

1 An act relating to housing and common interest communities

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

3 * * * Housing Targets * * *

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

§ 4388. PLANNING FOR HOUSING TARGETS

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

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

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

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

8 (i) updates to specific zoning or municipal bylaw provisions or
9 maps; and

10 (ii) updates to specific infrastructure, including municipal water
11 and sewer capacity.

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

15 (3) If, after performing the analysis required in subdivision (1) of this
16 section, the legislative body of the municipality determines that the total
17 needed housing types may not be met due to lack of resources, development
18 sites, infrastructure capacity, or other documented constraints, the legislative
19 body shall establish the minimum number of housing units that may be
20 rehabilitated, improved, or developed within the jurisdiction over the 20-year

1 planning period and the actions the legislative body may take to remove
2 constraints to the development of those units over that period.

9 * * * Tax Credits * * *

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

11 § 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

12 * * *

13 (b) Eligible tax credit allocations.

14 * * *

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

18 (i) the loan is made in connection with a mortgage through an

19 Agency program;

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

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

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

9 * * *

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

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

Sec. 3. OFF-SITE CONSTRUCTION ACCELERATOR PILOT

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

(b) The pilot will consider the following elements:

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

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

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

(4) off-site construction, including panelized or volumetric modular construction:

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

(6) aligning State and local permitting; and

(7) the creation and adoption of off-site building codes.

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

1 (d) The pilot shall occur in a municipality willing to participate in
2 regulatory reforms necessary to implement the process and accept the
3 constructed homes.

4 (e) A municipal planning grant shall be made available to the participating
5 municipality to assist in enacting the necessary regulatory reforms.

6 (f) On or before November 15, 2028, the Agency shall submit a written
7 report to the House Committee on General and Housing and the Senate
8 Committee on Economic Development, Housing and General Affairs with its
9 findings and any recommendations for legislative action based on the success
10 of the pilot. The report shall include information on whether to enact a
11 statewide building code for off-site construction.

12 * * * Common Interest Communities * * *

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

14 § 1-204. PREEXISTING COMMON INTEREST COMMUNITIES

1 after December 31, 1998, and do not invalidate existing provisions of the
2 declarations, bylaws, plats, or plans of those common interest communities.

3 * * *

4 (3) Unless excepted under section 1-203 of this title, sections 3-125 and
5 3-126 of this title shall apply to a common interest community created in this
6 State before January 1, 1999. Sections 3-125 and 3-126 apply only to events
7 and circumstances occurring after June 30, 2026, and do not invalidate existing
8 provisions of the declarations, bylaws, plats, or plans of those common interest
9 communities.

10 * * *

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

12 § 3-125. PROHIBITED USES DISALLOWED

13 (a) Leasing units.

14 (1) Any covenant, restriction, or condition contained in any deed,
15 contract, security instrument, or other instrument affecting the transfer or sale
16 of any interest in a common interest community, and any provision of a
17 governing document associated with a common interest community, such as a
18 declaration, bylaw, or rule, that either effectively prohibits or unreasonably
19 restricts a unit owner from leasing the individual unit owner's unit for
20 residential purposes or is in conflict with this section is void and
21 unenforceable.

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

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

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

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

15 (b) Family child care home.

16 (1) Any covenant, restriction, or condition contained in any deed,
17 contract, security instrument, or other instrument affecting the transfer or sale
18 of any interest in a common interest community, and any provision of a
19 governing document associated with a common interest community, such as a
20 declaration, bylaw, or rule, that either effectively prohibits or unreasonably
21 restricts a unit owner from operating a family child care home, as that term is

1 defined in 33 V.S.A. § 3511, within the unit owner's unit is void and
2 unenforceable.

3 (2) Notwithstanding subdivision (1) of this subsection, a family child
4 care home operating within a common interest community shall comply with
5 applicable federal and State laws relating to the regulation of family child care
6 homes.

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

10 (d) Leasehold common interest communities. This section shall not apply
11 to leasehold common interest communities.

12 Sec. 6. 27A V.S.A. § 3-126 is added to read:

13 § 3-126. ELECTRIC VEHICLE SUPPLY EQUIPMENT

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

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

18 (2) “EVSE owner” means the unit owner who applies to install an EVSE
19 and each successive unit owner associated with the initial application to install
20 the EVSE unless there is a specific change in ownership of the EVSE, in which

1 case the EVSE owner shall be the owner specified in a conveying document
2 memorializing the change in ownership of the EVSE.

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

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

8 (b) Protected uses.

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

19 (2) This subsection shall not apply to provisions that impose reasonable
20 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. 7. 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. ~~Not~~ 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. 8. 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. 9. 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 report annually on or before November 15
2 to the House Committees on General and Housing and on Human Services and
3 the Senate Committees on Economic Development, Housing and General
4 Affairs and on Health and Welfare regarding:
5 (1) administrative and programmatic reforms carried out to better align
6 support-services and housing development programs and policies, including
7 examples of projects or progress enabled by those changes;
8 (2) a housing needs assessment for individuals with developmental
9 disabilities, including a summary of the number of units and an overview of
10 the types of housing needed to support this population;
11 (3) activities undertaken pursuant to this section; and
12 (4) recommendations for future legislative action, including actionable
13 recommendations for changes in State laws or policies that are obstacles to the
14 creation of housing needed by individuals with Medicaid-funded home- and
15 community-based services.
16 (e) The Advisory Council shall have the administrative, technical, and legal
17 assistance of the Department of Disabilities, Aging, and Independent Living.
18 (f) Members of the Advisory Council who are not otherwise compensated
19 for their time shall be entitled to per diem compensation as permitted under 32
20 V.S.A. § 1010 for not more than 12 meetings per year.

1 * * * Municipal Zoning * * *

2 Sec. 10. 24 V.S.A. § 4412 is amended to read:

3 § 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

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

6 (1) Equal treatment of housing and required provisions for affordable
7 housing.

8 * * *

19 * * *

20 (D) Bylaws shall designate appropriate districts and reasonable
21 regulations for multiunit or multifamily dwellings. No bylaw shall have the

1 effect of excluding these multiunit or multifamily dwellings from the
2 municipality. In any district that allows year-round residential development,
3 duplexes shall be ~~an allowed~~ a permitted use with dimensional standards that
4 are not more restrictive than is required for a single-unit dwelling, including no
5 additional land or lot area than would be required for a single-unit dwelling. In
6 any district that is served by municipal sewer and water infrastructure that
7 allows residential development, multiunit dwellings with four or fewer units
8 shall be a permitted use on the same size lot as a single-unit dwelling, ~~unless~~
9 ~~that district specifically requires multiunit structures to have more than four~~
10 ~~dwelling units~~.

11 * * *

12 Sec. 11. 24 V.S.A. § 4303 is amended to read:

13 § 4303. DEFINITIONS

14 The following definitions shall apply throughout this chapter unless the
15 context otherwise requires:

16 * * *

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

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

- (I) State regulations or permits;
- (II) identified capacity constraints; or
- (III) municipally adopted service and capacity agreements; or

(ii) an area established by the municipality by ordinance or bylaw where residential connections and expansions are available to municipal water and direct and indirect discharge wastewater systems and which may exclude:

- (I) flood hazard or inundation areas as established by statute, river corridors or fluvial erosion areas as established by statute, shorelands, areas within a zoning district or overlay district the purpose of which is natural resource protection, and wherever year-round residential development is not allowed;
- (II) areas with identified service limits established by State regulations or permits, identified capacity constraints, or municipally adopted service and capacity agreements;
- (III) areas served by sewer and water to address an identified community-scale public health hazard or environmental hazard;
- (IV) areas serving a mobile home park that is not within an area planned for year-round residential growth;

- 1 (V) areas serving an industrial site or park;
- 2 (VI) areas where service lines are located to serve the areas
- 3 described in subdivisions (III)–(V) of this subdivision (ii), but no connections
- 4 or expansions are permitted; or
- 5 (VII) areas that, through an approved Planned Unit
- 6 Development under section 4417 of this title or Transfer of Development
- 7 Rights under section 4423 of this title, prohibit year-round residential
- 8 development.

13 Sec. 12. 24 V.S.A. § 4412a is added to read:

14 § 4412a. UNION LABOR

15 Any residential housing construction that uses union labor for construction
16 may receive a density bonus in a zoning bylaw by an additional 20 percent.

17 * * * Positions * * *

18 Sec. 13. POSITIONS

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

10 * * * Appropriations * * *

11 Sec. 14. APPROPRIATIONS

12 The following shall be appropriated from the General Fund in fiscal year
13 2027:

18 (2) The sum of \$5,000,000.00 to the Department of Housing and
19 Community Development's base budget for the purpose of funding the
20 Vermont Rental Housing Improvement Program (VHIP).

8 * * * Effective Date * * *

9 Sec. 15. EFFECTIVE DATE

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