

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 provide information to the public about
12 Vermont’s common interest communities. This information shall include the
13 governing statutes.

14 * * * Service-Supported Housing * * *

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

16 § 3098. SERVICE-SUPPORTED HOUSING ADVISORY COUNCIL

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

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

4 (1) one member, appointed by the Vermont Housing and Conservation
5 Board;

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

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

9 (4) the State Treasurer or designee;

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

12 (6) two members, appointed by the Developmental Disabilities Housing
13 Initiative;

14 (7) the Executive Director of the Vermont Developmental Disabilities
15 Council or designee;

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

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

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

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

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

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

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

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

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

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

20 (D) recommendations for future legislative action and funding
21 sources, including actionable recommendations for changes in State laws or

1 policies that are obstacles to the creation of housing needed by individuals who
2 are eligible to receive Medicaid-funded Developmental Disability Services.

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

5 Sec. 2a. SERVICE-SUPPORTED HOUSING ADVISORY COUNCIL;

6 INITIAL REPORT

7 As part of the initial report of the Service-Supported Housing Advisory
8 Council due on or before November 15, 2026, the Council shall include an
9 analysis and recommendation on implementing a per-acre surcharge on lands
10 enrolled in the Use Value Appraisal Program that include a dwelling used as a
11 secondary home to fund housing for individuals who are eligible to receive
12 Medicaid-funded Developmental Disability Services. The Council shall have
13 the technical assistance of the Department of Taxes Division of Property
14 Valuation and Review for the purposes of developing the analysis and
15 recommendation required by this section.

16 * * * Vermont State Treasurer Credit Facility * * *

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

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

20 (a)(1) Notwithstanding any provision of 32 V.S.A. § 433(a) to the contrary
21 and consistent with prudent investment principles and guidelines pursuant to

1 32 V.S.A. § 433(b) and (c) and the Uniform Prudent Investor Act, 14A V.S.A.
2 chapter 9, the Vermont State Treasurer shall have the authority to establish on
3 terms acceptable to the Treasurer:

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

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

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

16 * * *

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

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

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

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

16 * * * Off-Site Construction Accelerator Pilot * * *

17 Sec. 4. OFF-SITE CONSTRUCTION ACCELERATOR PILOT

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

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

2 (1) bulk purchasing for a single development or aggregation of multiple
3 developments;

4 (2) streamlining regulatory processes by creating preapproved modular
5 designs;

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

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

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

11 (6) aligning State and local permitting; and

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

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

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

1 including land and rights in land, air, or water; buildings; structures;
2 machinery; and equipment of such eligible facilities or eligible projects, except
3 that an eligible facility or project shall not include the portion of an enterprise
4 or endeavor relating to the sale of goods at retail where such goods are
5 manufactured primarily out of State, and except further that an eligible facility
6 or project shall not include the portion of an enterprise or endeavor relating to
7 housing unless otherwise authorized in this chapter. Such enterprises or
8 endeavors may include:

9 * * *

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

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

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

21 * * *

1 purpose of financing a public improvement for the benefit of the limited area
2 of the municipality to be served by the improvement. A revenue bond issued
3 under this section is issued for an essential and governmental purpose.

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

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

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

14 (A) the Vermont Bond Bank;

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

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

1 permitted residential development as described in section 4412 of this title.

2 Progress toward the construction of the housing units identified as needed to
3 meet projected housing targets shall be documented within the housing
4 element and updated as appropriate when the plan is amended or readopted
5 according to section 4385 or 4387 of this title, as the case may be.

6 * * *

7 * * * Municipal Zoning * * *

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

9 § 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

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

12 (1) Equal treatment of housing and required provisions for affordable
13 housing.

14 * * *

15 (B) Except as provided in subdivisions 4414(1)(E) and (F) of this
16 title, no bylaw shall have the effect of excluding mobile homes, modular
17 housing, manufactured housing, or prefabricated housing from any district that
18 allows year-round residential development in the municipality, except upon the
19 same terms and conditions as conventional housing is excluded. A
20 municipality may establish specific site standards in the bylaws to regulate
21 individual sites within preexisting mobile home parks with regard to distances

1 between structures and other standards as necessary to ensure public health,
2 safety, and welfare, provided the standards do not have the effect of
3 prohibiting the replacement of mobile homes on existing lots.

4 * * *

5 * * * Reports * * *

6 Sec. 10. OFFICE OF LEGISLATIVE COUNSEL; COMMON INTEREST
7 COMMUNITY REPORT

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

13 (1) authorize leasing of residential units;

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

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

16 for the exclusive use of a unit owner.

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

20 Sec. 11. VERMONT HOUSING AND CONSERVATION BOARD;
21 FARMWORKER HOUSING REPORT

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

8 Sec. 12. DEPARTMENT OF HOUSING AND COMMUNITY

9 DEVELOPMENT; CORPORATE PURCHASE OF HOMES

10 REPORT

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

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

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

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

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

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

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

9 (b) As used in this section:

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

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

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

1 (ii) a land bank;

2 (iii) a community land trust; or

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

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

7 (i) owns 10 or more single-family residences or two-family
8 residences, or both;

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

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

13 (B) An entity is considered owning a single-family residence or two-
14 family residence if it directly owns the single-family residence or two-family
15 residence or indirectly owns 10 percent or more of the single-family residence
16 or two-family residence.

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

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

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

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

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

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

10 *** Fiscal Year 2024 Appropriation to VHCB ***

11 Sec. 13. 2023 Acts and Resolves No. 78, Sec. B.1102 is amended to read:

12 Sec. B.1102 AFFORDABLE HOUSING DEVELOPMENT – FISCAL
13 YEAR 2024 ONE-TIME APPROPRIATIONS

14 ***

15 (c) In fiscal year 2024, the amount of \$50,000,000 General Fund is
16 appropriated to the Vermont Housing and Conservation Board (VHCB):

17 (1) \$10,000,000 to provide support and enhance capacity for emergency
18 shelter and permanent homes for those experiencing homelessness or who need
19 supportive housing. The funds shall be used to expand Vermont’s shelter
20 capacity, provide homes for those experiencing homelessness, create housing
21 for individuals eligible to receive Medicaid-funded Developmental Disability

1 Services, and decrease reliance on the General Assistance Emergency Housing
2 hotel and motel program. The Vermont Housing and Conservation Board shall
3 consult with the Agency of Human Services to ensure new investments in
4 homes and shelters are paired with appropriate support services for residents,
5 including services supported through Medicaid. Funded projects may utilize a
6 range of housing options, including the expansion of shelter capacity, the
7 conversion of hotels to housing, the creation of permanent supportive housing,
8 and the utilization of manufactured homes on infill sites.

9 * * *

10 * * * Effective Date * * *

11 **Sec. 14.** EFFECTIVE DATE

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

13
14
15 (Committee vote: _____)

16 _____

17 Representative _____

18 FOR THE COMMITTEE