of the
6 State Treasurer to identify the feasibility of the State providing a guarantee or
7 other device to facilitate bulk purchasing of the off-site construction of homes.

8 (2) Prior to distributing any funds under this subsection, the Treasurer
9 shall consult with the Department of Housing and Community Development,
10 the Vermont State Housing Authority, the Vermont Housing Finance Agency,
11 and the Vermont Housing and Conservation Board.

12 (d) The pilot shall occur in one or more municipalities willing to participate
13 in the regulatory reforms necessary to implement the process and accept the
14 constructed homes.

15 (e) A municipal planning grant shall be made available to the participating
16 municipalities to assist in enacting the necessary regulatory reforms.

17 (f) On or before November 15, 2028, the Agency shall submit a written
18 report to the House Committee on General and Housing and the Senate
19 Committee on Economic Development, Housing and General Affairs with its
20 findings and any recommendations for legislative action based on the success

1 of the pilot. The report shall include information on whether to enact a
2 statewide building code or codes for off-site construction.

3 * * * VHIP * * *

4 Sec. 5. 10 V.S.A. § 699 is amended to read:

5 § 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

6 (a) Creation of Program.

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

13 (2) The Department shall develop statewide standards for the Program,
14 including factors that partner organizations shall use to evaluate applications
15 and award grants and forgivable loans. The Department may authorize
16 partnership organizations to advance funding at the beginning of a project as
17 part of an award.

18 * * *

19 * * * Vermont Economic Development Authority * * *

20 Sec. 6. 10 V.S.A. § 212 is amended to read:

21 § 212. DEFINITIONS

1 (ii) a home for the terminally ill;

2 (iii) a nursing home;

3 (iv) a residential care home; and

4 (v) a therapeutic community residence.

5 (T) Any capital improvement; purchase of receivables, property,
6 assets, commodities, bonds, or other revenue streams or related assets; working
7 capital program or liability; or other insurance program.

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

14 * * *

15 * * * Municipal Plans * * *

16 Sec. 7. 24 V.S.A. § 4388 is added to read:

17 § 4388. PLANNING FOR HOUSING TARGETS

18 (a) A municipal plan shall:

19 (1) identify and analyze existing and projected housing needs for the
20 projected population of the jurisdiction and provide regulations that allow for

1 the rehabilitation, improvement, or development of the number of housing
2 units needed, as identified in the land use plan and future land use map; or

3 (2) include an analysis of regulatory and physical constraints preventing
4 the municipality from developing sufficient housing to meet the regional
5 housing targets developed pursuant to subdivision 4348a(a)(9) of this title,
6 including:

7 (A) a quantification of the jurisdiction’s existing and projected
8 needed housing types, including location, age, condition, and occupancy
9 required to accommodate existing and estimated population projections;

10 (B) an inventory of sites, including zoned, unzoned, vacant,
11 underutilized, and potential redevelopment sites, available to meet the
12 jurisdiction’s needed housing types;

13 (C) an analysis of any constraints to housing development, such as
14 zoning, development standards, and infrastructure needs and capacity, and the
15 identification of market-based incentives that may affect or encourage the
16 development of needed housing types; and

17 (D) a detailed description of what actions the jurisdiction may take to
18 accommodate the projected needed housing types identified in subdivision (A)
19 of this subdivision (2), including:

20 (i) updates to specific zoning or municipal bylaw provisions or
21 maps; and

1 (Committee vote: _____)

2

3

Representative _____

4

FOR THE COMMITTEE