

TO: House General and Housing Members  
Legislative Counsel  
CC: Magali Stowell-Alemán  
FROM: Marc, Ashley and Emilie  
DATE: May 2, 2025  
RE: Changes to the S.127

Below are the changes in policy pursuant to committee agreement should be included in the final draft of S.127. Some of the proposals are couched as policy summaries and some as amended language, but both will need Legislative Counsel drafting.

### **Changes to S.127 not related to CHIPs**

- The Base Bill: Although most of the non-Chip portion of S.127 have been included by Cameron in the latest draft we saw last week, we know there are a few minor changes that he's told us will show up in the final draft. We assume that the Brownfields development dirt provision is already in. Smoke alarm stays in. I'd suggest, Cameron, that you show us that draft in a markup first.
- Appeals language: Our appeals version from H.479 goes into S.127.
- H.169: It has been determined that H.169 will go into S.127 in lieu of the Senate language on citizenship and immigration status. You should use the latest version that you've prepared (version 2.1). There might possibly be some small changes in language that we could review with you in the morning.
- Universal Design participants: Please add the Associated General Contractors to the list of participants in the Universal Design study. They were included in the House bill but excluded (inadvertently we think) in the Senate version.
- Alter effective dates as necessary.

### **Changes to S.127 related to the CHIPs text as sent over to House General (draft 5.2)**

Please insert all of House Commerce draft 5.2 into S.127 in lieu of the Senate language on the same subject with the changes indicated below.

#### ***Short Term Rental language (Section 1909 (a)(4), page 6)***

- The section should now begin as follows: (4) Provide terms and sufficient remedies, or if the town so selects, an ordinance to ensure....

- Cut off the text at the end of “...primary residence”, eliminating the rest of the sentence.
- Please address a question of the committee whether either “domicile” or “domicile and residence” might be better than simply “residence”.
- Since we’re just limiting this obligation to the initial sale out, we have a concern over sham sales. Can that be addressed simply in the language?

***Project Criteria (Sec. 1910(d), page 8)***

- Consider changing whether to “that” in line 6 in (d)(1).
- In (d)(1)(A) change 60 percent to 70 percent as the percentage of residential gross square footage area in the project. Note we do have questions about (1) what counts in gross square footage (e.g., parking) and how to handle adaptive reuse where the existing use such as a school has a large assembly room or gym which we wish to keep and have not count as non-residential.
- In (d)(2) add a reference to the purpose section (1907) in the line 17 such that it reads: “...the Council shall request the ...Program Board to determine whether the projected housing development will meaningfully address the goals in section 1907 and the housing needs of the community...”

***Changes to the Location Criteria re Tier 2 (Section 1910(e) at page 9)***

- Add a section 3 that refers to areas in Tier 2 that have planning, zoning and subdivision statutes, and where the project area would be eligible for Tier 1 when the improvements contemplated in the housing infrastructure project are complete.

***Tier 2 reference in Section 21a (page 23)***

- Amend the reference to Tier 2 in 21a (224 V.S.A 1910(d)(3) to read: “an area designated in Tier 2 that has planning, zoning and subdivision and has been designated a Transition or Infill area pursuant to 24 V.S.A Sec 4348.”

[Note that 24 V.S.A. 4348 reads in pertinent part: “These areas include areas of existing or planned commercial, office, mixed-use development, or residential uses either adjacent to a planned growth or village area or a new stand-alone transition or infill area and served by, or planned for, public water or wastewater, or both. The intent of this land use category is to transform these areas into higher-density, mixed-use settlements, or residential neighborhoods through infill and redevelopment or new development.”

The mapping of these areas is underway and will be completed by the date specified in Section 21a (3).]

***Low and moderate income housing***

- Add a provision that the retention of the property tax increment allowed for projects containing 20% low or moderate income housing (defined below) affordable for the life of the debt will be 80% instead of the 70% in Sec. 1910c(b).
- Add in definitions of low income and moderate income households” as follows:
  - “household of low income” means a household earning up to 80% of Area Median Income, as defined by the U.S. Department of Housing and Urban Development.
  - “household of moderate income” means a household earning up to 120% of Area Median Income, as defined by the U.S. Department of Housing and Urban Development.

***References to House General and Housing needed***

- Add reference to House General and Housing to the Committee recipients of the VEPC annual report (Sec 1910d(b), page 17).
- And ditto for the 2030 report in 1910d(c), page 18.