

1 **HOUSE GENERAL COMMITTEE**

2

3 **EXCERPT of (dr req 20-9999 – draft 1.1)**

4 **5/27/2020 - DPH - 11:04 PM**

5

6 Subject: Commerce and trade; economic development; housing; agriculture;

7 COVID-19

8 Statement of purpose of bill as introduced: This bill proposes to provide

9 support to Vermont businesses and individuals that suffered economic harm

10 during the COVID-19 health crisis.

11

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13 **The Following Sections apply to Housing**

1 * * * Department of Housing and Community Development * * *

2 Sec. E.1. VERMONT RENTAL HOUSING STABILIZATION *FUND*
3 *PROGRAM*

4 *(a) Creation of Program*

5
6 (1) The Department of Housing and Community Development shall
7 develop and implement a Rental Housing Stabilization Fund Program to provide
8 funding to statewide and regional housing partner organizations who will
9 administer the distribution of funds to tenants and landlords in need of rental
10 arrears assistance.

11 (2) Assistance will be distributed directly to the landlords on the tenants'
12 behalf.

13 (3) In developing the Program, the Department shall coordinate with the
14 Agency of Human Services and statewide and regional housing and
15 homelessness authorities so as to streamline the application process, provide
16 additional support services, and better promote upstream homelessness
17 prevention and housing stability.

18 *(b) Purpose. Due to the COVID-19 pandemic, many Vermont tenants have*
19 *seen a loss or reduction of income and are unable or struggling to pay rent. As*
20 *a result, landlords across the state are not receiving full rental payments*
21 *necessary to cover the costs of building ownership and upkeep. This act is*

1 intended to create a Rental Housing Stabilization Fund to distribute funds to
2 tenants and landlords in need.

3 (c) Administration.

4 (1) The Department shall require any statewide or regional housing
5 partner organization that receives funding under this program to develop a
6 standard application form for tenants or landlords that describes the application
7 process and includes clear instructions and examples to help tenants or
8 landlords apply.

9 (2) The selection process shall ensure equitable approval of
10 applications and a distribution system that ensures accountability for the
11 statewide and regional housing partner organizations, tenants, and landlords
12 ultimately receiving the funds.

13 (d) Distribution requirements.

14 (1) The Department shall develop eligibility requirements for the
15 statewide and regional housing partners for their implementation to ensure the
16 funds are applied towards tenants and landlords equitably and to those in the
17 most need.

18 (2) Requirements that shall be developed include, but are not limited to,
19 the following:

20 (A) limitations for eligibility regarding the earned income of the
21 tenants in comparison to the area median income;

1 (B) forms and guidelines for tenants and landlords to follow to show
2 that tenants have missed rental payments, are at risk of eviction, or otherwise
3 show proof of a demonstrable need for rental assistance;

4 (C) landlords delaying or ceasing eviction proceedings, or both, for a
5 period of time as a condition of receiving assistance;

6 (D) limitations on the number of units owned by any single landlord
7 that may be eligible to receive payments; and

8 (E) limitations on actual cash benefits, which shall not exceed the
9 actual liability or three times the monthly rental liability, whichever is
10 less. This restriction shall include a re-application process which states
11 that if there are remaining Program funds at the end of the three-month
12 period, the tenant may re-apply for assistance.

13 Sec. E.2. VERMONT RE-HOUSING RECOVERY FUND PROGRAM

14 (a) Statement of Purpose.

15 (1) Due to the COVID-19 pandemic, service providers throughout
16 Vermont have effectively interrupted homelessness by providing non-
17 congregate shelter in various forms.

18 (2) To continue this necessary step in maintaining public health, and to
19 limit the number of individuals re-entering homelessness, additional housing
20 units will need to be made available.

1 (3) Simultaneously, there exist numerous potential rental units
2 throughout the State that remain in a substandard state due to a lack of
3 resources to bring units up to minimal rental housing health code.

4 (4) Vermont's rental housing stock is some of the oldest in the country
5 and much of it needs updating to meet code requirements and other standards.

6 (5) This section is intended to create a Re-Housing Recovery Fund that
7 will be used to provide emergency housing rehabilitation grants and forgivable
8 loans to private and public rental unit owners to make significant
9 improvements to housing quality, and to incentivize re-housing the homeless
10 population and other low-income tenants.

11 (b) Creation of program. The Department of Housing and Community
12 Development shall design and implement a Re-housing Recovery Fund
13 Program to provide funding to statewide and regional housing partner
14 organizations to provide incentive grants and forgivable loans to eligible
15 applicants.

16 (c) Administration. The Department shall require any statewide or regional
17 housing partner organization that receives funding under the Program to
18 develop:

19 (1) a standard application form that describes the application process
20 and includes clear instructions and examples to help property owners apply;

1 (2) a selection process that ensures equitable selection of property
2 owners; and

3 (3) a grants management system that ensures accountability for funds
4 awarded to property owners.

5 (d) Grant and forgivable loan requirements.

6 (1) The Department shall determine whether statewide and regional
7 housing partner organizations shall issue grants, forgivable loans, or both.

8 (2) The Department shall ensure each grant and forgivable loan
9 complies with the following requirements:

10 (A) A property owner may apply for a grant, forgivable loan, or both
11 of up to \$30,000 per unit.

12 (B) The units must be blighted, vacant, or otherwise not comply with
13 applicable rental housing health and safety laws.

14 (C) A property owner shall:

15 (i) match at least 10% of the value of the grant or forgivable loan;

16 and

17 (ii) comply with applicable permit requirements and rental
18 housing health and safety laws.

19 (3) All affected units must be rented at or below annually published
20 HUD Fair Market Rent for the County or Metropolitan Statistical Area for at

1 least five years or be subject to loan interest penalties and repayment
2 requirements as to be determined and codified by the Department.

3 (4) If a property owner sells or transfers a property improved with grant
4 or forgivable loan funds within 5 years of receiving the funds, the property
5 owner shall:

6 (A) repay the amount of the funds upon sale or transfer; or

7 (B) ensure that the property continues to remain affordable for the
8 remainder of the five-year period required in subdivision (4) of this subsection.

9 (5) The Department shall develop requirements regarding the following:

10 (A) encouraging and incentivizing Statewide and regional housing
11 partner organizations and property owners to work with local *continua* of care
12 organizations;

13 (B) limitations on the number of units that any one individual owner
14 may receive funds towards;

15 (C) incentivizing the goal that at least 50 percent of the rehabilitated
16 units serve a person exiting homelessness during the initial lease upon
17 completion of work;

18 (D) requiring that a percentage of the program participant's units must
19 serve someone exiting homelessness at the initial lease upon completion of
20 work, and associated incentives; and

1 (E) requirements and incentives regarding statewide and regional
2 housing partner organizations and property owners working with local
3 continua of care organizations

4 (e) Definitions. As used in this section:

5 (1) “Blighted” means that a rental unit is not fit for human habitation and
6 does not comply with the requirements of applicable building, housing, and
7 health regulations.

8 (2) “Vacant” means that a rental unit has not been leased or occupied for
9 at least 90 days prior to the date on which a property owner submits an
10 application and the unit remains unoccupied at the time of the award.

11 Sec. E.3. DEPARTMENT OF HOUSING AND COMMUNITY

12 DEVELOPMENT; APPROPRIATION

13 Of the CARES Act funds make available to the State of Vermont the
14 amount of \$50,000,00 is appropriated to the Department of Housing and
15 Community Development as follows:

16 (1) \$42,000,000 to provide rental arrearage assistance through the
17 Vermont Rental Housing Stabilization Fund Program pursuant to Sec. E.1 of
18 this act.

19 (2) \$8,000,000 to provide emergency housing rehabilitation grants and
20 forgivable loans through the Vermont Re-Housing Recovery Fund Program
21 pursuant to Sec. E.2 of this act.

1 * * * Department of Tourism and Marketing * * *

2 Sec. F.1. REGIONAL MARKETING AND CONSUMER STIMULUS

3 GRANT PROGRAM

4 (a) Creation. There is created in the Department of Tourism and Marketing
5 a Regional Marketing and Consumer Stimulus Grant Program to re-establish
6 and increase consumer spending and help businesses maintain a viable
7 customer base to replace the sales lost due to the COVID-19 disruption.

8 (b) Eligible uses.

9 (1) The Department shall provide funding in the form of grants to
10 encourage Vermonters to patronize local businesses.

11 (2) Eligible uses of grant funds may include:

12 (A) incentives to local businesses to create discounted
13 opportunities for Vermonters;

14 (B) buy local challenges;

15 (C) regional loyalty, affinity, or gift card programs;

16 (D) other consumer stimulus programs approved by the Agency
17 of Commerce and Community Development; and,

18 (E) direct outreach and marketing activities to promote the
19 consumer stimulus programs.

20 (c) Application and approval process.

1 (1) The Department shall issue a request to solicit proposals from the
2 different regions of the State for the use of grant funds best meeting the
3 consumer stimulus needs of each region.

4 (2) The Department shall encourage local organizations to submit a
5 comprehensive marketing proposal through one organization.

6 (3) The maximum amount of a grant shall not be greater than \$600,000.

7 Sec. F.2. RESTART VERMONT PROMOTIONAL MARKETING
8 CAMPAIGN

9 (a) Creation. The Department of Tourism and Marketing shall design and
10 implement a Restart Vermont Promotional Marketing Campaign to encourage
11 consumer spending in Vermont as the economy reopens and to encourage
12 visitation, as it is safe to do so, to replace the sales and revenue losses suffered
13 by tourism, hospitality, and retail businesses due to the COVID-19 disruption.

14 (b) Purpose. The Department shall create the Restart Vermont
15 Promotional Marketing Campaign for the purpose of providing an immediate
16 increase in customer activity for small businesses in Vermont, including but
17 not limited to restaurants, lodging establishments, retail stores, and tourism
18 attractions. Grants awarded by the Department shall directly support Vermont
19 communities, downtowns and village centers and small businesses in the state
20 in order to prevent business closures and increase the generation of tax
21 revenue.

1 (c) Administration of marketing campaign.

2 (1) The Department shall administer the Campaign to coordinate and
3 unify promotional and marketing initiatives throughout the State.

4 (2) To assist Vermont communities in marketing and promoting with
5 unified themes and messages, the Department shall make available a marketing
6 toolkit of creative assets for use by communities, organizations, and individual
7 businesses.

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9 Sec. F.3. DEPARTMENT OF TOURISM AND MARKETING;

10 APPROPRIATIONS

11 Of the CARES Act funds made available to the State of Vermont the
12 amount of \$5,000,000 is appropriated to the Department of Tourism and
13 Marketing as follows:

14 (1) \$3,750,000 to provide grants through the Regional Marketing and
15 Consumer Stimulus Grant Program pursuant to Sec. F.1 of this act; and

16 (2) \$1,250,000 to design and implement a Restart Vermont Promotional
17 Marketing Campaign pursuant to Sec. F.2 of this act.

18 * * * Agency of Agriculture, Food and Markets * * *

19 Sec. G.1. DAIRY ASSISTANCE PROGRAM

20 Sec. 1. Definitions

21 (a) As used in this Dairy Assistance Program:

- 1 (1) "Animal feeding operation" (AFO) means a lot or facility where the
2 livestock have been, are, or will be stabled or confined and fed or
3 maintained for a total of 45 days or more in any 12-month period, and
4 crops, vegetation, or forage growth are not sustained in the normal
5 growing season over any portion of the lot or facility. Two or more
6 individual farms qualifying as an AFO which are under common
7 ownership and which adjoin each other or use a common area or
8 system for the disposal of waste, shall be considered to be a single AFO
9 if the combined number of livestock resulting qualifies as a medium
10 farm as defined in subdivision (2) of this section.
- 11 (2) "Certified small farm" means a small farm with at least 50 mature
12 dairy cows required to certify compliance with the Required
13 Agricultural Practices under 6 V.S.A. § 4871 and so certified as of
14 March 1, 2020.
- 15 (3) "Dairy processor" is a person, partnership, unincorporated
16 association, or corporation who owns or controls any place, premise,
17 or establishment where butter, cheese, cream, buttermilk, infant
18 formula, ice cream, yogurt or other dairy products identified by rule by
19 the Secretary are processed for sale. Dairy processors shall only be
20 eligible for payments based on the amount of milk processed in
21 Vermont and shall not be eligible for any compensation related to out-

1 of-state processing. To determine maximum grant eligibility, each dairy
2 processor shall be evaluated within the milk processing size known to
3 the Secretary as of March 1, 2020.

4 (4) “Economic harm” means a milk producer’s or dairy processor’s
5 expenses and/or lost revenue related to the 2020 COVID-19 public
6 health emergency. To show economic harm and qualify for this dairy
7 assistance program, a milk producer or dairy processor must 1) be
8 currently producing milk or dairy products, and 2) must accurately
9 demonstrate losses related to the costs of business disruption caused by
10 the COVID-19 pandemic that are reimbursable under the terms of the
11 Coronavirus Relief Fund authorized in Section 5001 of P.L. 116-136.
12 All compensable losses must accrue on or after March 1, 2020 and
13 before December 31, 2020. Economic harm is not compensable if the
14 same expenses have been or will be covered by insurance or another
15 federal grant.

16 (5) “Goat or sheep dairy farm” is any place or premise where one or more
17 dairy goats and/or dairy sheep are kept and where a part or all the
18 milk from the animals is sold or offered for sale.

19 (6) “Large farm” is an AFO which houses more than 699 mature dairy
20 cows and where a part or all the milk from the animals is sold or
21 offered for sale.

1 (7) "Medium farm" is an AFO which houses 200 to 699 mature dairy cows
2 and where a part or all the milk from the animals is sold or offered for
3 sale.

4 (8) "Milk producer" or "producer" is a person, partnership,
5 unincorporated association, or corporation who owns or controls one or
6 more dairy cows, dairy goats, or dairy sheep on a large farm, medium
7 farm, certified small farm, small farm, or goat or sheep farm, and sells or
8 offers for sale a part or all the milk produced by the animals. To determine
9 maximum grant eligibility, each milk producer shall be evaluated within
10 the farm type known to the Secretary as of March 1, 2020.

11 (9) "Small farm" is an AFO which houses no more than 199 mature dairy
12 cows or a goat or sheep dairy farm where a part or all the milk from the
13 animals is sold or offered for sale.

14 (10) "Secretary" means the Secretary of Agriculture, Food and Markets or
15 his or her designee.

16 Sec. 2. Program Creation and Description

17 There is established in the Agency of Agriculture, Food and Markets a
18 program to provide financial assistance to milk producers and dairy
19 processors that have suffered economic harm in Vermont caused by the
20 COVID-19 public health emergency.

1 (1) The program shall be administered by the Agency of Agriculture, Food
2 and Markets, which shall award available funds to eligible applicants that
3 demonstrate economic harm.

4 (2) The Secretary shall create an application form which milk producers
5 and dairy processors must utilize when applying for relief. Applicants must
6 certify that all information they provide is truthful and accurate to the best of
7 their knowledge, information, and belief.

8 (3) The program, up to the maximum total distribution of 40 million
9 appropriated dollars, shall aid milk producers that demonstrate economic
10 harm to the Secretary. The payment amount shall be based on the amount of
11 economic harm on the date the application is received up to the maximum
12 disbursement permitted for each type of qualified farm. Applications will be
13 processed in the order received, but an application shall not be ready for
14 evaluation until the Secretary receives all required proof of economic harm
15 and deems it complete.

16 (4) The program, up to the maximum total distribution of 10 million
17 appropriated dollars, shall aid dairy processors that demonstrate economic
18 harm to the Secretary. The payment amount shall be based on the amount of
19 economic harm on the date the application is received up to the maximum
20 disbursement permitted for each qualified dairy processor. Applications will
21 be processed in the order received, but an application shall not be ready for

1 evaluation until the Secretary receives all required proof of economic harm
2 and deems it complete.

3 (5) Up to the maximum total appropriations, the Secretary shall award
4 payments to reimburse qualified milk producers for demonstrated economic
5 harm as follows:

6 (A) Large farms shall receive up to \$110,000.00.

7 (B) Medium farms shall receive up to \$90,000.00.

8 (C) Certified smalls farms shall receive up to \$60,000.00.

9 (D) Small farms shall receive up to \$42,500.00.

10 (6) Up to the maximum total appropriations, the Secretary shall award
11 payments to reimburse qualified dairy processors for demonstrated economic
12 harm as follows:

13 (A) Dairy processors that process less than 500 pounds of milk per day
14 shall receive up to \$56,500.00.

15 (B) Dairy processors that process from 500 to 9,999 pounds of milk per
16 day shall receive up to \$70,000.00.

17 (C) Dairy processors that process from 10,000 to 49,999 pounds of
18 milk per day shall receive up to \$97,000.00.

19 (D) Dairy processors that process from 50,000 to 99,999 pounds of
20 milk per day shall receive up to \$127,000.00.

1 (E) Dairy processors that process from 100,000 to 499,999 pounds of
2 milk per day shall receive up to \$157,000.00.

3 (F) Dairy processors that process 500,000 pounds or more of milk per
4 day shall receive up to \$185,000.00.

5 (G) Dairy processors that process frozen desserts (excluding product
6 for soft serve ice cream machines) shall receive up to \$56,500.00.

7 (7) Once an applicant submits a complete application and demonstrates
8 economic harm, the Secretary shall promptly issue a payment provided
9 the appropriated funds have not been expended. The last payment may
10 be a partial payment consisting of the remaining available funds.

11 (8) Whenever a milk producer or dairy processor has not demonstrated
12 economic harm equal to or greater than the maximum allowed
13 disbursement for its category, the application shall remain pending for
14 a potential future showing of additional economic harm. Qualified
15 applicants that incur additional economic harm after the date of their
16 initial application may file an addendum to demonstrate subsequent
17 economic harm to the Secretary. The Secretary shall create an
18 addendum form which milk producers and dairy processors must utilize
19 when applying for additional relief. Applicants must certify that all
20 information they provide is truthful and accurate to the best of their
21 knowledge, information, and belief. Eligible milk producers and dairy

1 processors may submit an addendum to their initial application by
2 October 1, 2020 to show any additional economic harm eligible for
3 compensatory payment. No milk producer or dairy processor shall
4 receive total payments that exceed the maximum allowed payment.

5 (9) All initial applications shall be processed before considering addenda
6 demonstrating additional economic harm, and each addendum will be
7 processed in the order received. An addendum shall not be ready for
8 evaluation until the Secretary receives all required proof of economic
9 harm and deems it complete. Once an eligible applicant submits a
10 complete addendum and demonstrates additional economic harm, the
11 Secretary shall promptly issue a payment provided the appropriated
12 funds have not been expended. The last payment may be a partial
13 payment consisting of the remaining available funds.

14 Sec. 3. Assistance Payments

15 Each assistance payment shall be a direct payment from the State of Vermont
16 to an eligible milk producer or dairy processor. Milk producers and dairy
17 processors shall not submit more than one application, but those that do not
18 initially qualify for the maximum allowed payment may submit an addendum to
19 demonstrate additional economic harm by October 1, 2020.

20 (b) Any funds not expended by November 1, 2020 shall revert to the Agency of
21 Agriculture, Food and Markets for ongoing financial assistance to farmers

1 who can demonstrate economic harm incurred from March 1, 2020 through
2 December 30, 2020 consistent with the requirements of P.L. 116-136.

3 Sec. 5. Enforcement

4 (a) A violation under this act may give rise to civil, administrative, and/or
5 criminal enforcement under Title 6 or Title 13.

6 (b) Any ineligible or unqualified applicant who inappropriately receives funds
7 shall be administratively and/or civilly liable for returning the funds to the
8 State of Vermont and for a penalty of up to \$10,000. Any person who willfully,
9 knowingly, or recklessly submits false information in an attempt or successful
10 effort to defraud the State, shall be imprisoned for not more than five years
11 and fined not more than \$1,000.00, or both. Any person may also be subject to
12 prosecution for any additional crime(s) committed under Title 13.

13 (c) The Attorney General or State's Attorney may prosecute civil, criminal, or
14 administrative actions in accordance with the Vermont Rules of Civil and
15 Criminal Procedure and the Vermont Administrative Procedure Act.

16 Sec. G.2. AGENCY OF AGRICULTURE, FOOD AND MARKETS;

17 APPROPRIATION

18 (a) There is appropriated from the Coronavirus Relief Fund dollars allocated
19 to the state of Vermont under the federal Coronavirus Aid, Relief, and
20 Economic Security Act for Fiscal Year 2020 the sum of \$50,000,000 to the
21 Department of Finance and Management for transfer to the Agency of

1 Agriculture, Food and Markets to process payments for dairy assistance
2 established in this act. From the appropriated funds, \$40,000,000 shall be
3 available for milk producers and \$10,000,000 shall be available for dairy
4 processors.

5 * * * Agency of Human Services * * *

6 Sec. H.1. WELL-BEING FOR SMALL BUSINESSES

7 (a) Program description; authorization.

8 (1) The State of Vermont’s “Invest Employee Assistance Program
9 Centers for Wellbeing” in the Division of Vocational Rehabilitation is an
10 employee assistance program that provides important services to support the
11 health and wellbeing of the Vermont workforce at over 250 businesses that
12 elect to pay for this service.

13 (2) The State of Vermont Employee Assistance Program, through the
14 period ending August 31, 2020, is authorized to extend its programs and
15 services to serve businesses in Vermont employing 50 or fewer employees.

16 (b) Services provided.

17 (1) The State of Vermont’s Invest EAP Centers for Wellbeing shall
18 make available to small business owners and their employees important
19 services to support the health and wellbeing of the Vermont workforce that
20 elect to pay for this service.

1 (e) Secs. E.1–E. of this act (Department of Housing and Community
2 Development) shall take effect on

3 (f) Secs. F.1–F of this act (Department of Tourism and Marketing) shall
4 take effect on

5 (g) Secs. G.1–G of this act (Agency of Agriculture, Food and Markets)
6 shall take effect on

7 (h) Secs. H.1–H of this act (Agency of Human Services) shall take effect
8 on

9