

PUBLIC MEETING AGENDA
MUNICIPALITY OF WOODSTOCK, VERMONT
WOODSTOCK PLANNING COMMISSION
31 The Green
Woodstock, VT 05091

The Woodstock Planning Commission will meet at 6:00 PM on Monday, July 10, 2023.

The Meeting will be held remotely via Zoom. To join, [CLICK HERE TO JOIN](#). The login information is at the bottom of this agenda. Pursuant to Act 1 (H. 42), this meeting will NOT have a physical location.

Administrative Tasks – 10 minutes

1. Call to Order
2. Adjustments to Agenda
3. Approve Minutes
(a) 6/7/2023

The goal of this meeting is to:

- *Review Act 47 (S.100) and how it impacts the housing amendments.*
- *Prepare the housing amendments for Planning Commission Hearing.*
- *Review, discuss, and vote on the amendments to the Planning Commission's Rules of Procedure.*

Old Business (*what we've done*) – 5 minutes

1. Taftsville's Village Center Designation was approved by the Downtown Board on June 26.

New Business – 60 minutes

1. TRORC to present on how Act 47 (S.100) impacts Woodstock's housing amendments.
2. Discuss housing amendments and prepare the hearing draft.

Ongoing Business – 30 minutes

1. Review and discuss the Commission's Rules of Procedure.
2. Elect Officers.
3. Sign regulations.
4. Parking solutions.

Identify Action Items (what we each need to do before next meeting) – 5 minutes

Other Business

Adjournment

To join the Planning Commission Meeting via Zoom, [CLICK HERE](#) then enter the following:

Meeting ID: 886 4885 1165

Passcode: 345452

To join the Planning Commission Meeting remotely via phone, dial: (646) 931-3860 then enter:

Meeting ID: 886 4885 1165

Passcode: 345452

MEETING MINUTES
MUNICIPALITY OF WOODSTOCK, VERMONT
WOODSTOCK PLANNING COMMISSION
31 The Green
Woodstock, VT 05091

The Woodstock Planning Commission held a public meeting on Wednesday, June 7, 2023 to discuss the following:

Members present: Mary Margaret Sloan, Interim Chair, Frank Horneck, Nico Seldon, Nicole Green, and Brad Lawrence

Public present: None

Staff present: Steven Bauer and Stephanie Appelfeller

Administrative Tasks

1. Call to Order – Mary Margaret Sloan called the meeting to order at 7:05pm
2. Adjustments to Agenda – Mary Margaret Sloan suggested meeting in person quarterly, discuss at the end of the meeting.
3. Introduction of new Commissioner, Nicole Green (2024).
4. Approve Minutes –
 - (a) 5/3/2023

Frank Horneck moved to approve the minutes.

Mary Margaret Sloan seconded the motion.

VOTE: 4-0-1 (Nicole Green abstained)

Mary Margaret Sloan asked to edit the vote from 4/11/2023 meeting to Two Rivers, she did not vote no, it should be 5-0 so edit the April minutes.

Ongoing Business

1. Review and discuss the Commission's Rules of Procedure.

The Commission discussed the markups and changes Mary Margaret Sloan and Steven Bauer suggested. The commissioners agree that Steven Bauer will make the discussed changes to the Rules of Procedure and the Commission will vote on it at the next meeting.

2. Review the housing amendments and recommendations made by Twin Pines.

a. Twin Pines suggested parking requirements go from 2 spaces to 1 space per unit.

Nico Seldon does not support lowering the parking ratio as the greater area is not walkable. If it were to happen, suggests the need to specify the number of bedrooms in the unit. Frank Horneck questioned where other parking would be, and other members

suggested it would be street parking. Without a parking garage, there is no excess parking options in the town. Additionally, the winter parking ban would need to be considered.

Steven Bauer explained that the lower parking requirement does not prohibit property owners from providing more than one parking space per unit but does not require a potential residential developer to have more than one space per unit. S.100, signed into law on June 5, 2023 will require towns to lower their parking requirements to 1 parking space per unit area in areas served by Town water and sewer facilities and 1.5 spaces per unit for multifamily complexes.

Frank Horneck suggests that they should set aside time discuss at the next meeting.

b. Twin Pines suggested the Height limit goes from 35 to 40 feet as a variance for senior housing or affordable housing.

Mary Margaret Sloan raised a concern about raising the height requirements to 40 feet as a blanket but is open to it as a variance, particularly for affordable housing and senior housing. The commission all agree.

c. Twin Pines suggested increasing the density waiver from 50% to 100% for affordable housing developments.

Steven Bauer mentions the Planned Unit Development in Section 312 A3 states that density of an underlying district may be increased by 25% or up to 50% for an affordable housing development if judgement of DRB and site conditions can support that development.

The commission states they agree with that change.

3. Elect Officers

Mary Margaret Sloan suggested making Chair a rotating role so all members have a chance for leadership. Steven Bauer indicated that could be added to the bylaws. Frank agreed that a one- or two-year rotation of Chair is a good idea. Nico Seldon suggested one year. Nicole Green suggested 2 years may be more appropriate. The Board will revisit this topic at the next meeting to allow Laura Powell time to express whether she has interest in a specific role.

4. Develop a list of future Commission priorities.

Mary Margaret Sloan suggested updating the Energy Chapter once the State finishes its modeling and Steven Bauer agrees.

Steven Bauer mentioned that the Design Review District in Woodstock and South Woodstock regulations are subjective and suggested creating a subcommittee to create a form-based code may help.

Identify Action Items (what we each need to do before next meeting)

Steven Bauer will provide housing amendments and amendments to Planning Commission bylaws as discussed. All will consider if a one- or two-year term is more appropriate for officers.

Other Business

Mary Margaret Sloan and Frank Horneck suggested meeting in person as a group quarterly. September 6th meeting can be arranged in person.

Motion to adjourn by Nico Seldon.
The motion was seconded by Frank Horneck.
Meeting adjourned at 8:43pm.

DRAFT

RULES OF PROCEDURE

MUNICIPALITY OF WOODSTOCK, VERMONT

WOODSTOCK PLANNING COMMISSION

31 The Green

Woodstock, VT 05091

~~Adopted: October 6, 2005~~

ARTICLE I. POWERS OF THE COMMISSION

The legal basis and powers of the Woodstock Planning Commission stem from and are stipulated in 24 V.S.A., Chapter 117 §4321 et seq., as amended, and such other laws as may be enacted by the Vermont General Assembly

ARTICLE II. PURPOSES

The purposes of the Woodstock Planning Commission are to generally guide, prepare, and maintain coordinated plans and regulations for the development of the Town and Village which will, in accordance with present and future needs and resources, best promote the health, safety, order and convenience of the citizens of the Town and Village. Furthermore, it is the intent of the Planning Commission to promote those purposes set forth under 24 V.S.A., §4302 of the Vermont Planning and Development Act.

ARTICLE III. APPOINTMENT OF COMMISSIONERS

The Town of Woodstock Selectboard (“Selectboard”) and the Woodstock Board of Village Trustees (“Trustees”) shall jointly appoint the members of the Planning Commission and shall set the number of members that may be appointed and their term lengths. Any Commissioner may be removed at any time by unanimous vote of the Selectboard and Trustees. Any appointment to fill a vacancy shall be for the unexpired term.

ARTICLE IV. OFFICERS, DUTIES & ELECTIONS

- A. Officers – Pursuant to 24 V.S.A. § 4323(b), The Commission shall elect a Chair and Clerk at the annual meeting of the Commission.

B. Officer Duties:

1. Chair – The Chair shall preside at all meetings and hearings of the Commission, have full right to vote as a member of the Commission, shall decide all points of order or procedure, draft the agenda for each meeting with the Planning Department, appoint any subcommittees that may be found necessary, and may serve as ex-officio member thereof. The Chair shall perform such other duties, as delegated by a majority of the Commission.
2. Clerk – The clerk shall conduct all official correspondence subject to these rules at the direction of the Commission; shall send out all notices required by law and these rules of procedure; keep the minutes of the Commission's proceedings showing the vote of each member upon each question or, if absent or failing to vote, indicating this; include the names and addresses of all witnesses, a summary of the facts upon which the decision is based, and the decision rendered; and shall keep records of its examinations and other official actions, all of which shall be filed with the town clerk as public record.

C. Elections – Officers shall be elected by the majority of the quorum of Commission at the annual meeting.

D. Officer Terms – The terms of the officers shall take effect immediately after the Annual Meeting and shall be for one year or until their successors have been duly elected.

E. Officer Term Limits – The office of Chair shall be limited to...

F. Vacancies in Office – If an office is vacated, the office shall be filled by an election at the next regularly scheduled Commission meeting. Officers elected to fill a vacancy shall hold office only for the balance of the remaining term.

ARTICLE V. MEETINGS

A. The Woodstock Planning Commission's shall hold regular meetings on the first Wednesday of each month at 7:00 P.M., unless otherwise notified by the Chair.

B. The Chair may cancel or schedule special meetings, provided that adequate notice is provided to each member and the public.

C. The Annual Meeting shall take place each April, following the Town and Village meetings to elect officers and conduct any other business.

D. A quorum shall consist of a majority of the total members of the Commission.

E. Attendance – Commissioners are expected to attend 80% of the regularly scheduled meetings. Commissioners may be excused for nonattendance of a meeting or hearing by

notifying the Chair prior to the meeting. If a member is absent from four consecutive meetings, the Chair shall request that the Commissioner resign.

F. All meetings of the Commission shall be open to the public.

G. The order of business at all meetings of the Board shall be as follows:

1. Call meeting to order.
2. Approval of minutes of the previous meeting.
3. Old Business
4. New Business
5. Other business.
6. Adjournment.

H. Conduct of Hearings - All hearings conducted by the Commission shall be conducted in accordance with applicable rules of evidence as set forth in 3 V.S.A. §810. Irrelevant, immaterial, or unduly repetitious evidence shall be excluded as evidence.

ARTICLE VI. CONFLICT OF INTEREST & EX PARTE COMMUNICATION

Conflict of Interest: No Board member shall sit in hearing or vote on any matter in which:

- His/her/their participation is prohibited by law;
- He/she/they has a personal interest;
- He/she/they has a direct or indirect financial interest;
- He/she/they has personal ties to the applicant that the member can not reasonably be expected to exercise sound judgment in the public interest.

ARTICLE VII. AMENDMENT

These rules may be amended at any regular meeting by an affirmative vote of a quorum of the Commission, provided that such amendment has been presented in writing to each member of the Commission at least 48 hours preceding the meeting at which the vote is taken.

These rules of procedure were adopted by the Planning Commission on **October 6, 2005** and supercede Planning Commission by-laws adopted April 23, 1981, amended on June 19, 1987



State of Vermont

Agency of Commerce and Community Development

Department of Housing and Community Development

National Life Building – North

One National Life Drive

Montpelier, VT 05620-0501

[phone] 802-828-3211

MEMORANDUM

TO: Municipal Planning and Development Review Officials

FROM: Vermont Department of Housing and Community Development
Jacob Hemmerick, Community Planning & Policy Manager
Maxwell Krieger, General Counsel

DATE: June 28, 2023

RE: Act 47 (S.100) Summary
Version 2

Vermont's General Assembly enacted several laws and amendments affecting state, municipal, and regional planning during the 2023 session, including the Housing Opportunities Made for Everyone (HOME) Act, Act 47 (S.100). The HOME Act amends several laws affecting state, municipal, and regional planning. As in past years, we are issuing this preliminary memo to inform local and regional officials of changes in statute and funding opportunities. The Department will develop and maintain a [separate resource webpage](#) to collect questions about the bill, post frequently asked questions, and issue guidance: <https://accd.vermont.gov/community-development/resources-rules/planning/HOME> .

The [Vermont Statutes Online](#) website is typically updated in October and does not include the prior session's changes until then.

The Department will issue an additional memorandum summarizing the other bills affecting municipal planning once the state budget is finalized. In compiling these updates, we owe thanks to the Vermont Planners Association's (VPA) legislative team and to the Vermont League of Cities and Towns' advocacy team (VLCT) for their companion legislative updates throughout the session, as well as the Vermont Association of Planning and Development Agencies (VAPDA).

PRELIMINARY SUMMARY

Act 47 (S.100) - Housing Opportunities Made for Everyone (HOME Act)

The Act amends the Planning and Development statute, Act 250, and other laws to enable new opportunities for housing development within state, regional, and local planning and development regulations.

The Act aims to address decades of state and local policies that have contributed to segregation and exclusion in Vermont. This legislation is an important part of a multi-pronged approach to mitigating the housing crisis, and every Vermont city and town can play a role in bringing about housing solutions, including ending unduly restrictive zoning. While some may find new ways to limit access and opportunities for more affordable homes and new neighbors, we hope cities and towns embrace the opportunity the new legislation offers to become more just and welcoming.

Currently, fifty-six municipalities in Vermont have received Bylaw Modernization Grants from the Department to expand housing opportunities. We expect the Budget Act will provide additional funding for new and revised bylaws through the [Municipal Planning Grant](#) and [Bylaw Modernization Grant](#) programs. We aim to announce these funding programs later this summer.

Effective Dates of the Act:

Effective upon passage: Section 46 on lead inspections

Effective July 1, 2023:

- Section 2, 1(D) on required provisions and prohibited effects for duplexes and small multiunit dwelling uses
- All other sections not otherwise listed below

Effective September 1, 2023: Section 3 on limited regulation of emergency shelters

Effective December 1, 2024:

- Section 1 on parking requirements
- Section 2, except 1(D), on other required provisions and prohibited effects ([H.171 of the 2023 Veto session](#) would advance the effective date of this section to July 1, 2023)

Sections 1-10 Municipal Zoning Reform

§1 – Minimum Parking Requirements: Amends [24 V.S.A. § 4414](#) (permissible types of regulation) In residential districts served by municipal sewer and water, municipalities cannot require more than 1 parking space per dwelling unit. But municipalities may

require 1.5 spaces for duplexes and multi-family dwellings in areas without sewer and water for multiunit dwellings if existing public parking is not sufficient, rounded to the nearest whole number when calculating the total number of required spaces for multi-unit dwellings.

§2 – Required Provisions and Prohibited Effects

Duplexes and small multiunit uses: Amends [24 V.S.A. § 4412](#) (required provisions and prohibited effects) Municipalities must allow anywhere single unit homes (also known as single-family or single-household dwellings) are allowed for year-round use. Municipalities must apply the same or less prohibitive dimensional standards to duplexes as would apply to a single unit dwelling. In areas served by municipal sewer and water, municipalities must allow multiunit dwellings with three or four units to be a permitted (not conditional) use.

Accessory Dwelling Units (ADUs) allowances: ADU review, dimensional, or other regulations must not be more restrictive than those for single-unit dwellings. For instance, if a single-unit dwelling is not subject to a special design review, the ADU may not be subject to design review. Also, the criteria to convert an existing detached nonresidential building (such as a carriage barn) to habitable space for an ADU must not be more restrictive than a single-unit dwelling without an ADU.

Hotels & Housing Assistance: Bylaws must not prevent or penalize hotels used to rent rooms with public funds for the purpose of providing Vermont General [housing] Assistance.

Dwelling unit density standards for allowed residential uses: In areas served by municipal sewer and water that allow residential development, bylaws shall establish lot and building dimensional standards that allow 5 or more dwelling units per acre for each allowed residential use and density requirements for multi-family cannot be more restrictive than those required for single-family dwellings.

Affordable housing and mixed used development density bonus: In municipal water sewer service areas that allow residential development bylaws must permit a dwelling unit density bonus of 40% and a bonus of one habitable floor above the height maximum.

§3 – Limited Regulation of Emergency Shelters: Amends 24 V.S.A. §4413 (limitations on municipal bylaws) Shelters must be regulated similarly to state or community-owned and operated institutions. Bylaws may not interfere with daily or seasonal hours of operation or otherwise interfere with the functional use of a shelter.

§4 – Definitions: Amends 24 V.S.A. § 4303 (definitions) to move the existing ADU definition from the ADU section to this section, establish a definition for a duplex, (to mean a two-unit dwelling with a shared wall or floor/ceiling), define emergency shelter (to

mean temporary shelter for homeless) and define multi-unit dwelling (to mean three or more dwelling units in same building).

Served by Water & Sewer Definition: amends definition to define "served by municipal water and sewer infrastructure" to mean an area where a connection is "available" to municipal water and direct or indirect wastewater system(s).

"Available" is not defined but could be interpreted as "possible" or "feasible" and not prohibited by State regulations and permits, known capacity constraints, or adopted service and capacity agreements. Municipalities can also establish specific service areas by ordinance or bylaw, provided they do not discriminate against year-round residential housing otherwise allowed. Such an ordinance may consider areas where year-round housing development conflicts with natural resource regulations, known service area prohibitions or limitations, areas served only to address public health hazards, mobile home parks outside areas planned for growth, and where year-round housing development is prohibited.

§5 – Preparation of Bylaws: Amends 24 V.S.A. §4441 (preparation of bylaws and regulatory tools) to enhance fair housing filing requirements for the State Plan & Bylaws Database and atlas to allow developers/researchers to go to one place for all adopted bylaws and access all zoning districts through the Vermont Open Geodata Portal. The Department is now in the process of updating procedures, forms and upload capabilities.

§6 – Limits on Local Appeals: Amends 24 V.S.A. §4465 (appeals of decisions of the administrative officer) adds "residents" to the list of potential individuals that may, in combination, appeal an appropriate municipal panel (AMP) decision with a 10-person petition. Depending on local governance, the AMP could be a planning commission, zoning board of adjustment, development review board, or legislative body (under interim zoning). The amendment also prohibits 10-person appeals for "character of the area" if the project has an affordable housing component.

§§6-7 – Subdivision Review: Amends 24 V.S.A. §4463 (subdivision review) to differentiate between major and minor subdivisions in bylaws to allow administrative officers to approve minor subdivisions. Municipalities may define "minor subdivision."

§9 – Character of the Area Appeals: Amends 24 V.S.A. §4471 (appeal to environmental division) to prohibit conditional use appeals when the AMP has determined the "character of the area" is met for residential development in some State designated areas (Downtowns, Growth Centers, and Neighborhood Development Areas). Other elements may be still appealed.

§10 – By Right Development Review: Amends 24 V.S.A. §4464(b) (appropriate municipal panel decisions) to require local boards to permit housing development as enabled in the bylaws with no restrictive modifications to projects. Developments that meet the requirements of bylaws and municipal standards, (along with any other permitting requirements) must be allowed. AMPs will no longer be able to require larger

lot sizes, require more parking spaces, limit the building size or height, or limit the density otherwise allowed by the bylaws except to meet a prerequisite permit. The section provides a mechanism for the AMP to deviate from the allowed standards with written findings that justify the adjustment.

§11 – Regional Plan: Amends 24 V.S.A. §4348a (elements of a regional plan) to direct DHCD to publish statewide and regional housing targets or ranges as part of the Statewide Housing Needs Assessment (conducted every 5 years) for use by the eleven regional planning commissions in the regional plan’s housing element. Regional plans’ housing elements must now estimate specific housing needs by municipality and recommend actions that meet needs as part of the 8-year planning cycle.

§12 – Municipal Plan: Amends 24 V.S.A. §4382 (the plan for a municipality) municipal plan requirements to strengthen the local housing element. As part of the 8-year planning cycle, the plan must look at data on year-round housing to recommend a program for public and private actions that meets the housing needs of low- and moderate-income households, as well as the required provisions and prohibited effects section of the Planning Act.

§13 – Adoption of Bylaws: Amends 24 V.S.A. §4442 (adoption of bylaws) to remove the ‘rural town’ provision. Rural towns may now adopt bylaws in the same manner as an urban municipality: by a majority of the members of the legislative body following hearing. The legislative body retains the option to vote to put the bylaws to a popular vote and the voters retain the ability to petition for a popular vote on the bylaws following legislative body action.

§14 – Municipal and Regional Planning Fund: Amends 24 V.S.A. §4306 to allow DHCD to utilize 20% of the appropriated property-transfer tax funding for a new technical assistance and navigation program to help municipalities determine readiness and apply for neighborhood development area designation. DHCD intends to hire consultants on retainer for this purpose and will develop procedures for interested municipalities. DHCD may, in its discretion, allocate the remaining 80% of the funds between the bylaw modernization grants (BMG) and municipal planning grants (MPG). DHCD intends to run the BMG and MPG programs on a tandem timeline with an announcement this summer.

§§15-15a. – Regional Planning Report: the Vermont Association of Planning and Development Agencies (VAPDA), representing Vermont’s regional planning commissions, is directed to produce a report by December 15, 2023 on statutory recommendations to better integrate municipal, regional and state plans, and policies. VAPDA must also hire housing resource navigators to work with municipalities and regional organizations to find funding and identify housing opportunities (pending funding availability).

§§16-16a – Act 250 Definitions: Amends 10 V.S.A. §6001 to temporarily raise the Act 250 jurisdictional threshold for housing units from 10 to 25 in Designated Downtowns,

Neighborhood Development Areas, Growth Centers, and Villages with permanent zoning and subdivision regulations and allow any size [Priority Housing Project](#) (PHPs) within Designated Downtowns, Neighborhood Development Areas, and Growth Centers. Projects not completed before July 1, 2026 deadline can preserve the exemption by seeking a jurisdictional opinion before June 30, 2026 (the project must be substantially complete before June 30, 2029 to remain exempt). The amendment also treats the construction of four or fewer units in an existing structure as only one unit for the purposes of calculating the total number of units.

§17 – Master Plan Permits: Amends 10 V.S.A. §6086b (downtown development; findings; master plan permits) so municipalities can apply for master plan permit(s) for all of, or an area within, a Designated Downtown or Neighborhood Development Area. Subsequent development of lots within the area will only require permit amendments once a master plan permit is in place. Permit amendments in Neighborhood Development Areas will only be issued for housing development.

§18 – Act 250 Fees: Amends 10 VSA §6083a (Act 250 fees) to cap permit fees for individual permit or permit amendments, including portions of projects involving master plans, at \$165,000.

§18a – Act 250 Permit Delegation Report: Directs VAPDA, in consultation with the Natural Resources Board (which administers Act 250), to develop a proposed framework to delegate Act 250 administration to municipalities. The report is due by December 31, 2023.

§19 – Act 250 Changes Report: Amends the existing report established in Act 182 §41 (due on December 31, 2023) to additionally review the effects that changing the jurisdictional threshold 10 to 25 housing units statewide might have on housing affordability, home ownership, and natural resources.

§19a – Designated Area Report: Extends the report deadline to study the State’s designation programs to December 31, 2023. DHCD is currently working with a consultant on evaluation, outreach, and recommendations to modernize the designation programs.

§19b-d – Act 250 Exemption for Electric Distribution Work: Exempts work and upgrades to existing utility lines and corridors from Act 250. Other permit processes (including §248 still apply). This exemption sunsets January 1, 2026. Any utility that uses this exemption between January 15, 2024, and 2026 must report to the House Committee on Environment and Energy and the Senate Committees on Finance and Natural Resources.

§20 – Covenants & Deed Restrictions: Amends 27 V.S.A. § 545 (covenants, conditions and restrictions of substantial public interest) to invalidate any deed restrictions or covenants established after July 1, 2023 if they establish minimum dwelling unit size or require more than one parking space per unit (if in an area served

by water and sewer), or more than 1.5 parking spaces for duplexes and multiunit dwellings in areas not served by water and sewer.

§21 – Class 4 Road Disclosure: Amends 27 V.S.A § 617 to require property owners to disclose to potential buyers if the property is on a class 4 highway or legal trail that is not required to be maintained by the municipality.

§§22-23 – Building Energy Code Study Committee: Creates a 15-member committee to study and recommend strategies to increase awareness of and compliance with State residential and commercial building energy standards with assistance from the Department of Public Service. The work will begin before July 15, 2023, and the report is due December 1, 2023.

§24 – Rural Recovery Coordination Council: Creates a 14+ member council to study ways to strengthen capacity and coordination between agencies and stakeholders involved in rural community development. Administrative support will be provided by the Vermont Council on Rural Development (pending budget approval), and the report is due December 15, 2023.

§25 – Agency of Natural Resources (ANR) Review of Water & Wastewater Connection Permits: Directs ANR to study the statutory and regulatory requirements and administrative processes governing issuance of potable water and wastewater connection permits to identify ways to streamline the process and reduce any duplicated effort on the municipal or state level. ANR will consult with DHCD, municipalities, engineers, licensed designers, and environmental organizations on alternative approaches. Report due January 31, 2025.

§25a – Utility Disconnection & Landlord Notification Rulemaking: Directs the Public Utilities Commission (PUC) to revise rules regarding utility service disconnections to require utilities to notify property owners if utility service to the property has been disconnected, even if the tenant is the ratepayer. This would include water and sewer services provided by municipality, fire district, or private company. Also allows remote disconnect by utility. Draft legislation that incorporates the rules is due January 1, 2024.

§26 – Accessory Dwelling Unit (ADU) Jurisdiction: Amends 20 V.S.A. § 2730 to clarify that ADUs that are not rented are not ‘public buildings’ and not subject to State Fire Safety Code Compliance and inspection.

§27 – Deleted

§28 – Criminal Penalty for Fair Housing/Human Rights Violation: Amends 9 V.S.A. 4507 to increase potential penalty from \$1,000 to \$10,000.

§29 – Fire & Building Safety Report: Requires the division to prepare a report identifying potential revisions to the Vermont Fire and Building Safety Code to increase construction of new and converted residential units. Report due January 15, 2024.

§30 – Deleted

§§31-45 – Programs

§31 – Homesharing Program: Directs DHCD to develop a home-sharing program, pending funding.

§32 – Mobile Home Park Task Force: Creates a multi-agency and stakeholder task force to be led by an appointed member of the House of Representatives to evaluate Vermont's mobile home park statute and the status of mobile home parks and mobile homes in the state. Funding is pending.

§§33-34 – First Generation Homebuyer Program: Amends existing program administered by the Vermont Housing Finance Agency to expand potential usership. Future funding is to be determined (TBD).

§§35-37 – Missing Middle Homeownership Program: Revises the existing missing middle program administered by the Vermont Housing Finance Agency (VHFA). Future funding TBD.

§§38-39 – Rental Housing Revolving Loan: Directs VHFA to create a revolving loan program to develop rental housing stock. Funding TBD.

§§40-41 – Vermont Rental Housing Improvement Program (VHIP): Revises existing VHIP program, administered by the Department of Housing and Community Development (DHCD) in partnership with the homeownership centers (HOCs), to allow for both grants and loans. Future funding TBD.

§42 – VHCB Appropriation: Appropriation to the Vermont Housing Conservation Board (VHCB) for mixed-income and affordable housing development. Funding TBD.

§43 – Rental Housing Stabilization Services: Directs Champlain Valley Office of Economic Opportunity to create and implement a rental housing stabilization program to provide technical assistance for tenants and landlords to access other funding opportunities. Funding TBD.

§44 – Tenant Representation Pilot Program: Directs Vermont Legal Aid to create and implement a two (2) year pilot program for tenant representation in eviction cases. Funding TBD.

§45 – Rent Arrears Assistance Fund: Directs the Vermont State Housing Authority (VSHA) to create and implement a rent arrears program to assist eviction prevention for cases of non-payment of rent. Funding TDB.

§46 – Lead Inspection: Owners of rental target housing who perform work under 18 V.S.A. § 1764 are exempt from needed a license and liability insurance. Effective on passage.

§47 – Effective Dates (see above)

Prior DHCD memos summarizing the statutory changes starting in 2007 can be found at <http://accd.vermont.gov/community-development/resources-rules/planning>.





VERMONT LEGISLATIVE
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Fiscal Note

June 16, 2023

Daniel Dickerson, Senior Fiscal Analyst and Patrick Titterton, Fiscal Analyst

S.100 (Act 47) – An act relating to housing opportunities made for everyone

As enacted¹

Act Summary

This act makes changes to land use regulations, municipal zoning law, Act 250, and other laws pertaining to the construction and maintenance of housing supply in Vermont. The act also appropriates funds to housing development and retention programs.

Fiscal Impacts

- The act establishes various programs meant to increase housing stock available for ownership and rent, along with programs meant to provide rental assistance for tenants. The programs as established are contingent on the availability of funds.
- Changes to the Act 250 permit process in sections 16 and 17 would reduce Act 250 permit revenues in fiscal years 2024 through 2026.
- There are additional provisions that propose reports and a study committee that are estimated to have negligible costs to the State.

Background and Details

The following sections propose changes to Act 250 that may impact State revenues by reducing the number of permit fees collected and deposited in the Act 250 Permit Fund.

Sections 16-17

These sections contain provisions that will reduce Act 250 permitting activity and reduced revenues to the Act 250 Permit Fund through July 1, 2026. Representatives from the Natural Resources Board, which administers the Act 250 permit program, indicated that a robust analysis of these provisions using the permitting data that is readily available would be both time and labor-intensive. The Board noted that housing projects make up about 30 percent of overall permitting activity and generally yield higher fee amounts due to the higher average cost of housing construction relative to other types of construction. The Board estimates that, prior to this act's enactment, Act 250 permit revenues would total approximately \$2.7 million in fiscal year 2024.

The changes to Act 250 listed above will have a material downward impact on annual Act 250 permit

¹ <https://legislature.vermont.gov/Documents/2024/Docs/ACTS/ACT047/ACT047%20As%20Enacted.pdf>

revenues in fiscal years 2024 through 2026. However, given the lack of data, it is difficult predict how many projects would have happened regardless of this legislation and how many projects would not happen but for this legislation. For the former group of projects, the permit changes in this act result in foregone revenue for the State. Since the latter group of projects would not have commenced prior to this legislation, the lack of permit fee revenue from them is not foregone revenue and does not directly impact Act 250 Permit Fund revenues.

Section 18

This section contains a technical correction to the statutory Act 250 permit fee ceiling of \$165,000 currently in statute. This provision is not estimated to have a fiscal impact.

The following sections contain provisions that could result in new State costs or staffing pressures.

Section 15a

This section would require the Vermont Association of Planning and Development Agencies to hire housing resource navigators that will work with municipalities, regional and local housing organizations, help match communities with funding resources, and provide project management support. In this act, this program is funded contingently on the availability of funds in the General Fund, and it is funded in H.494 (An act relating to making appropriations for the support of government) with \$300,000 from the General Fund in fiscal year 2024.²

Sections 18a-19

Section 18a tasks the Vermont Association of Planning and Development Agencies, in consultation with the Natural Resources Board, with developing a framework for delegating administration of Act 250 permits to municipalities. Section 19 adds a new requirement to the Act 250 program study established in Act 182 of 2022 to investigate whether increasing the Act 250 jurisdictional threshold for housing would affect housing affordability and/or natural and community resources. No appropriation or staffing is included in the bill for these provisions.

Section 23

This section establishes a Building Energy Code Study Committee with fifteen members that is authorized to meet up to six times during the summer and fall of 2023. The committee must report back with findings and recommendations on or before December 1, 2023. Legislative members are eligible to receive compensation for meeting attendance, as are any other members that would not otherwise be compensated by an employer for this work. All costs for the work of the study committee are to be funded through the Legislature's budget. Estimated costs for this study committee are approximately \$6,000 in fiscal year 2024. No appropriation is included in the bill.

Section 31

Section 31 charges the Department of Housing and Community Development (DHCD) in fiscal year 2024 to expand home-sharing opportunities throughout the State. In this act, this program is funded contingently on the availability of funds in the General Fund, and it is funded in H.494 (An act relating to making appropriations for the support of government) with \$200,000 from the General Fund in fiscal year 2024.

Section 34

Section 34 extends and makes technical changes to the First-Generation Homebuyer Program administered by the Vermont Housing Finance Agency (VHFA) in fiscal year 2024. This extension is made contingent on the availability of funds in the General Fund and is currently appropriated \$1.0 million from the General Fund for fiscal year 2024 in H.494.

² <https://legislature.vermont.gov/Documents/2024/Docs/BILLS/H-0494/H-0494%20As%20Passed%20by%20Both%20House%20and%20Senate%20Unofficial.pdf>

As amended by Section 33 of this act, the program will provide financial assistance to first-time homebuyers whose parents or legal guardians never owned a home or lost ownership of a home due to foreclosure, short sale, or deed-in-lieu of foreclosure and have not owned a home since. Individuals who have at any time been placed in foster care qualify as well.

Act 182 of 2022 gave VFHA the discretion to reserve funding and adopt guidelines to provide grants to first-time homebuyers who are also first-generation homebuyers. Of the funds appropriated to DHCD in Act 74 of 2021, \$1.0 million was transferred to VHFA to provide grants to first-generation homebuyers. Providing this assistance in the form of grants rather than loans could result in fewer available funds in the future.

From 2015 through March 2022, the VHFA ASSIST Down Payment and Closing Cost Assistance program provided \$7,474,098 in loans to 1,565 borrowers. Under current conditions, if the fund does not experience any losses, just over \$10 million in VHFA's revolving loan fund will be available to loan out through 2026. First-generation homebuyers would likely make up a very small subset of the overall program participant population, but because they would receive grants rather than loans the overall amount of the fund could decrease over time.

Section 39

Section 39 directs VHFA to implement the Rental Housing Revolving Loan Program. The program will provide subsidized loans for rental housing developments targeted toward middle-income households.

Loans cannot exceed the lesser of the following: 35% of project costs that are attributable to affordable rental units or \$150,000 per unit for each unit that is affordable to renters with annual income between 65% and 80% of area median income and \$100,000 per unit for each unit that is affordable to households with annual income between 81% and 150% of area median income. All affordable units that receive loans through the program must remain affordable for either seven years or until the full amount of the loan has been repaid plus three years, whichever is longer.

To be eligible for a loan a project must create two or more new rental housing units. Projects can include both market rate and affordable units, but at least 25% of units in the project must be affordable. Affordable units must be affordable to households with annual income between 60% and 150% of area median income.

H.494 appropriates \$10.0 million from the General Fund to VHFA in fiscal year 2024 for the purpose of implementing this program.

Section 41

Section 41 includes additional contingent funding from the General Fund to DHCD in fiscal year 2024 for the Vermont Rental Housing Improvement Program (VHIP). The Department will award funds to statewide or regional nonprofit housing organizations to provide competitive grants and forgivable loans to private landlords for the rehabilitation, including weatherization, of eligible rental housing units.

Eligible units cannot be offered for short-term rental. Units are deemed eligible if they are non-code compliant, a newly created accessory dwelling unit, a newly created unit within an existing structure, a newly created single-unit structure, or a newly created unit within a newly created structure that contains five or fewer residential units. Loans or grants cannot exceed \$50,000 per unit and the landlord must contribute matching funds or in-kind services that equal or exceed 20% of the value of the grant or loan.

Units must be made available for a minimum period of five years to individuals who are exiting homelessness or are actively working with an immigrant or refugee settlement program. In instances where an eligible tenant cannot be found, landlords may rent the unit to a tenant with an annual income equal to or

less than 80% of area median income. If an eligible tenant still cannot be found, the landlord may rent to other households subject to approval from the Department.

H.494 appropriates \$10.0 million from the General fund in fiscal year 2024 to DHCD for this program.

Section 42

Section 42 includes a contingent appropriation from the General Fund to the Vermont Housing and Conservation Board (VHCB) in fiscal year 2024 to provide affordable mix-income rental housing and homeownership units. Funds may also be used for improvements to manufactured homes and communities, recovery residences, and housing available to farm workers and refugees. VHCB may also use the funds to expand shelter capacity and permanent homes for individuals experiencing homelessness.

H.494 appropriates \$50.0 million from the General Fund in fiscal year 2024 to VHCB for this purpose.

The following sections contain provisions that would result in new State costs but were not appropriated for in H.494.

Section 24

Section 24 creates the Rural Recovery Coordination Council to study and make recommendations on how to strengthen coordination between agencies and stakeholders involved in rural community development. This section includes a contingent appropriation from the General Fund to the Agency of Commerce and Community Development in fiscal year 2024 to provide funding for the Council. The Council does not currently have funds appropriated to it in H.494.

Section 32

Section 32 proposes additional funding from the General Fund, contingent on those funds being available, to DHCD in fiscal year 2024 to provide financial support for home repair, home improvement, housing transition, park infrastructure, legal assistance, and technical assistance for mobile homes and mobile home parks. Funds for this program are not appropriated in H.494.

Section 37

Section 37 proposes to make additional appropriations from the General Fund to VHFA in fiscal year 2024 for the Middle-Income Homeownership Development Program. The Agency would use the funds to provide subsidies for new construction or rehabilitation of affordable owner-occupied housing available for purchase by income-eligible homebuyers. Income-eligible homebuyers are defined as those with annual income that does not exceed 150% of area median income. Subsidies available cannot exceed 35% of eligible development costs. This program does not currently have funds appropriated to it in H.494.

Section 43

Section 43 proposes the creation of a Rental Housing Stabilization Services Program administered by the Champlain Valley Office of Economic Opportunity. The program would provide tenants and landlords with access to services and programs that assist in preventing evictions. This program is not currently funded in H.494.

Section 44

Section 44 proposes the creation of a two-year Tenant Representation Pilot Program administered by Vermont Legal Aid. The program would provide representation to tenants in Lamoille and Windsor counties that have been served with a summons and complaint for eviction. This program is not currently funded in H.494.

Section 45

Section 45 proposes the creation of a Rent Arrears Assistance Fund administered by the Vermont Housing Authority to provide funds to prevent evictions in cases involving nonpayment of rent from residential

rental units. This fund is not currently appropriated for in H.494.

No. 47. An act relating to housing opportunities made for everyone.

(S.100)

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

* * * Municipal Zoning * * *

Sec. 1. 24 V.S.A. § 4414 is amended to read:

§ 4414. ZONING; PERMISSIBLE TYPES OF REGULATIONS

* * *

(4) Parking and loading facilities. A municipality may adopt provisions setting forth standards for permitted and required facilities for off-street parking and loading, which may vary by district and by uses within each district. In any district that is served by municipal sewer and water infrastructure that allows residential uses, a municipality shall not require more than one parking space per dwelling unit. However, a municipality may require 1.5 parking spaces for duplexes and multiunit dwellings in areas not served by sewer and water and in areas that are located more than one-quarter mile away from public parking rounded up to the nearest whole number when calculating the total number of spaces. These bylaws may also include provisions covering the location, size, design, access, landscaping, and screening of those facilities. In determining the number of parking spaces for nonresidential uses and size of parking spaces required under these regulations, the appropriate municipal panel may take into account the existence or availability of employer “transit pass” and rideshare programs, public transit

routes, and public parking spaces in the vicinity of the development. ~~However,~~
~~a municipality shall not require an accessory dwelling unit to have more than~~
~~one parking space per bedroom.~~

* * *

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

§ 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

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

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

* * *

(D) Bylaws shall designate appropriate districts and reasonable regulations for multiunit or multifamily dwellings. No bylaw shall have the effect of excluding these multiunit or multifamily dwellings from the municipality. In any district that allows year-round residential development, duplexes shall be an allowed use with the same dimensional standards as a single-unit dwelling. In any district that is served by municipal sewer and water infrastructure that allows residential development, multiunit dwellings with four or fewer units shall be a permitted use, unless that district specifically requires multiunit structures to have more than four dwelling units.

(E) Except for flood hazard and fluvial erosion area bylaws adopted pursuant to section 4424 of this title, no bylaw shall have the effect of

excluding as a permitted use one accessory dwelling unit that is located within or appurtenant to a single-family dwelling on an owner-occupied lot. A bylaw ~~may~~ shall require a single-family dwelling with an accessory dwelling unit to be subject to the same review, dimensional, or other controls as required for a single-family dwelling without an accessory dwelling unit. ~~An accessory dwelling unit means a distinct unit that is clearly subordinate to a single family dwelling, and has facilities and provisions for independent living, including sleeping, food preparation, and sanitation, provided there is compliance with all the following:~~ The criteria for conversion of an existing detached nonresidential building to habitable space for an accessory dwelling unit shall not be more restrictive than the criteria used for a single-family dwelling without an accessory dwelling unit.

~~(i) The property has sufficient wastewater capacity.~~

~~(ii) The unit does not exceed 30 percent of the total habitable floor area of the single family dwelling or 900 square feet, whichever is greater.~~

* * *

(H) No bylaw shall have the effect of prohibiting or penalizing a hotel from renting rooms to provide housing assistance through the State of Vermont's General Assistance program, or to any person whose room is rented with public funds. In this subsection, the term "hotel" has the same meaning as in 32 V.S.A. 9202(3).

* * *

(12) In any area served by municipal sewer and water infrastructure that allows residential development, bylaws shall establish lot and building dimensional standards that allow five or more dwelling units per acre for each allowed residential use, and density standards for multiunit dwellings shall not be more restrictive than those required for single-family dwellings.

(13) In any area served by municipal sewer and water infrastructure that allows residential development, bylaws shall permit any affordable housing development, as defined in subdivision 4303(2) of this title, including mixed-use development, to exceed density limitations for residential developments by an additional 40 percent, which shall include exceeding maximum height limitations by one floor, provided that the structure complies with the Vermont Fire and Building Safety Code.

Sec. 3. 24 V.S.A. § 4413 is amended to read:

§ 4413. LIMITATIONS ON MUNICIPAL BYLAWS

(a)(1) The following uses may be regulated only with respect to location, size, height, building bulk, yards, courts, setbacks, density of buildings, off-street parking, loading facilities, traffic, noise, lighting, landscaping, and screening requirements, and only to the extent that regulations do not have the effect of interfering with the intended functional use:

(A) State- or community-owned and ~~operated~~ operated institutions and facilities;

(B) public and private schools and other educational institutions certified by the Agency of Education;

(C) churches and other places of worship, convents, and parish houses;

(D) public and private hospitals;

(E) regional solid waste management facilities certified under 10 V.S.A. chapter 159;

(F) hazardous waste management facilities for which a notice of intent to construct has been received under 10 V.S.A. § 6606a; and

(G) emergency shelters.

(2) Except for State-owned and -operated institutions and facilities, a municipality may regulate each of the land uses listed in subdivision (1) of this subsection for compliance with the National Flood Insurance Program and for compliance with a municipal ordinance or bylaw regulating development in a flood hazard area or river corridor, consistent with the requirements of subdivision 2291(25) and section 4424 of this title. These regulations shall not have the effect of interfering with the intended functional use.

(3) For purposes of this subsection, regulating the daily or seasonal hours of operation of an emergency shelter shall constitute interfering with the intended functional use.

* * *

Sec. 4. 24 V.S.A. § 4303 is amended to read:

§ 4303. DEFINITIONS

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

* * *

(38) “Accessory dwelling unit” means a distinct unit that is clearly subordinate to a single-family dwelling and has facilities and provisions for independent living, including sleeping, food preparation, and sanitation, provided there is compliance with all the following:

(A) the property has sufficient wastewater capacity; and

(B) the unit does not exceed 30 percent of the total habitable floor area of the single-family dwelling or 900 square feet, whichever is greater.

(39) “Duplex” means a residential building that has two dwelling units in the same building and neither unit is an accessory dwelling unit.

(40) “Emergency shelter” means any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless and that does not require occupants to sign leases or occupancy agreements.

(41) “Multiunit or multifamily dwelling” means a building that contains three or more dwelling units in the same building.

(42)(A) An area “served by municipal sewer and water infrastructure” means:

(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;

(V) areas serving an industrial site or park;

(VI) areas where service lines are located to serve the areas described in subdivisions (III)–(V) of this subdivision (ii), but no connections or expansions are permitted; or

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

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

Sec. 5. 24 V.S.A. § 4441 is amended to read:

§ 4441. PREPARATION OF BYLAWS AND REGULATORY TOOLS;

AMENDMENT OR REPEAL

* * *

(c) When considering an amendment to a bylaw, the planning commission shall prepare and approve a written report on the proposal. A single report may be prepared so as to satisfy the requirements of this subsection concerning bylaw amendments and subsection 4384(c) of this title concerning plan amendments. ~~The Department of Housing and Community Development shall provide all municipalities with a form for this report.~~ The report shall provide a brief explanation of the proposed bylaw, amendment, or repeal and shall

include a statement of purpose as required for notice under section 4444 of this title; and shall include findings regarding how the proposal:

(1) ~~Conforms~~ conforms with or furthers the goals and policies contained in the municipal plan, including the effect of the proposal on the availability of safe and affordable housing; and sections 4412, 4413, and 4414 of this title;

(2) ~~Is~~ is compatible with the proposed future land uses and densities of the municipal plan; and

(3) ~~Carries~~ carries out, as applicable, any specific proposals for any planned community facilities.

* * *

(h) Upon adoption or amendment of a bylaw, the planning commission shall prepare an adoption report in form and content provided by the Department of Housing and Community Development that:

(1) confirms that zoning districts' GIS data has been submitted to the Department and that the data complies with the Vermont Zoning GIS Data Standard adopted pursuant to 10 V.S.A. § 123;

(2) confirms that the complete bylaw has been uploaded to the Municipal Plan and Bylaw Database;

(3) demonstrates conformity with sections 4412, 4413, and 4414 of this title; and

(4) provides information on the municipal application of subchapters 7 (bylaws), 9 (administration), and 10 (panels) of this chapter for the Municipal

Planning Data Center and the prospective development of a statewide zoning atlas.

Sec. 6. 24 V.S.A. § 4465 is amended to read:

§ 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

(a) An interested person may appeal any decision or act taken by the administrative officer in any municipality by filing a notice of appeal with the secretary of the board of adjustment or development review board of that municipality or with the clerk of that municipality if no such secretary has been elected. This notice of appeal must be filed within 15 days ~~of~~ following the date of that decision or act, and a copy of the notice of appeal shall be filed with the administrative officer.

(b) ~~For the purposes of~~ As used in this chapter, an “interested person” means any one of the following:

(1) A person owning title to property, or a municipality or solid waste management district empowered to condemn it or an interest in it, affected by a bylaw, who alleges that the bylaw imposes on the property unreasonable or inappropriate restrictions of present or potential use under the particular circumstances of the case.

(2) The municipality that has a plan or a bylaw at issue in an appeal brought under this chapter or any municipality that adjoins that municipality.

(3) A person owning or occupying property in the immediate neighborhood of a property that is the subject of any decision or act taken

under this chapter, who can demonstrate a physical or environmental impact on the person's interest under the criteria reviewed, and who alleges that the decision or act, if confirmed, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality.

(4) Any ~~ten~~ 10 persons who may be any combination of voters, residents, or real property owners within a municipality listed in subdivision (2) of this subsection who, by signed petition to the appropriate municipal panel of a municipality, the plan or a bylaw of which is at issue in any appeal brought under this title, allege that any relief requested by a person under this title, if granted, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality. This petition to the appropriate municipal panel must designate one person to serve as the representative of the petitioners regarding all matters related to the appeal. For purposes of this subdivision, an appeal shall not include the character of the area affected if the project has a residential component that includes affordable housing.

(5) Any department and administrative subdivision of this State owning property or any interest in property within a municipality listed in subdivision (2) of this subsection, and the Agency of Commerce and Community Development of this State.

* * *

* * * Subdivisions * * *

Sec. 7. 24 V.S.A. § 4463 is amended to read:

§ 4463. SUBDIVISION REVIEW

(a) Approval of plats. Before ~~any~~ a plat for a major subdivision is approved, a public hearing on the plat shall be held by the appropriate municipal panel after public notice. A bylaw may provide for the administrative officer to approve minor subdivisions. A copy of the notice shall be sent to the clerk of an adjacent municipality, in the case of a plat located within 500 feet of a municipal boundary, at least 15 days prior to the public hearing.

(b) Plat; record. The approval of the appropriate municipal panel or administrative officer, if the bylaws provide for their approval of minor subdivisions, shall expire 180 days from that approval or certification unless, within that 180-day period, that plat shall have been duly filed or recorded in the office of the clerk of the municipality. After an approved plat or certification by the clerk is filed, no expiration of that approval or certification shall be applicable.

(1) The bylaw may allow the administrative officer to extend the date for filing the plat by an additional 90 days, if final local or State permits or approvals are still pending.

(2) No plat showing a new street or highway may be filed or recorded in the office of the clerk of the municipality until it has been approved by the

appropriate municipal panel, or administrative officer if allowed under the bylaws, pursuant to subsection (a) of this section, and that approval is endorsed in writing on the plat, or the certificate of the clerk of the municipality showing the failure of the appropriate municipal panel to take action within the 45-day period is attached to the plat and filed or recorded with the plat. After that filing or recording, the plat shall be a part of the official map of the municipality.

* * *

Sec. 8. 24 V.S.A. § 4418 is amended to read:

§ 4418. SUBDIVISION BYLAWS

* * *

(2) Subdivision bylaws may include:

(A) ~~Provisions~~ provisions allowing the appropriate municipal panel to waive or modify, subject to appropriate conditions, the provision of any or all improvements and requirements as in its judgment of the special circumstances of a particular plat or plats are not requisite in the interest of the public health, safety, and general welfare, or are inappropriate because of inadequacy or lack of connecting facilities adjacent or in proximity to the subdivision;

(B) ~~Procedures~~ procedures for conceptual, preliminary, partial, and other reviews preceding submission of a subdivision plat, including any administrative reviews;

(C) ~~Specific~~ specific development standards to promote the conservation of energy or to permit the utilization of renewable energy resources, or both;

(D) State standards and criteria under 10 V.S.A. § 6086(a); and

(E) provisions to allow the administrative officer to approve minor subdivisions.

* * * Appeals * * *

Sec. 9. 24 V.S.A. § 4471 is amended to read:

§ 4471. APPEAL TO ENVIRONMENTAL DIVISION

* * *

(e) ~~Neighborhood development area~~ Designated areas. Notwithstanding subsection (a) of this section, a determination by an appropriate municipal panel that a residential development will not result in an undue adverse effect on the character of the area affected shall not be subject to appeal if the ~~determination is that a proposed residential development seeking conditional use approval under subdivision 4414(3) of this title is within a designated downtown development district, designated growth center, designated Vermont neighborhood, or designated neighborhood development area seeking conditional use approval will not result in an undue adverse effect on the character of the area affected under subdivision 4414(3) of this title.~~ Other elements of the determination made by the appropriate municipal panel may be appealed.

* * * By Right * * *

Sec. 10. 24 V.S.A. § 4464(b) is amended to read:

(b) Decisions.

* * *

(7)(A) A decision rendered by the appropriate municipal panel for a housing development or the housing portion of a mixed-use development shall not:

(i) require a larger lot size than the minimum as determined in the municipal bylaws;

(ii) require more parking spaces than the minimum as determined in the municipal bylaws and in section 4414 of this title;

(iii) limit the building size to less than that allowed in the municipal bylaws, including reducing the building footprint or height;

(iv) limit the density of dwelling units to below that allowed in the municipal bylaws; and

(v) otherwise disallow a development to abide by the minimum or maximum applicable municipal standards.

(B) However, a decision may require adjustments to the applicable municipal standards listed in subdivision (A) of this subdivision (7) if the panel or officer issues a written finding stating:

(i) why the modification is necessary to comply with a prerequisite State or federal permit, municipal permit, or a nondiscretionary

standard in a bylaw or ordinance, including requirements related to wetlands, setbacks, and flood hazard areas and river corridors; and

(ii) how the identified restrictions do not result in an unequal treatment of housing or an unreasonable exclusion of housing development otherwise allowed by the bylaws.

Sec. 11. 24 V.S.A. § 4348a is amended to read:

§ 4348a. ELEMENTS OF A REGIONAL PLAN

(a) A regional plan shall be consistent with the goals established in section 4302 of this title and shall include the following:

* * *

(9) A housing element that identifies the regional and community-level need for housing for all economic groups in the region and communities. In establishing the identified need, due consideration shall be given to that will result in an adequate supply of building code and energy code compliant homes where most households spend not more than 30 percent of their income on housing and not more than 15 percent on transportation. To establish housing needs, the Department of Housing and Community Development shall publish statewide and regional housing targets or ranges as part of the Statewide Housing Needs Assessment. The regional planning commission shall consult the Statewide Housing Needs Assessment; current and expected demographic data; the current location, quality, types, and cost of housing; other local studies related to housing needs; and data gathered pursuant to

subsection 4382(c) of this title. If no such data has been gathered, the regional planning commission shall gather it. The regional planning commission's assessment shall estimate the total needed housing investments in terms of price, quality, unit size or type, and zoning district as applicable and shall disaggregate regional housing targets or ranges by municipality. The housing element shall include a set of recommended actions to satisfy the established needs.

* * *

Sec. 12. 24 V.S.A. § 4382 is amended to read:

§ 4382. THE PLAN FOR A MUNICIPALITY

(a) A plan for a municipality ~~may~~ shall be consistent with the goals established in section 4302 of this title and compatible with approved plans of other municipalities in the region and with the regional plan and shall include the following:

* * *

(10) A housing element that shall include a recommended program for ~~addressing low and moderate income persons'~~ public and private actions to address housing needs as identified by the regional planning commission pursuant to subdivision 4348a(a)(9) of this title. The program should use data on year-round and seasonal dwellings and include specific actions to address the housing needs of persons with low income and persons with moderate income and account for permitted ~~accessory dwelling units, as defined in~~

~~subdivision 4412(1)(E) of this title, which provide affordable housing~~
residential development as described in section 4412 of this title.

* * *

Sec. 13. 24 V.S.A. § 4442 is amended to read:

§ 4442. ADOPTION OF BYLAWS AND RELATED REGULATORY
TOOLS; AMENDMENT OR REPEAL

* * *

(c) Routine adoption.

~~(1)~~ A bylaw, bylaw amendment, or bylaw repeal shall be adopted by a majority of the members of the legislative body at a meeting that is held after the final public hearing, and shall be effective 21 days after adoption unless, by action of the legislative body, the bylaw, bylaw amendment, or bylaw repeal is warned for adoption by the municipality by Australian ballot at a special or regular meeting of the municipality.

~~(2) However, a rural town as defined in section 4303 of this chapter, by vote of that town at a special or regular meeting duly warned on the issue, may elect to require that bylaws, bylaw amendments, or bylaw repeals shall be adopted by vote of the town by Australian ballot at a special or regular meeting duly warned on the issue. That procedure shall then apply until rescinded by the voters at a regular or special meeting of the town.~~

* * *

Sec. 14. 24 V.S.A. § 4306 is amended read:

§ 4306. MUNICIPAL AND REGIONAL PLANNING FUND

* * *

(b)(1) Allocations for performance contract funding to regional planning commissions shall be determined according to a formula to be adopted by rule under 3 V.S.A. chapter 25 by the Department for the assistance of the regional planning commissions. Disbursement of funding to regional planning commissions shall be predicated upon meeting performance goals and targets pursuant to the terms of the performance contract.

(2) Disbursement to municipalities shall be awarded annually on or before December 31 through a competitive program administered by the Department providing the opportunity for any eligible municipality or municipalities to compete regardless of size, provided that to receive funds, a municipality:

(A) shall be confirmed under section 4350 of this title; or

(B)(i) shall use the funds for the purpose of developing a municipal plan to be submitted for approval by the regional planning commission, as required for municipal confirmation under section 4350 of this title; and

(ii) shall have voted at an annual or special meeting to provide local funds for municipal and regional planning purposes.

(3) Of the annual disbursement to municipalities, an amount not to exceed 20 percent of the total may be disbursed to the Department to

administer a program providing direct technical consulting assistance under retainer on a rolling basis to any eligible municipality to meet the requirements for designated neighborhood development area under chapter 76A of this title, provided that the municipality is eligible for funding under subdivision (2) and meets funding guidelines established by the Department to ensure accessibility for lower capacity communities, municipal readiness, and statewide coverage.

(4) Of the annual disbursement to municipalities, the Department may allocate funding as bylaw modernization grants under 4307.

* * *

~~(d) New funds allocated to municipalities under this section may take the form of Municipal Bylaw Modernization Grants in accordance with section 4307 of this title.~~

* * * Regional Planning * * *

Sec. 15. REGIONAL PLANNING REPORT

(a) On or before December 15, 2023, the Vermont Association of Planning and Development Agencies shall report on statutory recommendations to better integrate and implement municipal, regional, and State plans, policies, and investments by focusing on regional future land use maps and policies. In the process of creating the Regional Planning Report, the Vermont Association of Planning and Development Agencies shall consider possible new methods of public engagement that promote equity and expand opportunity for meaningful

participation by impacted communities in the decisions affecting their physical and social environment.

(b) The recommendations shall address how to accomplish the following:

(1) Aligning policies and implementation between municipalities, regional planning commissions, and State entities to better address climate change, climate resiliency, natural resources, housing, transportation, economic development, other social determinants of health, and other place-based issues.

(2) Building upon municipal and regional enhanced energy plans and their implementation.

(3) Evaluating place-based policy and project decisions by the State, regional planning commissions, and municipalities related to implementing regional future land use maps and policies and recommending changes to which of those governmental levels those decisions should occur, if necessary.

(4) Ensuring that State agency investment and policy decisions that relate to land development are consistent with regional and local plans. The investments assessed should include, at a minimum:

(A) drinking water;

(B) wastewater;

(C) stormwater;

(D) transportation;

(E) community and economic development;

(F) housing;

(G) energy; and

(H) telecommunications.

(5) Achieving statewide consistency of future land use maps and policies to better support Act 250 and 30 V.S.A. § 248.

(6) How Act 250 and 30 V.S.A. § 248 could better support implementation of regional future land use maps and policies.

(7) Better support implementation of regional future land use maps and policies in the State designation program under 24 V.S.A. chapter 76A.

(8) Improving the quality and effectiveness of future land use maps in regional and municipal plans through changes to 24 V.S.A. chapter 117 including:

(A) future land use map area delineations, definitions, statements, and policies;

(B) existing settlement definitions and their relationship to future land use maps;

(C) the role of regional plans in the review and approval of municipal plans and planning processes; and

(D) a review mechanism to ensure bylaws are consistent with municipal plans.

(c) The report should also discuss how best to implement the recommendations, including the following:

(1) how best to phase in the recommendations;

(2) how to establish a mechanism for the independent review of regional plans to ensure consistency with statutory requirements;

(3) what guidance and training will be needed to implement the recommendations; and

(4) what incentives and accountability mechanisms are necessary to accomplish these changes at all levels of government.

(d) The Vermont Association of Planning and Development Agencies shall consult with the Agency of Transportation, the Agency of Natural Resources, the Agency of Commerce and Community Development, the Department of Public Service, Vermont Emergency Management, the Natural Resources Board, the regional development corporations, the Vermont League of Cities and Towns, statewide environmental organizations, and other interested parties in developing the report and shall summarize comments.

(e) On or before December 15, 2023, the Vermont Association of Planning and Development Agencies shall submit the report to the following committees: the Senate Committees on Economic Development, Housing and General Affairs, on Government Operations, on Natural Resources and Energy, and on Transportation and the House Committees on Commerce and Economic Development, on Environment and Energy, on General and Housing, on Government Operations and Military Affairs, and on Transportation.

(f) The Vermont Association of Planning and Development Agencies shall be funded in fiscal year 2023 and fiscal year 2024 for this study through the regional planning grant established in 24 V.S.A. § 4306.

Sec. 15a. HOUSING RESOURCE NAVIGATOR FOR REGIONAL

PLANNING COMMISSIONS

(a) The Vermont Association of Planning and Development Agencies shall hire Housing Resource Navigators to work with municipalities, regional and local housing organizations, and private developers to identify housing opportunities, match communities with funding resources, and provide project management support.

(b) The duty to implement this section is contingent upon an appropriation in fiscal year 2024 from the General Fund to the Vermont Association of Planning and Development Agencies for the purpose of hiring the Housing Navigators as described in subsection (a) of this section.

* * * Act 250 * * *

Sec. 16. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

As used in this chapter:

* * *

(3)(A) “Development” means each of the following:

* * *

(iv) The construction of housing projects such as cooperatives, condominiums, or dwellings, or construction or maintenance of mobile homes or mobile home parks, with 10 or more units, constructed or maintained on a tract or tracts of land, owned or controlled by a person, within a radius of five miles of any point on any involved land and within any continuous period of five years. However:

* * *

(xi) Notwithstanding any other provision of law to the contrary, until July 1, 2026, the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, with 25 or more units, constructed or maintained on a tract or tracts of land, located entirely within a designated downtown development district, a designated neighborhood development area, a designated village center with permanent zoning and subdivision bylaws, or a designated growth center, owned or controlled by a person, within a radius of five miles of any point on any involved land and within any continuous period of five years. For purposes of this subsection, the construction of four units or fewer of housing in an existing structure shall only count as one unit towards the total number of units

* * *

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

* * *

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

(II) If the construction of a priority housing project in this subdivision (3)(D)(viii) involves demolition of one or more buildings that are listed or eligible to be listed on the State or National Register of Historic Places, this exemption shall not apply unless the Division for Historic Preservation has made the determination described in subdivision (A)(iv)(I)(ff) of this subdivision (3) and any imposed conditions are enforceable in the manner set forth in that subdivision.

(III) Notwithstanding any other provision of law to the contrary, until July 1, 2026, the construction of a priority housing project located entirely within a designated downtown development district, designated neighborhood development area, or a designated growth center.

* * *

Sec. 16a. ACT 250 EXEMPTION REQUIREMENTS

In order to qualify for the exemptions established in 10 V.S.A. § 6001 (3)(A)(xi) and (3)(D)(viii)(III), a person shall request a jurisdictional opinion under 10 V.S.A. § 6007 on or before June 30, 2026. The jurisdictional opinion shall require the project to substantially complete construction on or before June 30, 2029 in order to remain exempt.

Sec. 17. 10 V.S.A. § 6086b is amended to read:

§ 6086b. DOWNTOWN DEVELOPMENT; FINDINGS; MASTER PLAN
PERMITS

(a) Findings and conclusions. Notwithstanding any provision of this chapter to the contrary, each of the following shall apply to a development or subdivision that is completely within a downtown development district designated under 24 V.S.A. chapter 76A and for which a permit or permit amendment would otherwise be required under this chapter:

(1) In lieu of obtaining a permit or permit amendment, a person may request findings and conclusions from the District Commission, which shall approve the request if it finds that the development or subdivision will meet subdivisions 6086(a)(1) (air and water pollution), (2) (sufficient water available), (3) (burden on existing water supply), (4) (soil erosion), (5) (traffic), (8) (aesthetics, historic sites, rare and irreplaceable natural areas), (8)(A) (endangered species; necessary wildlife habitat), (9)(B) (primary agricultural soils), (9)(C) (productive forest soils), (9)(F) (energy conservation), and (9)(K) (public facilities, services, and lands) of this title.

* * *

(b) Master plan permits.

(1) Any municipality within which a downtown development district or neighborhood development area has been formally designated pursuant to 24 V.S.A. chapter 76A may apply to the District Commission for a master plan

permit for that area or any portion of that area pursuant to the rules of the Board. Municipalities making an application under this subdivision are not required to exercise ownership of or control over the affected property.

(2) Subsequent development of an individual lot within the area of the master plan permit that requires a permit under this chapter shall take the form of a permit amendment.

(3) In neighborhood development areas, subsequent master plan permit amendments shall only be issued for development that is housing.

(4) In approving a master plan permit and amendments, the District Commission may include specific conditions that an applicant for an individual project permit shall be required to meet.

(5) For a master plan permit issued pursuant to this section, an application for an amendment may use the findings issued in the master plan permit as a rebuttable presumption to comply within any applicable criteria under subsection 6086(a) of this title.

Sec. 18. 10 V.S.A. § 6083a is amended to read:

§ 6083a. ACT 250 FEES

(a) All applicants for a land use permit under section 6086 of this title shall be directly responsible for the costs involved in the publication of notice in a newspaper of general circulation in the area of the proposed development or subdivision and the costs incurred in recording any permit or permit amendment in the land records. In addition, applicants shall be subject to each

of the following fees for the purpose of compensating the State of Vermont for the direct and indirect costs incurred with respect to the administration of the Act 250 program:

(1) For applications for projects involving construction, \$6.65 for each \$1,000.00 of the first \$15,000,000.00 of construction costs, and \$3.12 for each \$1,000.00 of construction costs above \$15,000,000.00. An additional \$0.75 for each \$1,000.00 of the first \$15,000,000.00 of construction costs shall be paid to the Agency of ~~National~~ Natural Resources to account for the Agency of Natural Resources' review of Act 250 applications.

(2) For applications for projects involving the creation of lots, \$125.00 for each lot.

(3) For applications for projects involving exploration for or removal of oil, gas, and fissionable source materials, a fee as determined under subdivision (1) of this subsection or \$1,000.00 for each day of Commission hearings required for such projects, whichever is greater.

(4) For applications for projects involving the extraction of earth resources, including sand, gravel, peat, topsoil, crushed stone, or quarried material, the greater of: a fee as determined under subdivision (1) of this subsection; or a fee equivalent to the rate of \$0.02 per cubic yard of the first million cubic yards of the total volume of earth resources to be extracted over the life of the permit, and \$0.01 per cubic yard of any such earth resource extraction above one million cubic yards. Extracted material that is not sold or

does not otherwise enter the commercial marketplace shall not be subject to the fee. The fee assessed under this subdivision for an amendment to a permit shall be based solely upon any additional volume of earth resources to be extracted under the amendment.

(5) For applications for projects involving the review of a master plan, a fee equivalent to \$0.10 per \$1,000.00 of total estimated construction costs in current dollars in addition to the fee established in subdivision (1) of this subsection for any portion of the project seeking construction approval.

~~(6) In no event shall a permit application fee exceed \$165,000.00.~~

(b) Notwithstanding the provisions of subsection (a) of this section, there shall be a minimum fee of \$187.50 for original applications and \$62.50 for amendment applications, in addition to publication and recording costs. These costs shall be in addition to any other fee established by statute, unless otherwise expressly stated. In addition, in no event shall the fee for an individual permit or permit amendment application, including each individual permit or permit amendment application seeking approval for any portion of a project involving a master plan, exceed \$165,000.00.

* * *

Sec. 18a. REPORT; ACT 250 MUNICIPAL DELEGATION

(a) The Vermont Association of Planning and Development Agencies, in consultation with the Natural Resources Board, shall develop a proposed framework for delegating administration of Act 250 permits to municipalities.

They shall consult with other relevant stakeholders, including those with experience issuing Act 250 permits under 10 V.S.A. chapter 151, environmental organizations, State agencies, and municipal planning and zoning officials. Each regional planning commission shall hold one public meeting on the framework.

(b) On or before December 31, 2023, the Vermont Association of Planning and Development Agencies shall report to the House Committee on Environment and Energy and the Senate Committee on Natural Resources and Energy on the proposed framework to delegate Act 250 permit administration to municipalities.

Sec. 19. 2022 Acts and Resolves No. 182, Sec. 41 is amended to read:

Sec. 41. REPORT; NATURAL RESOURCES BOARD

(a) On or before December 31, 2023, the Chair of the Natural Resources Board shall report to the House Committees on ~~Natural Resources, Fish, and Wildlife~~ Environment and Energy and on Ways and Means and the Senate Committees on Finance and on Natural Resources and Energy on necessary updates to the Act 250 program.

(b) The report shall include:

(1) How to transition to a system in which Act 250 jurisdiction is based on location, which shall encourage development in designated areas; the maintenance of intact rural working lands; and the protection of natural resources of statewide significance, including biodiversity. Location-based

jurisdiction would adjust the threshold for Act 250 jurisdiction based on the characteristics of the location. This section of the report shall consider whether to develop thresholds and tiers of jurisdiction as recommended in the Commission on Act 250: the Next 50 Years Report.

(2) How to use the Capability and Development Plan to meet the statewide planning goals.

(3) An assessment of the current level of staffing of the Board and District Commissions, including whether there should be a district coordinator located in every district.

(4) Whether the permit fees are sufficient to cover the costs of the program and, if not, a recommendation for a source of revenue to supplement the fees.

(5) Whether the permit fees are effective in providing appropriate incentives.

(6) Whether the Board should be able to assess its costs on applicants.

(7) Whether increasing jurisdictional thresholds for housing development to 25 units under 10 V.S.A. § 6001(3)(A)(iv) would affect housing affordability, especially for primary homeownership, and what the potential impact of increasing those thresholds to 25 units would have on natural and community resources addressed under existing Act 250 criteria.

Sec. 19a. 2022 Acts and Resolves No. 182, Sec. 40 is amended to read:

Sec. 40. DESIGNATED AREA REPORT; APPROPRIATION

* * *

(3) On or before ~~July 15, 2023~~, December 31, 2023, the consultant shall submit a written report to the General Assembly with its findings and any recommendations for legislative action.

Sec. 19b. 10 V.S.A. § 6081(y) is added to read:

(y) No permit or permit amendment is required for a retail electric distribution utility's rebuilding of existing electrical distribution lines and related facilities to improve reliability and service to existing customers, through overhead or underground lines in an existing corridor, road, or State or town road right-of-way. Nothing in this section shall be interpreted to exempt projects under this subsection from other required permits or the conditions on lands subject to existing permits required by this section.

Sec. 19c. EXEMPTION REPEAL

10 V.S.A. § 6081(y) is repealed on January 1, 2026.

Sec. 19d. ELECTRIC DISTRIBUTION UTILITY PROJECT REPORT

On or before January 15, 2024, and annually until 2026, any distribution utility that takes an action exempt under 10 V.S.A. § 6081(y) shall report to the House Committee on Environment and Energy and the Senate Committees on Finance and on Natural Resources and Energy on the projects completed pursuant to that exemption in the preceding year. The report shall address: the

location of the projects, including whether it is located in a “1-acre town” or a “10-acre town”; how many customers are affected by the project; whether the project involved lines being hardened in place, buried underground, or relocated to the right-of-way; how many poles were removed and how many poles were set; and what permits the projects were required to receive.

* * * Covenants * * *

Sec. 20. 27 V.S.A. § 545 is amended to read:

§ 545. COVENANTS, CONDITIONS, AND RESTRICTIONS OF
SUBSTANTIAL PUBLIC INTEREST

(a) Deed restrictions, covenants, or similar binding agreements added after March 1, 2021 that prohibit or have the effect of prohibiting land development allowed under 24 V.S.A. § 4412(1)(E) and (2)(A) shall not be valid.

(b) Deed restrictions or covenants added after July 1, 2023 shall not be valid if they require a minimum dwelling unit size on the property or more than one parking space per dwelling unit if the property is located in an area served by municipal sewer and water infrastructure as defined in 24 V.S.A. § 4303 that allows residential uses or more than 1.5 parking spaces for duplexes and multiunit dwellings in areas not served by sewer and water and in areas that are located more than one-quarter mile away from public parking rounded up to the nearest whole number when calculating the total number of spaces.

(c) This section shall not affect the enforceability of any property interest held in whole or in part by a qualified organization or State agency as defined in 10 V.S.A. § 6301a, including any restrictive easements, such as conservation easements and historic preservation rights and interests defined in 10 V.S.A. § 822. This section shall not affect the enforceability of any property interest that is restricted by a housing subsidy covenant as defined by section 610 of this title and held in whole or in part by an eligible applicant as defined in 10 V.S.A. § 303(4) or the Vermont Housing Finance Agency.

* * * Road Disclosure * * *

Sec. 21. 27 V.S.A. § 617 is added to read:

§ 617. DISCLOSURE OF CLASS 4 ROAD

(a) Disclosure of maintenance on class 4 highway. Any property owner who sells property located on a class 4 highway or legal trail shall disclose to the buyer that the municipality is not required to maintain the highway or trail as described in 19 V.S.A. § 310.

(b) Marketability of title. Noncompliance with the requirements of this section shall not affect the marketability of title of a property.

* * * Building Energy Code Study Committee * * *

Sec. 22. FINDINGS

The General Assembly finds that:

(1) Vermont established the Residential Building Energy Standards (RBES) in 1997 and the Commercial Building Energy Standards (CBES) in

2007. The Public Service Department is responsible for adopting and updating these codes regularly but does not have the capacity to administer or enforce them.

(2) The RBES and CBES are mandatory, but while municipalities with building departments handle some aspects of review and inspection, there is no State agency or office designated to interpret, administer, and enforce them.

(3) The Division of Fire Safety in the Department of Public Safety is responsible for development, administration, and enforcement of building codes but does not currently have expertise or capacity to add administration or enforcement of energy codes in buildings.

(4) Studies in recent years show compliance with the RBES at about 54 percent and CBES at about 87 percent, with both rates declining. Both codes are scheduled to become more stringent with the goal of “net-zero ready” by 2030.

(5) In December 2022, the U.S. Department of Energy issued the Bipartisan Infrastructure Law: Resilient and Efficient Codes Implementation Funding Opportunity Announcement. The first \$45 million of a five-year \$225 million program is available in 2023. Vermont’s increased code compliance plans should include contingencies for this potential funding.

Sec. 23. ENERGY CODE COMPLIANCE; STUDY COMMITTEE

(a) Creation. There is created the Building Energy Code Study Committee to recommend strategies for increasing compliance with the Residential

Building Energy Standards (RBES) and Commercial Building Energy Standards (CBES).

(b) Membership. The Committee shall have 15 members with applicable expertise, to include program design and implementation, building code administration and enforcement, and Vermont's construction industry. The Speaker of the House shall appoint three members, including up to one legislator. The Committee on Committees shall appoint two members, including up to one legislator. The remaining members shall be the following:

- (1) the Commissioner of Public Service or designee;
- (2) the Director of Fire Safety or designee;
- (3) a representative of Efficiency Vermont;
- (4) a representative of American Institute of Architects–Vermont;
- (5) a representative of the Vermont Builders and Remodelers

Association;

- (6) a representative the Burlington Electric Department;
- (7) a representative of Vermont Gas Systems;
- (8) a representative of the Association of General Contractors of

Vermont;

- (9) a representative of the Vermont League of Cities and Towns; and
- (10) a representative from a regional planning commission.

(c) Powers and duties. The Committee shall:

(1) consider and recommend strategies to increase awareness of and compliance with the RBES and CBES, including the potential designation of the Division of Fire Safety (DFS) in the Department of Public Safety as the statewide authority having jurisdiction for administration, interpretation, and enforcement, in conjunction with DFS' existing jurisdiction, over building codes;

(2) evaluate current cost-effectiveness analyses for the RBES and the CBES, whether they include or should include nonenergy benefits such as public health benefits and the cost of carbon, and how that impacts the affordability of housing projects and provide recommendations; and

(3) assess how the building energy codes interact with the fire and building safety codes.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Department of Public Service. The Department shall hire a third-party consultant to assist and staff the Committee, which may be funded by monies appropriated by the General Assembly or any grant funding received.

(e) Report. On or before December 1, 2023, the Committee shall submit a written report to the General Assembly with its findings and recommendations for legislative action.

(f) Meetings.

(1) The Department of Public Service shall call the first meeting of the Committee to occur on or before July 15, 2023.

(2) The Committee shall elect a chair from among its members at the first meeting.

(3) A majority of the membership shall constitute a quorum.

(4) The final meeting shall be held on or before October 31, 2023. The Committee shall cease to exist on December 1, 2023.

(g) Compensation and reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Committee serving in the legislator's capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than six meetings.

(2) Other members of the Committee who are not otherwise compensated by their employer shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than six meetings.

(3) The payments under this subsection (g) shall be made from monies appropriated by the General Assembly or any grant funding received.

Sec. 24. RURAL RECOVERY COORDINATION COUNCIL

(a) Goals. The Rural Recovery Coordination Council is created to study and make recommendations on how to strengthen coordination between agencies and stakeholders involved in rural community development.

(b) Purposes. The Council shall consider and identify strategies to:

(1) prioritize areas of investment into Vermont's rural communities in order to ensure necessary resources to meet Vermont's climate goals, rural community development objectives, and environmental sustainability requirements;

(2) build long-term emergency and disaster preparedness and recovery;

(3) ensure intergovernmental and regional communications and coordination; and

(4) improve access to technical assistance and support from regional and statewide agencies and programs.

(c) Powers and duties. The Council shall identify structural changes and improve coordination across all levels of government to support rural community development, including addressing the following issues:

(1) a permanent structure for ensuring rural community development programming within State government;

(2) how to better include rural voices in regional collaboration and prioritization projects;

(3) how municipal, regional, and State plans, policies, and investments can be integrated and mutually supportive;

(4) where to establish an office of Rural Community Development and how long the office should be authorized for; and

(5) how to support capacity at the municipal level and how to support multitown coordination and collaboration.

(d) Report. On or before December 15, 2023, the Council shall report to the General Assembly and to the Agency of Administration with its findings, recommendations, and draft legislation.

(e) Members. The Council shall comprise the following members:

(1) the Vermont Chief Performance Officer or designee;

(2) the Secretary of Commerce and Community Development or designee;

(3) the Commissioner of Public Service or designee;

(4) the Secretary of Transportation or designee;

(5) the Director of Racial Equity or designee;

(6) one or more representatives from the regional planning commissions appointed by the Vermont Association of Planning and Development Agencies;

(7) one or more representatives from the regional development corporations appointed by the Regional Development Corporations of Vermont;

(8) the Executive Director of the Vermont League of Cities and Towns or designee;

(9) a member, appointed by the Vermont Communications Union Districts Association;

(10) the Secretary of Natural Resources or designee;

(11) a member, appointed by the University of Vermont Office of Engagement;

(12) a member, appointed by the Vermont Housing and Conservation

Board;

(13) a member of the House of Representatives, appointed by the Speaker of the House; and

(14) a member of the Senate, appointed by the Committee on Committees.

(f) Compensation and reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Council shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23.

(2) Other members of the Council shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010.

(g) Meetings; administration.

(1) The Council shall meet at least five times and take testimony from a variety of stakeholders, including from representatives from municipalities of variety of sizes and from those with experience in state land use planning, regional planning, municipal planning, economic planning, or strategic planning.

(2) The Vermont Council on Rural Development shall convene the first meeting the Rural Recovery Coordination Council, facilitate the meetings, and provide administrative support.

(3) The Committee shall cease to exist on March 31, 2024.

(h) The duty to implement this section is contingent upon an appropriation in fiscal year 2024 from the General Fund to the Agency of Commerce and Community Development to provide funding for the Council as follows:

(1) an appropriation to the Vermont Council on Rural Development to convene meetings of the Council and provide administrative and policy support; and

(2) an appropriation to provide per diem compensation and reimbursement of expenses for members of the Council.

Sec. 25. ANR REVIEW OF PERMITTING OF POTABLE WATER AND
WASTEWATER CONNECTION PERMITS

(a) The Agency of Natural Resources (ANR) shall review the statutory requirements, regulatory requirements, and ANR processes governing ANR's issuance of potable water and wastewater connection permits in order to

identify approaches for reducing the administrative burden and costs incurred by municipalities and permit applicants. In conducting its review, ANR shall consult with the Agency of Commerce and Community Development, representatives of municipalities, professional engineers and licensed designers, and environmental organizations regarding alternatives for improving permitting of potable water and wastewater connections.

(b) In conducting the review required by this section, ANR shall:

(1) review and analyze the permitting standards and permit processes for potable water and wastewater connections in other jurisdictions;

(2) identify any State permitting requirements or ANR processes that may be duplicated under State and local permits and propose how to eliminate such redundancies;

(3) assess how to simplify and expedite the permitting process for potable water and wastewater connection permits;

(4) identify data and document sharing and management solutions for potable water and wastewater connections connection permits, including how to make municipal and State permits available to the public in an electronic format or on a statewide platform; and

(5) propose revised criteria for the issuance of potable water and wastewater connections connection permits, including criteria to address public interest, public health and safety, and environmental impacts of connections.

(c) ANR shall complete the review required by this section on or before July 1, 2025. The Agency is authorized to implement or revise any permitting processes or criteria that do not require or conflict with statutory or regulatory authority. On or before January 31, 2025, the Agency shall present to the House Committee on Environment and Energy and the Senate Committee on Natural Resources and Energy a written report or oral testimony on the status of the review required under this section, including potential recommended statutory or regulatory changes.

Sec. 25a. UTILITY DISCONNECTION; LANDLORD NOTIFICATION;

PUBLIC UTILITY COMMISSION; RULEMAKING

(a) For the purpose of promoting safety, the protection of property, and providing assistance to tenants, the Public Utility Commission shall revise its rules concerning utility service disconnection to:

(1) require that a utility provide notice to the property owner of residential or nonresidential rental property if utility service to the property has been disconnected, even if the tenant is the ratepayer; and

(2) allow a utility to disconnect utility service remotely.

(b) As used in this section, “utility service” means gas, electric, water, and wastewater service subject to the jurisdiction of the Public Utility Commission.

(c) The rules adopted pursuant to subdivision (a)(1) of this section shall:

(1) establish the form, content, time, and manner of the notification required by subdivision (a)(1) of this section;

(2) include a process whereby a property owner can request that the notification is provided to a property manager or other appropriate third party; and

(3) ensure that the notification does not include personal or confidential information pertaining to the tenant or the tenant's account, except that the utility may disclose information necessary to enable the property owner or other applicable third party to reconnect utility service to the property.

(d) On or before January 1, 2024, the Public Utility Commission shall submit to the House Committees on General and Housing and on Environment and Energy and the Senate Committees on Economic Development, Housing and General Affairs and on Finance a proposal in the form of draft legislation that incorporates, as the Commission deems appropriate, the rules adopted by the Commission pursuant to this section and that applies to utility disconnections not subject to the jurisdiction of the Commission, including water and sewer service provided by a water or sewer system owned by a municipality, fire district, or private company subject to the uniform water and sewer disconnection requirements in 24 V.S.A. chapter 129.

* * * ADU Jurisdiction * * *

Sec. 26. 20 V.S.A. § 2730 is amended to read:

§ 2730. DEFINITIONS

(a) As used in this subchapter, "public building" means:

(1)(A) a building owned or occupied by a public utility, hospital, school, house of worship, convalescent center or home for elders or persons who have an infirmity or a disability, nursery, kindergarten, or child care;

* * *

(D) a building in which people rent accommodations, whether overnight or for a longer term;

* * *

(b) The term “public building” does not include:

(1) An owner-occupied ~~single-family~~ single-family residence, unless used for a purpose described in subsection (a) of this section.

* * *

(4) ~~A single-family~~ An owner-occupied single-family residence with an accessory dwelling unit as permitted under 24 V.S.A. § 4412(1)(E), unless rented overnight or for a longer term as described in subdivision (1)(D) of subsection (a) of this section.

* * *

* * * Enforcement * * *

Sec. 27. [Deleted.]

Sec. 28. 9 V.S.A. § 4507 is amended to read:

§ 4507. CRIMINAL PENALTY

A person who violates a provision of this chapter shall be fined not more than ~~\$1,000.00~~ \$10,000.00 per violation.

* * * Building Safety * * *

Sec. 29. VERMONT FIRE AND BUILDING SAFETY CODE; POTENTIAL
REVISIONS; REPORT

(a) On or before January 15, 2024, the Executive Director of the Division of Fire Safety shall submit a written report to the General Assembly that identifies and examines provisions from other jurisdictions' fire and life safety codes for residential buildings that:

(1) would facilitate in Vermont:

(A) the increased construction of new residential units;

(B) the conversion of existing space into new residential units; or

(C) both; and

(2) could be incorporated into the Vermont Fire and Building Safety Code.

(b) The report shall include recommendations for any legislative action necessary to enable the identified provisions to be incorporated into Vermont's Fire and Building Safety Code.

* * * Eviction Rescue Fund * * *

Sec. 30. [Deleted.]

* * * HomeShare * * *

Sec. 31. HOMESHARING OPPORTUNITIES

In fiscal year 2024, it is the intent of the General Assembly to appropriate funds, if available, from the General Fund to the Department of Housing and

Community Development funding to expand home-sharing opportunities throughout the State.

* * * Mobile Homes and Mobile Home Parks * * *

Sec. 32. MOBILE HOMES; MOBILE HOME PARKS; APPROPRIATION

(a) Creation. There is created the Mobile Home Task Force.

(b) Membership. The Task Force is composed of the following members:

(1) one current member of the House of Representatives, appointed by the Speaker of the House;

(2) one current member of the Senate, appointed by the Committee on Committees;

(3) one member, appointed by the Department of Housing and Community Development;

(4) one member, appointed by the Champlain Valley Office of Economic Opportunity;

(5) one member, appointed by The Housing Foundation Inc.;

(6) one member, appointed by the Speaker of the House, representing mobile home cooperative owners; and

(7) one member, appointed by the Vermont Housing and Conservation Board.

(c) Powers and duties. The Task Force shall study the current landscape for mobile homes and mobile home parks in this State, including the following issues:

(1) the status of mobile homes and mobile home parks within Vermont's housing portfolio;

(2) the condition and needs for mobile home park infrastructure among parks of various sizes;

(3) the current statutory treatment of mobile homes either as personal or real property;

(4) modern construction, energy efficiency, and durability of manufactured housing, and the availability, affordability, and suitability of alternative types of manufactured, modular, or other housing;

(5) the type and scope of data and information collected concerning mobile home residents, mobile homes, and mobile home parks and opportunities to make the data and information more centralized, accessible, and useful for informing policy decisions; and

(6) conversion to cooperative ownership and technical assistance available to prospective and new cooperative owners, including the availability of guidance concerning governance structures, operation, and conflict resolution.

(d) Assistance. For purposes of scheduling meetings and preparing a report and recommendations, the Task Force shall have the assistance of the Office of Legislative Operations, the Office of Legislative Counsel, and the Joint Fiscal Office.

(e) Report. On or before January 15, 2024, the Task Force shall submit a written report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The House of Representatives' member shall call the first meeting of the Task Force to occur on or before September 1, 2023.

(2) The Committee shall select a chair from among its members at the first meeting.

(3) A majority of the membership shall constitute a quorum.

(4) The Task Force shall cease to exist on January 15, 2024.

(g) Compensation and reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Task Force shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than six meetings.

(2) Other members of the Task Force shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than six meetings.

(3) Payments to members of the Task Force authorized under this subsection shall be made from monies appropriated to the General Assembly.

(h) In fiscal year 2024, it is the intent of the General Assembly to appropriate funds, if available, from the General Fund to the Department of Housing and Community Development to provide financial support for home repair, home improvement, housing transition, park infrastructure, legal assistance, and technical assistance.

* * * Vermont Housing Finance Agency * * *

Sec. 33. 2022 Acts and Resolves No. 182, Sec. 2 is amended to read:

Sec. 2. FIRST-GENERATION HOMEBUYER; IMPLEMENTATION;
APPROPRIATION

(a) Guidelines. The Vermont Housing Finance Agency shall adopt guidelines and procedures for the provision of grants to first-generation homebuyers pursuant to 32 V.S.A. § 5930u(b)(3)(D) consistent with the criteria of the Down Payment Assistance Program implemented pursuant to 32 V.S.A. § 5930u(b)(3) and with this section.

(b) As used in this section and 32 V.S.A. § 5930u(b)(3)(D), a “first-generation homebuyer” means ~~an applicant~~ a homebuyer who self-attests that the ~~applicant~~ homebuyer is an individual:

(1)~~(A)~~ whose parents or legal guardians;

(A) do not have and during the homebuyer’s lifetime have not had any present residential ownership interest in any State state; and or

(B) whose spouse, or domestic partner, and each member of whose household has not, during the three-year period ending upon acquisition of the

~~eligible home to be acquired, had any present ownership interest in a principal residence in any State~~ lost ownership of a home due to foreclosure, short sale, or deed-in-lieu of foreclosure and have not owned a home since that loss; or

(2) ~~is an individual~~ who has at any time been placed in foster care.

* * *

Sec. 34. FIRST GENERATION HOMEBUYER; APPROPRIATION

In fiscal year 2024, it is the intent of the General Assembly to appropriate funds, if available, from the General Fund to the Vermont Housing Finance Agency for grants through the First Generation Homebuyer Program.

* * * Middle-Income Homeownership

Development Program * * *

Sec. 35. REPEAL

2022 Acts and Resolves No. 182, Sec. 11 is repealed.

Sec. 36. MIDDLE-INCOME HOMEOWNERSHIP DEVELOPMENT
PROGRAM

(a) The Vermont Housing Finance Agency shall establish a Middle-Income Homeownership Development Program pursuant to this section.

(b) As used in this section:

(1) “Affordable owner-occupied housing” means owner-occupied housing identified in 26 U.S.C. § 143(c)(1) or that qualifies under Vermont Housing Finance Agency criteria governing owner-occupied housing.

(2) “Income-eligible homebuyer” means a Vermont household with annual income that does not exceed 150 percent of area median income.

(c) The Agency shall use the funds appropriated in this section to provide subsidies for new construction or acquisition and substantial rehabilitation of affordable owner-occupied housing for purchase by income-eligible homebuyers.

(d) The total amount of subsidies for a project shall not exceed 35 percent of eligible development costs, as determined by the Agency, which the Agency may allocate consistent with the following:

(1) Developer subsidy. The Agency may provide a direct subsidy to the developer, which shall not exceed the difference between the cost of development and the market value of the home as completed.

(2) Affordability subsidy. Of any remaining amounts available for the project after the developer subsidy, the Agency may provide a subsidy for the benefit of the homebuyer to reduce the cost of purchasing the home, provided that:

(A) the Agency includes conditions in the subsidy, or uses another legal mechanism, to ensure that, to the extent the home value has risen, the amount of the subsidy remains with the home to offset the cost to future homebuyers; or

(B) the subsidy is subject to a housing subsidy covenant, as defined in 27 V.S.A. § 610, that preserves the affordability of the home for a period of 99 years or longer.

(3) The Agency shall allocate not less than 33 percent of the funds available through the Program to projects that include a housing subsidy covenant consistent with subdivision (2)(B) of this subsection.

(e) The Agency shall adopt a Program plan that establishes application and selection criteria, including:

(1) project location;

(2) geographic distribution;

(3) leveraging of other programs;

(4) housing market needs;

(5) project characteristics, including whether the project includes the use of existing housing as part of a community revitalization plan;

(6) construction standards, including considerations for size;

(7) priority for plans with deeper affordability and longer duration of affordability requirements;

(8) sponsor characteristics;

(9) energy efficiency of the development; and

(10) the historic nature of the project.

(f)(1) When implementing the Program, the Agency shall consult stakeholders and experts in the field.

(2) The Program shall include:

(A) a streamlined and appropriately scaled application process;

(B) an outreach and education plan, including specific tactics to reach and support eligible applicants, especially those from underserved regions or sectors;

(C) an equitable system for distributing investments statewide on the basis of need according to a system of priorities that includes consideration of:

(i) geographic distribution;

(ii) community size;

(iii) community economic need; and

(iv) whether an application has already received an investment or is from an applicant in a community that has already received Program funding.

(3) The Agency shall use its best efforts to ensure:

(A) that investments awarded are targeted to the geographic communities or regions with the most pressing economic and employment needs; and

(B) that the allocation of investments provides equitable access to the benefits to all eligible geographical areas.

(g) The Agency may assign its rights under any investment or subsidy made under this section to the Vermont Housing and Conservation Board or any State agency or nonprofit organization qualifying under 26 U.S.C.

§ 501(c)(3), provided such assignee acknowledges and agrees to comply with the provisions of this section.

(h) The Department shall report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs on the status of the Program annually, on or before January 15.

Sec. 37. MIDDLE-INCOME HOMEOWNERSHIP; IMPLEMENTATION

The duty to implement Sec. 36 of this act is contingent upon an appropriation of funds in fiscal year 2024 from the General Fund to the Department of Housing and Community Development for a subgrant to the Vermont Housing Finance Agency for the Middle-Income Homeownership Development Program.

* * * Rental Housing Revolving Loan Program * * *

Sec. 38. RENTAL HOUSING REVOLVING LOAN PROGRAM

(a) Creation; administration. The Vermont Housing Finance Agency shall design and implement a Rental Housing Revolving Loan Program and shall create and administer a revolving loan fund to provide subsidized loans for rental housing developments that serve middle-income households.

(b) Loans; eligibility; criteria.

(1) The Agency shall adopt processes, procedures, and guidelines to implement the Program consistent with this section, including a simple application process that is accessible to small developers, builders, and contractors.

(2)(A) To be eligible for a subsidized loan through the Program, a project shall create two or more new rental housing units, which may include market rate and affordable units, provided that at least 25 percent of the units in the project are affordable to a household earning between 65 and 150 percent of the applicable area median income.

(B) Projects may include new construction, acquisition with substantial rehabilitation, and preservation of naturally occurring affordable housing.

(3) A loan is available only for the costs of the project allocable to the affordable units.

(4)(A) The Agency shall calculate the maximum amount of a loan, which shall not exceed the lesser of:

(i) 35 percent of the costs of the project allocable to the affordable units; or

(ii) the following amounts based on area median income bands:

(I) \$150,000.00 per unit for each unit that is affordable to a household earning from 65 percent to 80 percent of area median income; and

(II) \$100,000.00 per unit for each unit that is affordable to a household earning from 81 to 150 percent of area median income.

(B) The Agency shall adopt and implement a method to adjust the values specified in subdivision (A)(ii) of this subdivision (4) at least annually

for inflation and may adopt a smoothing mechanism to adjust the maximum loan values within each band based on levels of affordability.

(5) The Agency shall determine the term and interest rate of a loan. The Agency may adopt one or more mechanisms to provide an enhanced subsidy to incentivize projects, including:

(A) a lower interest rate;

(B) an interest-only option with deferred principal repayment; and

(C) partial loan forgiveness.

(6) The Agency shall adopt a Program plan that allows for an enhanced subsidy for a project that meets one or more of the following:

(A) The project receives five percent or more of the total funding from an employer or employer-capitalized loan or grant.

(B) The project receives five percent or more of the total funding from a municipal or regional housing fund, local fiscal recovery fund, or other form of community investment.

(C) The project utilizes tax-exempt bond funding or federal low-income housing tax credits for at least 20 percent of the project's total units.

(D) The project is small in scale and provides infill development within a historic settlement pattern.

(7) The Agency shall use one or more legal mechanisms to ensure that:

(A) a subsidized unit remains affordable to a household earning the applicable percent of area median income for the longer of:

(i) seven years; or

(ii) full repayment of the loan plus three years; and

(B) during the affordability period determined pursuant to subdivision (A) of this subdivision (7), the annual increase in rent for a subsidized unit does not exceed three percent.

(c) Program design.

(1) When designing and implementing the Program, the Agency shall consult stakeholders and experts in the field.

(2) The Program shall include:

(A) a streamlined and appropriately scaled application process;

(B) an outreach and education plan, including specific tactics to reach and support eligible applicants, especially those from underserved regions or sectors;

(C) an equitable system for distributing investment statewide on the basis of need according to a system of priorities that includes consideration of:

(i) geographic distribution;

(ii) community size;

(iii) community economic need; and

(iv) whether an application has already received an investment or is from an applicant in a community that has already received Program funding.

(3) The Agency shall use its best efforts to ensure:

(A) that investments are targeted to the geographic communities or regions with the most pressing economic and employment needs; and

(B) that the allocation of investments provides equitable access to the benefits to all eligible geographical areas.

(d) Revolving funds. The Agency shall retain payments of principal, interest, and any fees in a revolving loan fund, the amounts of which it shall use to issue future loans through the Program.

(e) The Agency shall report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs on the status of the Program annually, on or before January 15.

Sec. 39. RENTAL HOUSING REVOLVING LOAN PROGRAM;

IMPLEMENTATION

The duty to implement Sec. 38 of this act is contingent upon an appropriation of funds in fiscal year 2024 from the General Fund to the Department of Housing and Community Development for a subgrant to the Vermont Housing Finance Agency for the Rental Housing Revolving Loan Program.

* * * Vermont Rental Housing Improvement Program * * *

Sec. 40. 10 V.S.A. § 699 is amended to read:

§ 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

(a) Creation of Program.

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

(2) The Department shall develop statewide standards for the Program, including factors that partner organizations shall use to evaluate applications and award grants and forgivable loans.

(3) A landlord shall not offer a unit created through the Program as a short-term rental, as defined in 18 V.S.A. § 4301, for the period a grant or loan agreement is in effect.

(b) Eligible rental housing units. The following units are eligible for a grant or forgivable loan through the Program:

(1) Non-code compliant.

(A) The unit is an existing unit, whether or not occupied, that does not comply with the requirements of applicable building, housing, or health laws.

(B) If the unit is occupied, the grant or forgivable loan agreement shall include terms:

(i) that prohibit permanent, involuntary displacement of the current residents;

(ii) that provide for the temporary relocation of the current residents if necessary to perform the rehabilitation; and

(iii) that ensure that the landlord complies with the affordability requirements of the Program following the rehabilitation.

(2) New ~~accessory dwelling~~ units. The unit will be:

(A) a newly created accessory dwelling unit that meets the requirements of 24 V.S.A. § 4412(1)(E);

(B) a newly created unit within an existing structure;

(C) a newly created residential structure that is a single unit; or

(D) a newly created unit within a newly created structure that contains five or fewer residential units.

(c) Administration. The Department shall require a housing organization that receives funding under the Program to adopt:

(1) a standard application form that describes the application process and includes instructions and examples to help landlords apply;

(2) an award process that ensures equitable selection of landlords, subject to a housing organization's exercise of discretion based on the factors adopted by the Department pursuant to subsection (a) of this section; and

(3) a grant and loan management system that ensures accountability for funds awarded.

(d) Program requirements applicable to grants and forgivable loans.

(1) A grant or loan shall not exceed \$50,000.00 per unit. In determining the amount of a grant or loan, a housing organization shall consider the number of bedrooms in the unit and whether the unit is being rehabilitated or newly created.

(2) A landlord shall contribute matching funds or in-kind services that equal or exceed 20 percent of the value of the grant or loan.

(3) A project may include a weatherization component.

(4) A project shall comply with applicable building, housing, and health laws.

(5) The terms and conditions of a grant or loan agreement apply to the original recipient and to a successor in interest for the period the grant or loan agreement is in effect.

(6) The identity of a recipient and the amount of a grant or forgivable loan are public records that shall be available for public copying and inspection and the Department shall publish this information at least quarterly on its website.

(e) Program requirements applicable to grants. For a grant awarded ~~under subdivision (b)(1) of this section for a unit that is non-code compliant~~ through the Program, the following requirements apply for a minimum period of five years:

(1) A landlord shall coordinate with nonprofit housing partners and local coordinated entry organizations to identify potential tenants.

(2)(A) Except as provided in subdivision (2)(B) of this subsection (e), a landlord shall lease the unit to a household that is exiting homelessness or actively working with an immigrant or refugee resettlement program.

(B) If, upon petition of the landlord, the Department or the housing organization that issued the grant determines that a household exiting homelessness is not available to lease the unit, then the landlord shall lease the unit:

(i) to a household with an income equal to or less than 80 percent of area median income; or

(ii) if such a household is unavailable, to another household with the approval of the Department or housing organization.

(3)(A) A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

(B) If no housing voucher or federal or State subsidy is available, the total cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.

(4)(A) A landlord may convert a grant to a forgivable loan upon approval of the Department and the housing organization that approved the grant.

(B) A landlord who converts a grant to a forgivable loan shall receive a 10-percent credit for loan forgiveness for each year in which the landlord participates in the grant program.

(f) Requirements applicable to forgivable loans. For a forgivable loan awarded ~~under subdivision (b)(1) of this section for a unit that is non-code compliant through the Program~~, the following requirements apply for a minimum period of 10 years:

(1)(A) A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

(B) If no housing voucher or federal or State subsidy is available, the cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.

(2) The Department shall forgive 10 percent of the amount of a forgivable loan for each year a landlord participates in the loan program.

~~(g) Requirements for an accessory dwelling unit.~~

~~(1) For a grant or forgivable loan awarded under subdivision (b)(2) of this section for a unit that is a new accessory dwelling unit the total cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.~~

~~(2) A landlord shall not offer an accessory dwelling unit created through the Program as a short-term rental, as defined in 18 V.S.A. § 4301. [Repealed.]~~

(h) Lien priority. A lien for a grant converted to a loan or for a forgivable loan issued pursuant to this section is subordinate to:

(1) a lien on the property in existence at the time the lien for rehabilitation and weatherization of the rental housing unit is filed in the land records; and

(2) a first mortgage on the property that is refinanced and recorded after the lien for rehabilitation and weatherization of the rental housing unit is filed in the land records.

Sec. 41. VHIP; IMPLEMENTATION

In fiscal year 2024 it is the intent of the General Assembly to appropriate funding, if available, from the General Fund to the Department of Housing and Community Development for the Vermont Rental Housing Improvement Program.

Sec. 42. VERMONT HOUSING AND CONSERVATION BOARD;

APPROPRIATION OF AVAILABLE FUNDING

In fiscal year 2024, it is the intent of the General Assembly to appropriate additional funding, if available, from the General Fund to the Vermont Housing and Conservation Board to provide affordable mixed-income rental housing and homeownership units; improvements to manufactured homes and communities; recovery residences; and, if determined eligible, housing

available to farm workers and refugees. VHCB shall also use the funds for shelter and permanent homes for those experiencing homelessness in consultation with the Secretary of Human Services.

* * * Housing Stabilization * * *

Sec. 43. RENTAL HOUSING STABILIZATION SERVICES

(a) Creation; purpose. The Champlain Valley Office of Economic Opportunity shall create and administer a Rental Housing Stabilization Services Program to provide tenants and landlords with access to services and programs that assist in preserving a tenancy and avoid eviction, including eligibility screening, direct referral, and follow-up services.

(b) Eligibility. A tenant or landlord is eligible to contact the Office at any time prior to the filing of a summons and complaint for eviction or through court referral.

(c) Screening. The Office shall employ resource specialists who shall assess landlords and tenants for availability and eligibility for statewide or local assistance, including:

- (1) repair funds;
- (2) the Rent Arrears Assistance Fund established;
- (3) Housing Opportunity Grant Program funds;
- (4) the Vermont Housing Improvement Program;
- (5) existing State or federally funded project- or tenant-based subsidies;
- (6) existing Economic Service Division programs;

(7) legal counsel at Vermont Legal Aid or Legal Services Vermont for tenants and through the Vermont Lawyer Referral Service for tenants or landlords;

(8) voluntary mediation;

(9) housing education and skills-building programs; and

(10) other available housing resources as needed.

(d) Referral. The Office shall:

(1) assist callers in contacting organizations operating programs or available resources for which the caller may be eligible; and

(2) provide support and follow-up services and work with partner organizations to ensure effective participation in identified programs and services.

(e) Implementation. The duty to implement this section is contingent upon an appropriation in fiscal year 2024 from the General Fund to the Office of Economic Opportunity within the Department for Children and Families for a subgrant to Champlain Valley Office of Economic Opportunity to administer the Rental Housing Stabilization Services Program pursuant to this section.

Sec. 44. TENANT REPRESENTATION PILOT PROGRAM

(a) Creation; purpose. Vermont Legal Aid shall create and administer a two-year Tenant Representation Pilot Program:

(1) to provide full representation to eligible and consenting tenants in Lamoille and Windsor counties who have been served with a summons and complaint for eviction; and

(2) to determine the impact of representation on the issuance of writs of possession and homelessness prevention.

(b) Tenant eligibility. Vermont Legal Aid may enter a notice of appearance on behalf of a residential tenant in Lamoille or Windsor County who is served with a summons and complaint in an ejectment action, consents to the representation, and meets the following criteria:

(1) household income equals or is less than 120 percent of State area median income;

(2) the cost of rent equals or exceeds 30 percent of household income; or

(3) household expenses exceed income.

(c) Scope of representation.

(1) Full representation through the Program is limited to eviction.

(2) The pursuit of counterclaims shall be at the discretion of appointed counsel.

(d) Conflicts of interest.

(1) Vermont Legal Aid may subcontract to Legal Services Vermont if it is unable to provide tenant representation due to a conflict of interest as defined by the Vermont Rules of Professional Conduct.

(2) If Legal Services Vermont also has a conflict of interest, Vermont Legal Aid may subcontract to one or more private counsels who are members in good standing of the Vermont Bar.

(e) Report. Vermont Legal Aid shall provide interim reports on the progress of the Program on or before November 15, 2023 and November 15, 2024 and a final report on or before July 30, 2025, which shall describe:

(1) the number of tenants represented;

(2) case outcomes, including:

(A) the number of cases fully or partially resolved through access to the Rent Arrears Assistance Fund;

(B) the number of cases fully or partially resolved through the Vermont Landlord's Association mediation program; and

(C) the number of cases fully or partially resolved through access to another resource identified through the Rental Housing Stabilization Services Program; and

(3) recommendations for policy changes and for pilot expansion.

(f) Implementation. The duty to implement this section is contingent upon an appropriation in fiscal year 2024 from the General Fund to the Agency of Human Services for a subgrant to Vermont Legal Aid to provide representation in eligible eviction cases in the two pilot counties of Lamoille and Windsor beginning on July 1, 2023.

Sec. 45. RENT ARREARS ASSISTANCE FUND

(a) Creation; purpose. The Vermont State Housing Authority shall create and administer a Rent Arrears Assistance Fund to provide funds to prevent eviction in cases involving nonpayment of rent from residential rental units subject to 9 V.S.A. chapter 137 and mobile home lot rentals subject to 10 V.S.A. chapter 153.

(b) Tenant eligibility. The Vermont State Housing Authority shall establish eligibility guidelines for the Fund that ensure a streamlined application process, including certification of past due rent and that tenants are at risk of eviction, which shall address the following:

(1) Eligibility. Financial eligibility criteria that consider area median income, rent burden, and ratio of household expenses to income up to 100 percent of area median income for the current federal fiscal year.

(2) Sustainability. Standards for assessing whether the tenancy is sustainable while retaining a simple and straightforward application.

(3) Referral. If the tenancy is not sustainable, the parties shall be referred to the Rental Housing Stabilization Services Program for assistance in exploring other resources or services and to apply for a housing choice voucher.

(c) Funds available.

(1) The Fund shall disburse only the amount necessary to cure the tenant's rent arrears, and, if necessary, court costs, and attorney's fees capped at an amount set by the Authority.

(2) The Fund is available on a first-come, first-served basis to eligible tenants until the Fund is exhausted.

(d) Application.

(1) The Authority shall create a plain language form to collect only information necessary to assess eligibility and provide clear instructions to help tenants and landlords apply.

(2) The tenant shall certify all information on the application.

(3) The Authority shall provide assistance in completing the application, either directly or through referral to Vermont Legal Aid.

(4) The Authority shall adopt guidelines and implement a process that ensures:

(A) equitable and prompt approval of applications;

(B) notice of grant decisions within 10 days; and

(C) decisions on appeals within 10 days.

(e) Status of eviction pending application.

(1) If an eviction case is filed, the tenant or the landlord shall notify the court when an application for Fund assistance is pending.

(2) Upon receiving notice that an application for Fund assistance is pending, the court shall set a status conference within 30 days.

(3) While the application is pending, the landlord shall not issue a new notice to quit or file or serve a new summons and complaint.

(f) Disbursement. The Authority shall disburse amounts from the Fund directly to the landlord.

(g) Conditions for disbursement of funds. The Authority shall establish guidelines for ensuring habitability, limitation on rent increases, documentation for direct deposit, and dismissal of cases, including the following:

(1) Habitability. The Authority shall adopt guidelines for identifying violations of the Rental Housing Health Code and certifying that necessary repairs to remediate the violations will be completed within 30 days or pursuant to a plan developed for the remediation and approved by the Authority.

(2) Documentation for direct deposit. The landlord shall provide the Authority, on a form provided by the Authority, necessary banking information to enable direct deposit of monies from the Fund.

(3) Dismissal. The Authority shall adopt guidelines for disbursement to ensure that complaints based on nonpayment of rent and complaints for no cause are dismissed, whether there is a single or multiple pending complaints.

(4) Notification form.

(A) The Authority shall adopt and provide to landlords and tenants a standardized notification form that shows amounts paid for each category of disbursement and date of payment.

(B) The form shall allow the landlord or tenant to easily notify the court and request a dismissal due to payment.

(C) The form shall outline any certifications established in Authority guidance that both parties have made as a part of their application, along with the date of those certifications.

(h) Implementation. The duty to implement this section is contingent upon an appropriation in fiscal year 2024 from the General Fund to the Vermont State Housing Authority to create and administer the Rent Arrears Assistance Fund pursuant to this section.

* * * Lead Inspectors; Financial Responsibility * * *

Sec. 46. 18 V.S.A. § 1764 is amended to read:

§ 1764. LEAD INSPECTORS; FINANCIAL RESPONSIBILITY

(a) The Commissioner shall require that a licensee or an applicant for a license under subsection 1752(e) of this chapter provide evidence of ability to indemnify properly a person who suffers damage from lead-based paint activities or RRPM activities such as proof of effective liability insurance coverage or a surety bond in an amount to be determined by the Commissioner, which shall not be less than \$300,000.00. This section shall not restrict or enlarge the liability of any person under any applicable law.

(b) Owners of rental target housing who personally perform all work under this chapter on properties in which they have an interest shall be exempt from subsection (a) of this section.

* * * Effective Dates * * *

Sec. 47. EFFECTIVE DATES

This act shall take effect on July 1, 2023, except that:

(1) Secs. 1 (24 V.S.A. § 4414) and 2 (24 V.S.A. § 4412) shall take effect on December 1, 2024, except for subdivision (1)(D) of Sec. 2, which shall take effect on July 1, 2023.

(2) Sec. 3 (24 V.S.A. § 4413) shall take effect on September 1, 2023.

(3) Sec. 46 (lead inspectors) shall take effect on passage.

Date Governor signed bill: June 5, 2023

Deane C. Davis Building – 6th Floor [phone] 802-828-3211
One National Life Drive
Montpelier, VT 05620-0501

MEMORANDUM

H.171, 2023 – EFFECTIVE DATE AMENDMENTS TO ACT 47 (S.100, 2023)

The effective dates in [Act 47 \(S.100, 2023\)](#) are amended by H.171, 2023 during the Vermont Legislature’s 2023 Veto Session on June 20, 2022.

The language of the amendment, combined with the original bill is as follows:

“2023 Acts and Resolves No. 47, Sec. 47 is amended to read:

Sec. 47. EFFECTIVE DATES

This act shall take effect on July 1, 2023, except that:

(1) ~~Sees. Sec. 1 (24 V.S.A. § 4414) and 2 (24 V.S.A. § 4412)~~ shall take effect on December 1, 2024, ~~except for subdivision (1)(D) of Sec. 2, which shall take effect on July 1, 2023.~~

(2) Sec. 3 (24 V.S.A. § 4413) shall take effect on September 1, 2023.

(3) Sec. 46 (lead inspectors) shall take effect on passage.

Pending the Governor’s signature of H.171, the following effective dates will now apply:

Upon passage:	Sec. 46 on lead inspections;
July 1, 2023:	Sec. 2 on required provisions and prohibited effects & <u>all other sections not otherwise listed below</u> ;
September 1, 2023:	Sec. 3 on limited regulation of emergency shelters;
December 1, 2024:	Sec. 1 on parking requirements.

Municipalities should carefully examine the entirety of Act 47 to understand the effects on municipal permit approvals and processes. The Department of Housing and Community Development has developed a preliminary summary of the Act, which can be found on the Department’s website under [Vermont HOME Act of 2023, Act 47 \(S.100\)](#).

Maxwell I. Krieger, Esq., General Counsel
Department of Housing and Community Development

