

**Title 10 – Vermont Statutes Annotated**

**VERMONT COMMUNITY DEVELOPMENT ACT**

**§ 681 TITLE**

This subchapter may be cited as the "Vermont Community Development Act."

**§ 682 INTENT AND PURPOSE**

- a) It is the intent of this subchapter to provide for the state administration of the federal community development block grant program as is authorized by Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301 et seq), hereinafter called the "Federal Act," so as to meet the objectives and requirements of that title.
- b) The purpose of this subchapter is to meet the state goal and objectives so that the most effective projects in the neediest areas are funded.
  - 1) The goal is to improve and maintain the economic and physical environment in Vermont's municipalities so as to enhance the quality of life for all Vermonters, particularly those of lower incomes.
  - 2) The objectives are to conserve, expand, and improve housing; to create and retain employment; and to improve public facilities in support of housing or economic development activities, or where there is a threat to the public health and safety.

**§ 683 DEFINITIONS**

As used in this subchapter:

- 1) "**Municipality**" means a town or city. It also means an incorporated village the charter of which enables it to function as a general purpose unit of local government. It shall also mean a "nonentitlement area" as defined in Title I, Sec. 102(a)(7) of the Federal Act.
- 2) "**Entitlement municipality**" means a municipality entitled to receive funds under Title I, Sec. 106(b) of the Federal Act.
- 3) "**Grantee**" means a municipality that receives a grant under the provisions of this subchapter.
- 4) "**Board**" means the Vermont Community Development Board.
- 5) "**Agency**" means the Vermont Agency of Commerce and Community Development.
- 6) "**Secretary**" means the Secretary of the Agency

- 7) "**Legislative body**" means the board of selectmen of a town, the board of aldermen or the council of a city, the board of trustees or prudential committee of an incorporated village.
- 8) "**Chief executive officer**" means the mayor of a city; or if no mayor, the president of the board of aldermen, the chairman of the city council, the chairman of the board of selectmen, the president of the board of trustees or chairman of the prudential committee.
- 9) "**Lower income**" means less than or equal to 80 percent of median income. The Secretary shall determine the best measure of median income based on statistics from federal and/or state sources.

#### **§ 684 POWERS AND DUTIES OF THE MUNICIPALITIES**

- a) In addition to the powers and authority which the municipalities have under existing law, they are hereby granted such additional authority and power, essential and incidental, as may be necessary for the administration and implementation of this subchapter.
- b) Prior to filing an application under this chapter a municipality shall:
  - 1) through action by the legislative body, adopt or pass an official act or resolution authorizing the filing of the application and directing the chief executive officer or designee to act in connection with the application and to provide such information as may be required;
  - 2) hold at least one public hearing, after notice of at least 15 days by publication in a newspaper of general circulation in the municipality, to obtain the views of citizens on community development, to furnish the citizens with information concerning the amount of funds available and the range of community development activities that may be undertaken under this chapter, and to give affected citizens an opportunity to examine a proposed statement of the projected use of such funds;
  - 3) allow citizens an opportunity to examine the application and all supporting documentation.
- c) The chief executive officer or designee shall certify that the grantee will comply with the provisions of this subchapter and with other applicable federal and state laws and rules as may be determined by the Secretary.

#### **§ 685 THE VERMONT COMMUNITY DEVELOPMENT BOARD**

- a) There shall be created within the Agency of Commerce and Community Development a Vermont Community Development Board consisting of nine members who shall be residents of the state.
- b) The members shall be appointed by the governor for a term of three years, or for the unexpired portion thereof. For the initial appointments, the governor shall appoint three for one year, three for two years, and three for three years. In the appointment of the members consideration shall be given to the selection of such persons as shall adequately represent the interests of various sections of the state and the principal beneficiaries of the program.

- c) The chairman shall be appointed annually by the governor from among the members.
- d) Members of the board shall be compensated at the rate of \$30.00 per day for time spent in the performance of their duties, and they shall be reimbursed for necessary expenses incurred therein.
- e) No person who receives a significant portion of his income directly or indirectly from the community development activities governed by this subchapter shall be a member of the board.
- f) The Agency shall provide staff assistance and administrative support to the board.
- g) Prior to January 15 of each year, the board shall submit a report of its activities and grants for the preceding year to the governor and general assembly.

### **§ 686 ELIGIBILITY, APPLICATION, ALLOCATION OF FUNDS**

- a) All funds allocated to the state, except for an amount not exceeding the maximum allowable under the federal act available to the state for administrative costs, shall be allocated to municipalities in an equitable and efficient manner.
- b) All municipalities, except for entitlement municipalities, shall be eligible to apply for and receive funds under this subchapter.
- c) Entitlement municipalities shall not be eligible to apply for and receive funds under this subchapter. Entitlement municipalities shall, however, have the authority to apply for and receive funds and to implement and administer a community development program as otherwise provided in the Federal Act, and this subchapter shall not be construed in any way to limit that authority.
- d) The Agency shall solicit applications from eligible municipalities. Any eligible municipality desiring to receive funds under this subchapter shall complete and submit an application in a manner as shall be prescribed by the Secretary.
- e) The board shall evaluate the relative merits of the applications using the allocation system established under this subchapter and make recommendations to the Secretary as to which applications merit funding.
- f) The Secretary shall review the recommendations of the board and make the final awards for grants-in-aid.

### **§ 687 ALLOCATION SYSTEM**

The Secretary, with the advice and assistance of the board, shall establish a system for the allocation of community development program funds.

- 1) The allocation system shall be based on the intent, purpose, goal, and objectives of this subchapter.
- 2) The allocation system shall be competitive and shall provide the opportunity for any eligible municipality or municipalities to compete for funding for community development projects.
- 3) The system shall insure that a wide range of community development activities shall be eligible for funding. These may include but are not limited to:

- A) the acquisition, rehabilitation, or expansion of housing;
  - B) the creation, expansion, or retention of employment through the stimulation of private investment and community revitalization;
  - C) the installation, rehabilitation, or replacement of public facilities;
  - D) activities that test the feasibility of innovative approaches to community development;
  - E) activities that provide timely responses to unpredictable circumstances or special development opportunities.
- 4) The allocation system shall include a method through which the need for, and impact of, the projects proposed by municipalities shall be measured and shall establish a process for evaluation of the applications.

#### **§ 688 AUTHORITY TO MAKE RULES**

The Secretary is hereby granted the authority to issue rules in accordance with chapter 25 of Title 3 for the purpose of administering the provisions of this subchapter.

#### **§ 689 MULTI-YEAR COMMITMENTS**

- a) Those municipalities which received commitments of multi-year funds in federal fiscal year 1981 under the provisions of the Federal Act shall be assured of funding to the extent of such commitments, provided such municipalities request the state to honor such funding commitments and the Secretary of the U.S. Department of Housing and Urban Development has provided the Secretary with a determination that any such municipality has performed adequately with respect to such previously distributed funds.
- b) Those municipalities eligible to receive funding under the provisions of this section and so requesting such funding shall make application to the Agency in a manner as shall be determined by the Secretary.
- c) The Secretary, with the advice and assistance of the board, may allow the municipalities making application under this section to amend their programs to the extent that the program so amended meets the intent and purpose of this chapter.
- d) Notwithstanding the provisions of sections 686 and 687 of this title, the Secretary may adopt separate rules for the expeditious consideration of applications and allocations made under this section.

#### **§ 690 REMEDIES FOR NONCOMPLIANCE**

- a) If the Secretary finds, after reasonable notice and opportunity for hearing, that a grantee under this subchapter has failed to comply substantially with the provisions of this subchapter, the rules promulgated under the provisions of this subchapter, or of applicable provisions of federal law, the Secretary, until he is satisfied that there is no longer any such failure to comply, may:
  - 1) terminate payments to the grantee under this subchapter, or
  - 2) limit the availability of payments under this subchapter under such conditions as may be established by the Secretary.
- b) In lieu of, or in addition to, any action authorized in subsection (a) of this section, the Secretary may refer the matter to the office of the Attorney

General of the state of Vermont with a recommendation that an appropriate civil action be instituted.

**§ 690a Nonprofit revolving loan funds**

- (a) Any revolving loan fund lender not required to be licensed pursuant to section 2201(c)(8) of Title 8 shall register and maintain its registration with the commissioner of economic development, on forms and by policy and methods prescribed by the commissioner. The commissioner shall require such lenders to pay an annual fee of not more than \$50.00 to maintain their registration.
- (b) Fees collected under this section shall be credited to a special fund established and managed pursuant to chapter 7, subchapter 5 of Title 32, and shall be available to the department of economic development to offset the costs of providing those services. (Added 1995, No. 162 (Adj. Sess.), § 40, eff. Jan. 1, 1997; amended 1997, No. 59, § 32, eff. June 30, 1997.)

Legislative History

Senate Bill No. 24, 1983

Effective on March 18, 1983

Note: 24 VSA Ch.30 was repealed by this legislation.