

**S.226 Summary Table**

<b><u>Section</u></b>	<b><u>Summary</u></b>
Secs. 2-2e. Housing; Permit Reform	<p><b>Sec. 2</b> is a Findings section.</p> <p><b>Sec. 2a</b> amends 24 V.S.A. § 2793e, the statute that sets the requirements for the Neighborhood Development Areas (NDAs). This section would allow multiple towns to file joint applications for NDAs. It allows NDAs to include areas in flood hazard areas if they are suitable for infill development as defined under ANR's rule. If the NDA does include flood hazard areas, the local bylaws must contain provisions consistent with ANR's model Flood Hazard and River Corridor bylaws. It strikes the requirement that NDAs to have either a municipal sewer or an approved community or alternative wastewater system. It requires that an NDA have a density of 4 residential units of any kind within its zoning districts.</p> <p><b>Sec. 2b</b> amends 24 V.S.A. § 2793b, the statute that sets the requirements for designated New Town Centers. It requires that a New Town Center have a density of 4 residential units of any kind within its zoning districts.</p> <p><b>Sec. 2c</b> amends 24 V.S.A. § 4449. No municipal land use permit for a site plan or conditional use shall expire in less than two years.</p> <p><b>Sec. 2d</b> amends 10 V.S.A. § 6001, the definition section of Act 250. It changes the cap on the number of priority housing project units that are exempt from Act 250, from 25 to 50, in towns with a population of less than 3,000 people. It also changes the definition of mixed income housing, so the calculation of affordable housing units is adjusted based on number of bedrooms.</p>

	<p>It expands the definition of priority housing projects in neighborhood development areas to included “mixed use” development.</p> <p><b>Sec. 2e</b> amends 10 V.S.A. § 6081, the exemption section of Act 250. It simplifies the exemption for priority housing projects so that no permit or permit amendment is needed, including for permits on existing projects that will include priority housing projects.</p>
Sec. 5. First-Generation Homebuyer Incentive Program	<b>Sec. 5</b> appropriates \$5m for a program to provide grants of not more than \$10,000.00 for purchase and closing costs to first-generation homebuyers.
Sec. 6. Manufactured Home Relocation Incentive Program	<b>Sec. 6</b> appropriates \$5m in ARPA funds for grants for various purposes to support manufactured housing and mobile home parks.
Sec. 6a. Affordable housing tax credit; manufactured housing	<b>Sec. 6a.</b> increases the annual allocation for the affordable housing tax credit from \$425k to \$675k and provides that \$250k shall be used for manufactured housing purchase and replacement
Sec. 7. Large Employer Housing Partnership Program	<b>Sec. 7</b> appropriates \$5m for a program to provide matching funds of not more than \$5,000.00 per employee for the costs an employer with 25 or more employees incurs to provide housing for its workforce.
Sec. 8. Commercial Property Conversion Incentive Program	<b>Sec. 8</b> appropriates \$5m to design and implement a program to identify commercial properties that may be efficiently converted to residential use and to provide grants of not more than \$50,000.00 per project for the purchase, rehabilitation, and conversion of such properties.

<p>Sec. 10. TIF Extension</p>	<p><b>Sec. 10.</b> For a municipality with an active TIF district, this section extends by three years: (1) the time period that a municipality can incur debt (statute currently caps this at 10 years – an initial five years, with the ability to be granted a five year extension by VEPC), and (2) the time period a municipality can retain education and municipal property tax increment (the statutory period is currently 20 years). In subsection (b), there is an explicit list of municipalities that receive this extension (rather than all municipalities with a TIF district) because some municipalities have already passed their debt incurrence period, so this extension would not apply to them.</p>
<p>Sec. 13 Municipal Bylaw Grants</p>	<p><b>Sec. 13</b> amends 24 V.S.A. § 4306, the section that establishes the Municipal and Regional Planning Fund. It amends the existing Municipal Grant program to allow some of the funds to go to the new grants established in <b>Sec. 13a</b>. § 4306 already has grant program to give municipalities funds for municipal planning projects, which DHCD administers. The program is broad and projects can range from developing a town plan to adopting new permanent or temporary bylaws or updating bylaws.</p> <p><b>Sec. 13a</b> adds a new section, 24 V.S.A. § 4307. The Municipal Bylaw Modernization Grant Program is created to provide towns with funding to modernize their bylaws to increase housing density and opportunity. The grants shall be administered by DHCD, which shall issue guidelines on the grant applications by Sept. 1, 2022. These grants are more specific than the existing grants. They require that a town seek to update their bylaws in smart growth areas to increase density.</p> <p><b>Sec. 13b</b> also amends 24 V.S.A. § 4306 to allow DHCD to use up to 10% of funds to administer the grant programs.</p>

	<p><b>Sec. 13c</b> is an appropriation. It appropriates \$650,000 for the Municipal Bylaw Modernization Grants.</p>
<p>Sec. 14 Tax Credits</p>	<p><b>Sec. 14</b> amends 32 V.S.A. § 5930ee which sets the cap on the amount of tax credits that can be granted every year in the Downtown and Village Center Tax Credit Program. It raises the cap from \$3,000,000 to \$5,000,000.</p> <p><b>Secs. 14a-14f</b> Expands the existing Downtown and Village Center Tax credit program to include NDAs. This is an existing tax credit program with different tax credits available: tax credits for code improvement projects, façade improvement projects, and rehabilitation projects. Qualified buildings may apply for the any or all of the three tax credits. Qualified buildings are defined as buildings that are at least 30 yrs old, income producing, not used solely as a single-family residence, and located in either a designated downtown or village center.</p> <p><b>Sec. 14a</b> amends 32 V.S.A. § 5930aa. It adds “neighborhood development area” to the definition section of the Downtown and Village Center Tax credit program so that buildings (that meet the definition of qualified building) located within NDAs are eligible for the tax credits. It also adds “Qualified Flood Mitigation Project” as a new type of project eligible for a tax credit under this program.</p> <p><b>Sec. 14b</b> amends 24 V.S.A. § 2793a the section establishing Designated Village Centers. This is section is a technical correction. It does not change any law. Under the subsection listing the incentives for designated village centers, it condenses the references to the individual tax credits in the Downtown and Village Center Tax Credit Program into a single reference.</p> <p><b>Sec. 14c</b> amends 24 V.S.A. §2793e (the section establishing Neighborhood Development Areas). It adds the Downtown and Village Center Tax credit program to the list of incentives for NDAs.</p>

	<p><b>Sec. 14d</b> amends 24 V.S.A. § 2794 (the section establishing Designated Downtowns). This section is a technical correction. It does not change any law. Under the subsection listing the incentives for designated downtowns it condenses the references to the individual tax credits in the Downtown and Village Center Tax Credit Program into a single reference.</p> <p><b>Sec. 14e</b> amends 32 V.S.A. § 5930cc, the Downtown and Village Center Tax credit program. It creates the Flood Mitigation Tax Credit and allows qualified flood mitigation projects to receive tax credits up to \$75,000.</p> <p><b>Sec. 14f</b> is a session law provision that creates the Neighborhood Development Area Tax Credit Pilot Program. This pilot would allow projects in NDAs to receive tax credits for 2 years. The cap on the program is \$1m This section would be used in lieu the other sections on tax credits if the Committee wanted the tax credit for NDAs to sunset.</p>
<p>Sec. 15 Wastewater Connection Permits</p>	<p><b>Secs. 15-15a</b> would allow towns to register with ANR to issue authorizations for wastewater permits, in lieu of the ANR permit.</p> <p><b>Sec. 15</b> amends 10 V.S.A. § 1973. It exempts a project that receives a wastewater connection permit from the municipality from needing a State permit.</p> <p><b>Sec. 15a</b> adds 10 V.S.A. § 1984. It adds a new section that states that a municipality may authorize a structure to connect to municipal water and sewer without obtaining an ANR potable water supply and wastewater system permit if the municipality meets the requirements listed in this section.</p>
<p>Sec. 16 S.270</p>	<p><b>Sec. 16</b> is a Findings section.</p>

	<p><b>Sec. 16a</b> amends 10 V.S.A. § 6001, the definition section of Act 250. It amends the definition of “affordable housing” for rental housing. It raises the cap of 30% of gross annual income from 80% median income to 120% median income. It also amends the definition of “priority housing project” to allow for mixed use projects to be built in neighborhood development areas and be considered priority housing projects.</p> <p><b>Sec. 16b</b> amends 10 V.S.A. § 6081, the exemption section of Act 250. It simplifies the exemption for priority housing projects so that permit amendments needed for priority housing projects go through the simplified amendment process in 10 V.S.A. § 6084.</p> <p><b>Sec. 16c.</b> amends 10 V.S.A. § 6086b, which establishes an expedited Act 250 permit application process. This section would allow projects in a “high demand county” to use the expedited process.</p> <p><b>Sec. 16d</b> amends 10 V.S.A. § 6081(v), the exemption section of Act 250 to exempt projects from needing an Act 250 permit or permit amendment if they used the process established in <b>Sec. 16c.</b></p>
<p>Sec. 17. Sales and Use Tax Exemption</p>	<p><b>Sec. 17</b> amends 32 V.S.A. § 9743. It grants an exemption from the sales and use tax for constructions materials used for priority housing projects.</p>
<p>Sec. 18 Act 250 Appeals</p>	<p><b>Sec. 18</b> amends 10 V.S.A. § 6089. It requires the Environmental Division of the Superior Court to act on an Act 250 appeal within a specified time or the Act 250 application fee will be returned to the applicant.</p>
<p>Sec. 19 Environmental Court</p>	<p><b>Sec. 19</b> is a session law provision that appropriates \$300,000 from the ARPA funds to be used on 1 temporary judge and 1 temporary law clerk for the Environmental Division of the Superior Court.</p>

<p>Sec. 20 ADUs</p>	<p><b>Sec. 20</b> amends 24 V.S.A. § 4414 to prevent towns from requiring more than one parking space per bedroom for ADUs.</p> <p><b>Sec. 20a</b> is a session law section that appropriates \$5.7m to establish the Accessory Dwelling Unit Navigation Center. The Center shall assist municipalities and homeowners in developing accessory dwelling units (ADUs) as follows:</p> <ul style="list-style-type: none"> <li>(1) the hiring of a consultant to develop a statewide ADU guidebook which shall include a variety of designs with floorplans that can be used for ADUs;</li> <li>(2) pilot program to hire local ADU ambassadors in towns to provide local assistance on development of ADUs;</li> <li>(3) central statewide resource center to support pilot communities and any homeowner statewide interested in building an ADU that will provide materials and training on planning, design, and development of ADUs;</li> <li>(4) work with Vermont Housing and Finance Agency to develop an ADU loan loss reserve fund;</li> <li>(5) create ADU down payment grants for homeowners; and</li> <li>(6) create Social Enterprise Pilot Program for Weatherization and Internal Conversion to identify workforce for ADU construction.</li> </ul> <p><b>Sec. 20b</b> provides that DHCD should use 25% of any VRHIP monies appropriated for the purpose of incentivizing ADUs.</p>
<p>Sec. 21. Missing Middle Income Home Ownership Development Program</p>	<p>Sec. 21 appropriates \$15,000,000 through DHCD to VHFA to create a program that will provide subsidies for new construction or acquisition and substantial rehabilitation of owner-occupied homes for income-eligible buyers</p>
<p>Sec. 23. Down payment assistance</p>	<p>Sec. 10 increases the authorized amount for the down payment assistance program from \$250k to \$500k annually</p>

