

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 on its website or otherwise distribute to
12 the public information about Vermont’s common interest communities. This
13 information shall include the 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 * * * Vermont State Treasurer Credit Facility * * *

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

7 § 10. VERMONT STATE TREASURER; CREDIT FACILITY FOR LOCAL
8 INVESTMENTS

9 (a)(1) Notwithstanding any provision of 32 V.S.A. § 433(a) to the contrary
10 and consistent with prudent investment principles and guidelines pursuant to
11 32 V.S.A. § 433(b) and (c) and the Uniform Prudent Investor Act, 14A V.S.A.
12 chapter 9, the Vermont State Treasurer shall have the authority to establish on
13 terms acceptable to the Treasurer:

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

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

1 Committees on Appropriations, on Economic Development, Housing and
2 General Affairs, and on Finance.

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

6 Sec. 4. OFF-SITE CONSTRUCTION ACCELERATOR PILOT

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

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

12 (1) bulk purchasing for a single development or aggregation of multiple
13 developments;

14 (2) streamlining regulatory processes by creating preapproved modular
15 designs;

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

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

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

21 (6) aligning State and local permitting; and

1 (7) creating and adopting building codes for off-site construction,
2 including incorporation of elements of visitable and adaptable standards for
3 building design.

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

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

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

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

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

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 * * * VHIP * * *

12 Sec. 6. 10 V.S.A. § 699 is amended to read:

13 § 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

14 (a) Creation of Program.

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

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

3 * * * Special Assessment Bonds * * *

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

5 § 3257. SPECIAL ASSESSMENT BONDS

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

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

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

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

21 (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.

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

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

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

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

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

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

1 conversion of hotels to housing, the creation of permanent supportive housing,
2 and the utilization of manufactured homes on infill sites.

3 * * *

4 * * * Effective Date * * *

5 Sec. 14. EFFECTIVE DATE

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

7

8

9 (Committee vote: _____)

10

11

Representative _____

12

FOR THE COMMITTEE