

1 Introduced by

2 Referred to Committee on

3 Date:

4 Subject: <Subject>

5 Statement of purpose of bill as introduced: This bill proposes to <Purpose>

6 An act relating to <Title>

7 It is hereby enacted by the General Assembly of the State of Vermont:

8 * * * Housing Targets * * *

9 **Sec. 1.** 24 V.S.A. § 4388 is added to read:

10 § 4388. PLANNING FOR HOUSING TARGETS

11 (a) A municipal plan shall include an analysis of regulatory and physical
12 constraints preventing the municipality from developing sufficient housing to
13 meet the regional housing targets developed pursuant to subdivision
14 4348a(a)(9) of this title as follows:

15 (1) The municipality shall identify and analyze existing and projected
16 housing needs for the projected population of the jurisdiction and provide
17 regulations that allow for the rehabilitation, improvement, or development of
18 the number of housing units needed, as identified in the land use plan and
19 future land use map, including:

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

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

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

11 (D) a detailed description of what actions the jurisdiction may take to
12 accommodate the projected needed housing types identified in subdivision (A)
13 of this subdivision (1), including:

14 (i) updates to specific zoning or municipal bylaw provisions or
15 maps;

16 (ii) updates to specific infrastructure, including municipal water
17 and sewer capacity.

18 (2) The housing section of the land use plan and future land use map
19 may incorporate by reference any information or policies identified in other
20 housing needs assessments adopted by the governing body.

* * * Tax Credits * * *

Sec. 2. 32 V.S.A. § 5930u is amended to read:

§ 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

* * *

(b) Eligible tax credit allocations.

* * *

(3)

1 (A) The Vermont Housing Finance Agency shall have the authority
2 to allocate affordable housing tax credits to finance down payment assistance
3 loans that meet the following requirements:

4 (i) the loan is made in connection with a mortgage through an
5 Agency program;

6 (ii) the borrower is a first-time home buyer of an owner-occupied
7 primary residence; and

8 (iii) the borrower uses the loan for the borrower's down payment
9 or closing costs, or both.

10 (B) The Agency shall require the borrower to repay the loan upon the
11 transfer or refinance of the residence.

12 (C) The Agency shall use the proceeds of loans made under the
13 Program for future down payment assistance.

14 (D) The Agency may reserve funding and adopt guidelines to provide
15 grants to first-time homebuyers who are also first-generation homebuyers.

16 * * *

17 (h) Credit allocation; Down Payment Assistance Program.

18 (1) In fiscal year 2016 through fiscal year 2019, the allocating agency
19 may award up to \$125,000.00 in total first-year credit allocations for loans
20 through the Down Payment Assistance Program created in subdivision (b)(2)
21 of this section.

1 (2) In fiscal year 2020 through fiscal year ~~2026~~ 2031, the allocating
2 agency may award up to \$250,000.00 in total first-year credit allocations for
3 loans through the Down Payment Assistance Program created in subdivision
4 (b)(3) of this section.

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

6 **Sec. 3.** 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) off-site construction, including panelized or volumetric modular
18 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) the creation and adoption of off-site building codes.

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

5 (d) The pilot shall occur in a municipality willing to participate in
6 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 municipality to assist in enacting the necessary regulatory reforms.

10 (f) On or before November 15, 2028, 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 for off-site construction.

16 * * * Common Interest Communities * * *

17 **Sec. 4.** 27A V.S.A. § 1-204 is amended to read:

18 § 1-204. PREEXISTING COMMON INTEREST COMMUNITIES

19 (a)(1) Unless excepted under section 1-203 of this title, the following
20 sections and subdivisions of this title apply to a common interest community
21 created in this State before January 1, 1999: sections 1-103, 1-105, 1-106, 1-

107, 2-103, 2-104, and 2-121; subdivisions 3-102(a)(1) through (6) and (11) through (16); and sections 3-111, 3-116, 3-118, 4-109, and 4-117 to the extent necessary to construe the applicable sections. The sections and subdivisions described in this subdivision apply only to events and circumstances occurring after December 31, 1998 and do not invalidate existing provisions of the declarations, bylaws, plats, or plans of those common interest communities.

* * *

(3) Unless excepted under section 1-203 of this title, section 3-125 of this title shall apply to a common interest community created in this State before January 1, 1999. Section 3-125 applies only to events and circumstances occurring after June 30, 2026, and does not invalidate existing provisions of the declarations, bylaws, plats, or plans of those common interest communities.

* * *

Sec. 5. 27A V.S.A. § 3-125 is added to read:

§ 3-125. PROHIBITED USES DISALLOWED

(a) Leasing units.

(1) Any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of any interest in a common interest community, and any provision of a governing document associated with a common interest community, such as a

1 declaration, bylaw, or rule, that either effectively prohibits or unreasonably
2 restricts a unit owner from leasing the individual unit owner's unit for
3 residential purposes or is in conflict with this section is void and
4 unenforceable.

5 (2) Nothing in this subsection shall prevent or prohibit any deed,
6 contract, security instrument, or other instrument affecting the transfer or sale
7 of any interest in a common interest community, and any provision of a
8 governing document associated with a common interest community, such as a
9 declaration, bylaw, or rule, from preventing the subleasing of a unit or
10 restricting the leasing of residential units as authorized by subdivision 3-
11 120(f)(3) of this title.

12 (3) This subsection shall not be interpreted to authorize transient
13 occupancy in a hotel, motel, or lodgings that would subject the occupant to a
14 tax levied under 32 V.S.A. chapter 225.

15 (4) This subsection shall not be interpreted to authorize a unit owner to
16 lease a unit as a short-term rental as that term is defined in 18 V.S.A. § 4301.

17 (5) This subsection shall not apply to common interest communities
18 reserved exclusively for nonresidential purposes.

19 (b) Family child care home.

20 (1) Any covenant, restriction, or condition contained in any deed,
21 contract, security instrument, or other instrument affecting the transfer or sale

1 of any interest in a common interest community, and any provision of a
2 governing document associated with a common interest community, such as a
3 declaration, bylaw, or rule, that either effectively prohibits or unreasonably
4 restricts a unit owner from operating a family child care home, as that term is
5 defined in 33 V.S.A. § 3511, within the unit owner's unit is void and
6 unenforceable.

7 (2) Notwithstanding subdivision (1) of this subsection (b), a family child
8 care home operating within a common interest community shall comply with
9 applicable federal and State laws relating to the regulation of family child care
10 homes.

11 (c) Zoning; land use requirements. Unit owners shall comply with federal,
12 State, and local laws related to applicable zoning requirements, land use
13 requirements, and other covenants, conditions, and restrictions.

14 (d) Leasehold common interest communities. This section shall not apply
15 to leasehold common interest communities.

16 **Sec. 6.** 27A V.S.A. § 1-204 is amended to read:

17 § 1-204. PREEXISTING COMMON INTEREST COMMUNITIES

18 (a)(1) Unless excepted under section 1-203 of this title, the following
19 sections and subdivisions of this title apply to a common interest community
20 created in this State before January 1, 1999: sections 1-103, 1-105, 1-106, 1-
21 107, 2-103, 2-104, and 2-121, subdivisions 3-102(a)(1) through (6) and (11)

1 through (16), and sections 3-111, 3-116, 3-118, 4-109, and 4-117 to the extent
2 necessary to construe the applicable sections. The sections and subdivisions
3 described in this subdivision apply only to events and circumstances occurring
4 after December 31, 1998, and do not invalidate existing provisions of the
5 declarations, bylaws, plats, or plans of those common interest communities.

6 * * *

7 (3) Unless excepted under section 1-203 of this title, section 3-125 of
8 this title shall apply to a common interest community created in this State
9 before January 1, 1999. Section 3-125 applies only to events and
10 circumstances occurring after June 30, 2026, and does not invalidate existing
11 provisions of the declarations, bylaws, plats, or plans of those common interest
12 communities.

13 * * *

14 **Sec. 7.** 27A V.S.A. § 3-125 is added to read:

15 § 3-125. ELECTRIC VEHICLE SUPPLY EQUIPMENT

16 (a) Definitions. As used in this section:

17 (1) “Electric vehicle supply equipment (EVSE)” means a device or
18 system designed and used specifically to transfer electrical energy to a plug-in
19 electric vehicle.

20 (2) “EVSE owner” means the unit owner who applies to install an EVSE
21 and each successive unit owner associated with the initial application to install

1 the EVSE unless there is a specific change in ownership of the EVSE, in which
2 case the EVSE owner shall be the owner specified in a conveying document
3 memorializing the change in ownership of the EVSE.

4 (3) “Plug-in electric vehicles” has the same meaning as in 23 V.S.A.
5 § 4(85).

6 (4) “Reasonable restrictions” are restrictions that do not significantly
7 increase the cost of the EVSE or significantly decrease the efficiency or
8 specified performance of the EVSE.

9 (b) Protected uses.

10 (1) Any covenant, restriction, or condition contained in any deed,
11 contract, security instrument, or other instrument affecting the transfer or sale
12 of any interest in a common interest community, and any provision of a
13 governing document associated with a common interest community, such as a
14 declaration, bylaw, or rule, that either effectively prohibits or unreasonably
15 restricts the installation or use of an EVSE within a unit owner’s unit or in a
16 designated parking space, including a deeded parking space, a parking space in
17 a unit owner’s exclusive use common element, or a parking space that is
18 specifically designated for use by a particular unit owner, or is in conflict with
19 this section is void and unenforceable.

20 (2) This subsection shall not apply to provisions that impose reasonable
21 restrictions on EVSE. However, it is the policy of the State to promote,

1 encourage, and remove obstacles to the use of plug-in electric vehicles,
2 including access to EVSE at home.

3 (3) The EVSE and all modifications and improvements to the common
4 interest community shall comply with federal, State, and local law, and all
5 applicable zoning requirements; land use requirements; and covenants,
6 conditions, and restrictions.

7 (4) If approval is required for the installation or use of EVSE, the
8 application for approval shall be processed and approved by the association in
9 the same manner as an application for approval of an architectural modification
10 to the common interest community and shall not be intentionally avoided or
11 delayed. The approval or denial of an application shall be in writing. If an
12 application is not denied in writing within 60 days from the date of receipt of
13 the application, the application shall be deemed approved, unless that delay is
14 the result of a reasonable request for additional information.

15 (5) If the EVSE is to be placed in a common element or a limited
16 common element, as designated in the common interest community's
17 declaration, the following provisions apply:

18 (A) The unit owner first shall obtain approval from the association to
19 install the EVSE, and the association shall approve the installation if the unit
20 owner agrees in writing to do all of the following:

1 (i) comply with the association’s architectural standards for the
2 installation of the EVSE;

3 (ii) engage a licensed contractor to install the EVSE; and

4 (iii) pay for both the costs associated with the installation of the
5 EVSE and the electricity usage associated with the EVSE.

6 (B) The unit owner and each successive owner of the EVSE shall be
7 responsible for all of the following:

8 (i) costs for damage to the EVSE, common element, or limited
9 common element resulting from the installation, maintenance, repair, removal,
10 or replacement of the EVSE;

11 (ii) costs for the maintenance, repair, and replacement of the
12 EVSE until the EVSE has been removed and for the restoration of the common
13 element or limited common element after removal;

14 (iii) cost of electricity associated with the EVSE; and

15 (iv) disclosing to prospective buyers of the unit the existence of
16 any EVSE and the related responsibilities of the unit owner under this section.

17 (6) An association that intentionally violates this subsection shall be
18 liable to the applicant unit owner or other party for actual damages and shall
19 pay a civil penalty to the applicant unit owner or other party in an amount not
20 to exceed \$1,000.00.

1 (7) In any action by a unit owner requesting to have an EVSE installed
2 and seeking to enforce compliance with this section, the prevailing plaintiff
3 shall be awarded reasonable attorney’s fees.

4 * * * Mobile Home Lot Rent * * *

5 **Sec. 8.** 10 V.S.A. § 6252 is amended to read:

6 § 6252. LOT RENT INCREASE DISPUTE; MEDIATION

7 (a)(1) ~~If the percentage of a proposed~~ A mobile home park owner shall not
8 propose a lot rent increase is of more than one percentage point above the U.S.
9 Consumer Price Index for all Urban Consumers, Housing Component,
10 published by the U.S. Bureau of Labor Statistics in the periodical “Monthly
11 Labor Review and Handbook of Labor Statistics” as established annually by
12 the Department, ~~and if,~~

13 (2) If, within 15 business days after receipt by the Commissioner of the
14 notice required pursuant to subsection 6251(a) of this title, a majority of the
15 affected leaseholders files with the Commissioner and the park owner a written
16 petition that includes the name of the person who will act as the representative
17 of the leaseholders, and a statement that they dispute the proposed lot rent
18 increase, the Commissioner shall send a list of qualified professional mediators
19 compiled by the Department in cooperation with park owners and leaseholders
20 to the park owner and to the leaseholders’ representative. Within five business
21 days ~~of~~ after receipt of the list, the park owner and the leaseholders’

1 representative shall agree on a mediator from the list provided by the
2 Commissioner and notify the Commissioner of the name, address, and
3 telephone number of the mediator selected, accompanied by the mediator's
4 agreement to conduct the mediation. If the Commissioner has not been
5 notified of a mediator as required by this subsection, the Commissioner shall
6 appoint a mediator from the Department's list. The mediator may not have any
7 interest, direct or indirect, in the mobile home park at issue and shall disclose
8 to the park owner, the leaseholders, and the Commissioner any experience as a
9 mobile home park owner, resident, or leaseholder, or any other circumstance
10 that may create a real or perceived conflict of interest. The Department shall
11 pay the reasonable fees for professional mediation services based on a schedule
12 established by rule of the Department.

13 (b) The mediator shall conduct one or more mediation sessions within the
14 period that ends 10 days prior to the effective date of the proposed lot rent
15 increase. The mediation shall include the mobile home park owner and the
16 leaseholders, or their respective representatives, and shall attempt to resolve
17 the dispute. ~~No~~ Not later than five days before the initial mediation session,
18 the mobile home park owner shall provide to the mediator and the
19 leaseholders' representative all documents and information that the park owner
20 considers relevant to support the proposed lot rent increase. The mobile home
21 park owner shall have the burden of providing information to show that the

1 proposed lot rent increase is reasonable. The mediator may also request any
2 additional documents or information for the purposes of the mediation process.
3 Any resolution of the dispute shall include an agreement regarding the amount
4 of the lot rent increase and the effective date. If the dispute is resolved, the
5 mobile home park owner shall not be required to provide any additional notice
6 in order for the lot rent increase to take effect pursuant to the resolution.

7 (c) The mediator shall issue to the parties and the Commissioner a report
8 signed by the mediator and the parties regarding the outcome of the mediation.
9 The report shall not be admitted into evidence and the mediator shall not be
10 competent to testify in any subsequent action regarding the proposed lot rent
11 increase.

12 * * * Vermont Economic Development Authority * * *

13 **Sec. 9.** 10 V.S.A. § 212 is amended to read:

14 § 212. DEFINITIONS

15 As used in this chapter:

16 * * *

17 (6) “Eligible facility” or “eligible project” means any industrial,
18 commercial, or agricultural enterprise or endeavor approved by the Authority
19 used in a trade or business whether or not such business is operated for profit,
20 including land and rights in land, air, or water; buildings; structures;
21 machinery; and equipment of such eligible facilities or eligible projects, except

1 that an eligible facility or project shall not include the portion of an enterprise
2 or endeavor relating to the sale of goods at retail where such goods are
3 manufactured primarily out of State, and except further that an eligible facility
4 or project shall not include the portion of an enterprise or endeavor relating to
5 housing unless otherwise authorized in this chapter. Such enterprises or
6 endeavors may include:

7 * * *

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, joint financing with a financing lender
11 multiunit housing developments of five or more units when requested by a
12 financing lender.

13 * * *

14 * * * Service-Supported Housing * * *

15 **Sec. 10.** 10 V.S.A. chapter 15, subchapter 6 is added to read:

16 Subchapter 6. Service-Supported Housing
17 § 325aa. SERVICE-SUPPORTED HOUSING DEVELOPMENT
18 TASKFORCE

19 (a) The Service-Supported Housing Development Taskforce is created to
20 monitor and report annually on the development of housing for individuals
21 who receive Medicaid-funded developmental disability services that reflects

1 the diversity of needs expressed by individuals with developmental disabilities
2 and their families, including individuals with high-support needs who require
3 24-hour care and those with specific communication needs.

4 (b) The Taskforce shall be overseen by the Vermont Housing and
5 Conservation Board and shall be composed of the 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 Taskforce shall meet at least monthly.

1 (2) The Executive Director of the Vermont Developmental Disabilities
2 Council or designee shall be the chair of the Taskforce.

3 (d) The Taskforce shall report annually on or before November 15 of each
4 year to the House Committees on General and Housing and on Human
5 Services and the Senate Committees on Economic Development, Housing and
6 General Affairs and on Health and Welfare regarding:

7 (1) activities undertaken pursuant to this section;

8 (2) new units of service-supported housing created or under
9 development; and

10 (3) recommendations for future legislative action, including actionable
11 recommendations for changes in State laws or policies that are obstacles to the
12 development of housing needed by individuals with Medicaid-funded home
13 and community-based services.

14 (e) The Taskforce shall have the administrative, technical, and legal
15 assistance of the Department of Aging and Independent Living.

16 (f) Members of the Taskforce who are not otherwise compensated for their
17 time shall be entitled to per diem compensation as permitted under 32 V.S.A.
18 § 1010 for not more than 12 meetings per year.

19 * * * Municipal Zoning * * *

20 Sec. 11. 24 V.S.A. § 4412 is amended to read:

21 § 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

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

3 (1) Equal treatment of housing and required provisions for affordable
4 housing.

5 * * *

6 (B) Except as provided in subdivisions 4414(1)(E) and (F) of this
7 title, no bylaw shall have the effect of excluding mobile homes, modular
8 housing, or prefabricated housing from any district that allows year-round
9 residential development in the municipality, except upon the same terms and
10 conditions as conventional housing is excluded. A municipality may establish
11 specific site standards in the bylaws to regulate individual sites within
12 preexisting mobile home parks with regard to distances between structures and
13 other standards as necessary to ensure public health, safety, and welfare,
14 provided the standards do not have the effect of prohibiting the replacement of
15 mobile homes on existing lots.

16 * * *

17 (D) Bylaws shall designate appropriate districts and reasonable
18 regulations for multiunit or multifamily dwellings. No bylaw shall have the
19 effect of excluding these multiunit or multifamily dwellings from the
20 municipality. In any district that allows year-round residential development,
21 duplexes shall be ~~an allowed~~ a permitted use with dimensional standards that

1 are not more restrictive than is required for a single-unit dwelling, including no
2 additional land or lot area than would be required for a single-unit dwelling. In
3 any district that is served by municipal sewer and water infrastructure that
4 allows residential development, multiunit dwellings with four or fewer units
5 shall be a permitted use on the same size lot as single-unit dwelling, ~~unless that~~
6 ~~district specifically requires multiunit structures to have more than four~~
7 ~~dwelling units.~~

8 * * *

9 **Sec. 12.** 24 V.S.A. § 4303 is amended to read:

10 § 4303. DEFINITIONS

11 The following definitions shall apply throughout this chapter unless the
12 context otherwise requires:

13 * * *

14 (42)(A) An area “served by municipal sewer and water infrastructure”
15 means an area within one-quarter mile of a road with water and sewer lines
16 where there is capacity or capacity is being added imminently to accommodate
17 housing or:

18 (i) an area where residential connections and expansions are
19 available to municipal water and direct and indirect discharge wastewater
20 systems and not prohibited by:

21 (I) State regulations or permits;

- 1 (II) identified capacity constraints; or
- 2 (III) municipally adopted service and capacity agreements; or
- 3 (ii) an area established by the municipality by ordinance or bylaw
- 4 where residential connections and expansions are available to municipal water
- 5 and direct and indirect discharge wastewater systems and which may exclude:
- 6 (I) flood hazard or inundation areas as established by statute,
- 7 river corridors or fluvial erosion areas as established by statute, shorelands,
- 8 areas within a zoning district or overlay district the purpose of which is natural
- 9 resource protection, and wherever year-round residential development is not
- 10 allowed;
- 11 (II) areas with identified service limits established by State
- 12 regulations or permits, identified capacity constraints, or municipally adopted
- 13 service and capacity agreements;
- 14 (III) areas served by sewer and water to address an identified
- 15 community-scale public health hazard or environmental hazard;
- 16 (IV) areas serving a mobile home park that is not within an area
- 17 planned for year-round residential growth;
- 18 (V) areas serving an industrial site or park;
- 19 (VI) areas where service lines are located to serve the areas
- 20 described in subdivisions (III)–(V) of this subdivision (ii), but no connections
- 21 or expansions are permitted; or

1 (VII) areas that, through an approved Planned Unit
2 Development under section 4417 of this title or Transfer of Development
3 Rights under section 4423 of this title, prohibit year-round residential
4 development.

5 (B) Municipally adopted areas served by municipal sewer and water
6 infrastructure that limit sewer and water connections and expansions shall not
7 result in the unequal treatment of housing by discriminating against a year-
8 round residential use or housing type otherwise allowed in this chapter.

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

10 § 4412a. UNION LABOR

11 Any residential housing construction that uses union labor for construction
12 may exceed a density bonus in a zoning bylaw by an additional 20 percent.

13 * * * Interim Exemption Extension * * *

14 **Sec. 14.** 10 V.S.A. § 6001 (3)(D) is amended to read:

15 (D) The word “development” does not include:

16 * * *

17 (viii)(I) The construction of a priority housing project in a
18 municipality with a population of 10,000 or more.

19 * * *

20 (III) Notwithstanding any other provision of law to the
21 contrary, until January 1, ~~2027~~ 2029, the construction of a priority housing

1 project or related subdivision located entirely within areas of a designated
2 downtown development district, designated neighborhood development area,
3 or a designated growth center or within one-half mile around such designated
4 center with permanent zoning and subdivision bylaws served by public sewer
5 or water services or soils that are adequate for wastewater disposal. For
6 purposes of this subdivision (III), in order for a parcel to qualify for the
7 exemption, at least 51 percent of the parcel shall be located within one-half
8 mile of the designated center boundary. If the one-half mile around the
9 designated center extends into an adjacent municipality, the legislative body of
10 the adjacent municipal may inform the Board that it does not want the
11 exemption to extend into that area.

12 **Sec. 15.** 10 V.S.A. § 6081 is amended to read:

13 § 6081. PERMITS REQUIRED; EXEMPTIONS

14 * * *

15 (bb) Until ~~July~~ January 1, 2028 2029, no permit or permit amendment is
16 required for the construction of improvements for one accessory dwelling unit
17 constructed within or appurtenant to a single-family dwelling. Units
18 constructed pursuant to this subsection shall not count towards the total units
19 constructed in other projects.

1 (cc) Until ~~July~~ January 1, 2028 2029, no permit amendment is required for
2 the construction of improvements for converting a structure used for a
3 commercial purpose to 29 or fewer housing units.

4 (dd) Interim housing exemptions.

5 (1) Notwithstanding any other provision of law to the contrary, until
6 January 1, ~~2027~~ 2029, no permit or permit amendment is required for the
7 subdivision for or the construction of housing projects and mixed-use
8 development such as cooperatives, condominiums, dwellings, or mobile
9 homes, with 75 units or fewer, constructed or maintained on a tract or tracts of
10 land, located entirely within the areas of a designated new town center, a
11 designated growth center, or a designated neighborhood development area
12 served by public sewer or water services or soils that are adequate for
13 wastewater disposal. Housing units constructed pursuant to this subdivision
14 shall not count towards the total units constructed in other areas. This
15 exemption shall not apply to areas within mapped river corridors and
16 floodplains except those areas containing preexisting development in areas
17 suitable for infill development as defined in 29-201 of the Vermont Flood
18 Hazard Area and River Corridor Rule.

19 (2)(A) Notwithstanding any other provision of law to the contrary, until
20 ~~July~~ January 1, 2027 2029, no permit or permit amendment is required for the
21 subdivision for or the construction of housing projects and mixed-use

1 development such as cooperatives, condominiums, dwellings, or mobile
2 homes, with 50 or fewer units, ~~constructed or maintained on a tract or tracts of~~
3 ~~land of 10 acres or less~~, located entirely within:

4 (i) areas of a designated village center and within one-quarter mile
5 of its boundary with permanent zoning and subdivision bylaws and served by
6 public sewer or water services or soils that are adequate for wastewater
7 disposal; or

8 (ii) areas of a municipality that are within a census-designated
9 urbanized area with over 50,000 residents ~~and~~ or within one-quarter mile of a
10 transit route.

11 * * *

12 (3) Notwithstanding any other provision of law to the contrary, until
13 January 1, ~~2027~~ 2029, no permit or permit amendment is required for the
14 subdivision for or the construction of housing projects and mixed-use
15 development such as cooperatives, condominiums, dwellings, or mobile
16 homes, constructed or maintained on a tract or tracts of land, located entirely
17 within a designated downtown development district with permanent zoning
18 and subdivision bylaws served by public sewer or water services or soils that
19 are adequate for wastewater disposal. Housing units constructed pursuant to
20 this subdivision shall not count towards the total units constructed in other
21 areas. This exemption shall not apply to areas within mapped river corridors

1 and floodplains except those areas containing preexisting development in areas
2 suitable for infill development as defined in 29-201 of the Vermont Flood
3 Hazard Area and River Corridor Rule.

4 * * * Tier 1B and 1A * * *

5 **Sec. 16.** 10 V.S.A. § 6033 is amended to read:

6 § 6033. REGIONAL PLAN FUTURE LAND USE MAP REVIEW

7 * * *

8 (c) To obtain a Tier 1B area status under this section, the regional planning
9 commission shall demonstrate to the Board that the municipalities with Tier 1B
10 areas meet the following requirements as included in subdivision 24 V.S.A.

11 § 4348a(a)(12)(C):

12 (1) The municipality has not requested to ~~have~~ opt out of having the area
13 mapped for Tier 1B. A municipality may request to opt out of Tier 1B area
14 status by submitting a resolution passed by the municipality to the relevant
15 regional planning commission and the Board.

16 * * *

17 **Sec. 17.** 10 V.S.A. § 6034 is amended to read:

18 § 6034. TIER 1A AREA STATUS

19 * * *

1 (b) Tier 1A area status requirements.

2 (1) To obtain a Tier 1A area status under this section, a municipality
3 shall demonstrate to the Board that it has each of the following:

4 * * *

5 (I) Municipal staff, regional planning commission staff, or other
6 contracted capacity adequate to support coordinated comprehensive and capital
7 planning, development review, and zoning administration in the Tier 1A area.

8 * * *

9 **Sec. 18.** 10 V.S.A. § 6081(z) is amended to read:

10 (z)(1) Notwithstanding any other provision of this chapter to the contrary,
11 no permit or permit amendment is required for any subdivision, development,
12 or change to an existing project that is located entirely within a Tier 1A area
13 under section 6034 of this chapter.

14 (2) Notwithstanding any other provision of this chapter to the contrary,
15 no permit or permit amendment is required within a Tier 1B area approved by
16 the Board under section 6033 of this chapter for 50 units or fewer of housing
17 ~~on a tract or tracts of land involving 10 acres or less~~ or for mixed-use
18 development with 50 units or fewer of housing on a tract or tracts of land
19 involving 10 acres or less.

20 (3) Upon receiving notice and a copy of the permit issued by an
21 appropriate municipal panel pursuant to 24 V.S.A. § 4460(g), a previously

1 issued permit for a development or subdivision located in a Tier 1A area shall
2 remain attached to the property. ~~However, neither the Board nor the Agency~~
3 ~~of Natural Resources shall enforce the permit or assert amendment jurisdiction~~
4 ~~on the tract or tracts of land unless the designation is revoked or the~~
5 ~~municipality has not taken any reasonable action to enforce the conditions of~~
6 ~~the permit.~~

7 * * * Positions * * *

8 **Sec. 19.** POSITIONS

9 (a) The following positions are created in the Department of Housing and
10 Community Development:

11 (1) two full-time, classified Grants Management Specialist Housing and
12 Community Development positions; and

13 (2) one full-time, exempt position to increase capacity to administer
14 programs including municipal planning grants, Homes for All developer
15 trainings, 802 Homes Initiative, and Housing Data analysis and reporting.

16 (b) There is created in the Department of Disabilities, Aging and
17 Independent Living one full-time, classified position for expanding housing
18 and residential service options for individuals who receive Medicaid-funded
19 home and community-based services.

* * * Appropriations * * *

Sec. 20. APPROPRIATIONS

The following shall be appropriated from the General Fund in fiscal year 2027:

(1) The sum of \$250,000.00 to the Municipal and Regional Planning and Resilience Fund to increase available municipal planning grants for municipalities seeking to meet the housing targets established pursuant to 2024 Acts and Resolves No. 181.

(2) The sum of \$5,000,000.00 to the Department of Housing and Community Development's base budget for the purpose of funding the VHIP program.

(3) The sum of \$3,000,000.00 to the Vermont Housing and Conservation Board for the purpose of providing support and enhanced capacity for the production of permanently affordable housing for individuals who are eligible to receive Medicaid-funded developmental disability services. In expending the funds authorized by this subsection, the VHCB shall consult with the Developmental Disabilities Housing Initiative and the Vermont Developmental Disabilities Council.

* * * Effective Date * * *

Sec. 21. EFFECTIVE DATE

This act shall take effect on July 1, 2026.