

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on General and Housing to which was referred Senate Bill  
3 No. 328 entitled “An act relating to housing and common interest  
4 communities” respectfully reports that it has considered the same and  
5 recommends that the House propose to the Senate that the bill be amended by  
6 striking out all after the enacting clause and inserting in lieu thereof the  
7 following:

8 \* \* \* Common Interest Community Resources \* \* \*

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

10 **§ 119. COMMON INTEREST COMMUNITY RESOURCES**

11 The Secretary of State shall create and maintain a free website to provide  
12 information to the public about Vermont’s common interest communities. The  
13 website shall include information on matters related to organization,  
14 governance, conflict resolution, transparency, and the rights and  
15 responsibilities for unit owners and associations.

16 \* \* \* Service-Supported Housing \* \* \*

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

18 **§ 3098. SERVICE-SUPPORTED HOUSING ADVISORY COUNCIL**

19 (a) The Service-Supported Housing Advisory Council is created for the  
20 purpose of identifying opportunities for increased alignment between human  
21 services programs and policies serving individuals who receive Medicaid-

1 funded Developmental Disability Services and housing capital and support  
2 services programs.

3 (b) The Advisory Council shall be overseen by the Department of  
4 Disabilities, Aging, and Independent Living and shall be composed of the  
5 following individuals:

6 (1) one member, appointed by the Vermont Housing and Conservation  
7 Board;

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

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

11 (4) the State Treasurer or designee;

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

14 (6) two members, appointed by the Developmental Disabilities Housing  
15 Initiative;

16 (7) the Executive Director of the Vermont Developmental Disabilities  
17 Council or designee;

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

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

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

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

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

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

11           (f)(1) The Advisory Council shall report annually on or before November  
12           15 to the House Committees on General and Housing and on Human Services  
13           and the Senate Committees on Economic Development, Housing and General  
14           Affairs and on Health and Welfare regarding:

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

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

1           (C) activities undertaken pursuant to this section; and  
2           (D) recommendations for future legislative action and funding  
3           sources, including actionable recommendations for changes in State laws or  
4           policies that are obstacles to the creation of housing needed by individuals with  
5           Medicaid-funded home- and community-based services.

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

8           Sec. 2a. SERVICE-SUPPORTED HOUSING ADVISORY COUNCIL;  
9           INITIAL REPORT

10           As part of the initial report of the Service-Supported Housing Advisory  
11           Council due on or before November 15, 2026, the Council shall include an  
12           analysis and recommendation on implementing a per-acre surcharge on lands  
13           enrolled in the Use Value Appraisal Program that are not used as primary  
14           residences to fund housing for individuals with Medicaid-funded home- and  
15           community-based services. The Council shall have the technical assistance of  
16           the Department of Taxes Division of Property Valuation and Review for the  
17           purposes of developing the analysis and recommendation required by this  
18           section.

19                           \* \* \* Vermont State Treasurer Credit Facility \* \* \*

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

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

3 (a)(1) Notwithstanding any provision of 32 V.S.A. § 433(a) to the contrary  
4 and consistent with prudent investment principles and guidelines pursuant to  
5 32 V.S.A. § 433(b) and (c) and the Uniform Prudent Investor Act, 14A V.S.A.  
6 chapter 9, the Vermont State Treasurer shall have the authority to establish on  
7 terms acceptable to the Treasurer:

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

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

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

20 \* \* \*

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

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

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

2     **Sec. 4.** OFF-SITE CONSTRUCTION ACCELERATOR PILOT

3             (a) The Agency of Commerce and Community Development, in  
4     collaboration with the Department of Buildings and General Services, shall  
5     develop a pilot demonstration project and study that explores the possibilities  
6     of reducing housing development costs through modular construction.

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

8                 (1) bulk purchasing for a single development or aggregation of multiple  
9     developments;

10                (2) streamlining regulatory processes by creating preapproved modular  
11     designs;

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

13                (4) utilization of off-site construction, including panelized or volumetric  
14     modular construction;

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

17                (6) aligning State and local permitting; and

18                (7) creating and adopting off-site building codes.

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

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

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

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

10          (f) On or before November 15, 2029, the Agency shall submit a written  
11          report to the House Committee on General and Housing and the Senate  
12          Committee on Economic Development, Housing and General Affairs with its  
13          findings and any recommendations for legislative action based on the success  
14          of the pilot. The report shall include information on whether to enact a  
15          statewide building code or codes for off-site construction.

16          (g) The Agency of Commerce and Community Development shall cease  
17          the pilot demonstration project on June 30, 2030.

18                   \* \* \* Vermont Economic Development Authority \* \* \*

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

20          § 212. DEFINITIONS

21           As used in this chapter:

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

\* \* \*

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



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

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

§ 3257. SPECIAL ASSESSMENT BONDS

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

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

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

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

(A) the Vermont Bond Bank;



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

11 \* \* \*

12 \* \* \* Municipal Zoning \* \* \*

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

14 § 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

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

17 (1) Equal treatment of housing and required provisions for affordable  
18 housing.

19 \* \* \*

20 (B) Except as provided in subdivisions 4414(1)(E) and (F) of this  
21 title, no bylaw shall have the effect of excluding mobile homes, modular

1 housing, manufactured housing, or prefabricated housing from any district that  
2 allows year-round residential development in the municipality, except upon the  
3 same terms and conditions as conventional housing is excluded. A  
4 municipality may establish specific site standards in the bylaws to regulate  
5 individual sites within preexisting mobile home parks with regard to distances  
6 between structures and other standards as necessary to ensure public health,  
7 safety, and welfare, provided the standards do not have the effect of  
8 prohibiting the replacement of mobile homes on existing lots.

9 \* \* \*

10 \* \* \* **Reports** \* \* \*

11 **Sec. 10. OFFICE OF LEGISLATIVE COUNSEL;** COMMON INTEREST

12 COMMUNITY REPORT

13 (a) On or before November 15, 2026, the Office of Legislative Counsel  
14 shall provide a written report to the House Committee on General and Housing  
15 and the Senate Committee on Economic Development, Housing and General  
16 Affairs outlining any legal, **conventional financing, and funding compliance**  
17 issues related to requiring common interest communities to:

18 (1) authorize leasing of residential units;

19 (2) authorize commercial purposes within a dwelling unit; and

20 (3) permit the construction of accessory dwelling units on land reserved

21 for the exclusive use of a unit owner.



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

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

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

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

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

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

14 (b) As used in this section:

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

