



WORKING DRAFT

3/13/07 – Final
Steering Committee Revision

General Assembly

Raised Bill No.

January Session, 2007

LCO No. 4154

04154_____

Referred to Committee on

Introduced by:

AN ACT CONCERNING HOUSING FOR ECONOMIC GROWTH.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2007*) As used in sections 1 to 22,
2 inclusive, of this act:

3 (1) "Approved incentive housing zone" means an overlay zone that
4 has been adopted by a zoning commission and for which a letter of
5 final eligibility has been issued by the Secretary under section 5 of this
6 act.

7 (2) "Authority" means the Connecticut Health and Educational
8 Facilities Authority.

9 (3) "Building permit payment" means the one-time payment, made
10 pursuant to subsection (b) of section 7 of this act, for each qualified
11 housing unit located within an incentive housing development, and
12 for which a building permit has been issued by the municipality.

13 (4) "Capital appreciation bonds" means bonds for which interest is
14 compounded at a stated rate and is payable only at the maturity or
15 prior redemption thereof.

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16 (5) "Construction" means the creation of housing units by new
17 construction, substantial rehabilitation of an existing residential
18 building, or conversion of an existing nonresidential building to
19 residential use.

20 (6) "Developable land" means the area within the boundaries of an
21 approved incentive housing zone, but excluding: (A) land already
22 committed to a public use or purpose, whether publicly or privately
23 owned; (B) existing parks, recreation areas, and open space that is
24 dedicated to the public or subject to a recorded conservation easement;
25 (C) land otherwise subject to an enforceable restriction on or
26 prohibition of development; and (D) wetlands or watercourses as
27 defined in chapter 440 of the general statutes.

28 (7) "Duplex" means a residential building containing two units.

29 (8) "Eligible location" means: (A) an area near a transit station,
30 including rapid transit, commuter rail, bus terminal, or ferry terminal;
31 (B) an area of concentrated development such as a commercial center,
32 existing residential or commercial district, or village district
33 established pursuant to section 8-2j of the general statutes; or (C) an
34 area that, because of existing, planned or proposed infrastructure,
35 transportation access, or underutilized facilities or location, is suitable
36 for development as an incentive housing zone.

37 (9) "Fund" means the Housing for Economic Growth Fund
38 established in accordance with section 14 of this act.

39 (10) "Historic district" means an historic district established
40 pursuant to chapter 97a of the general statutes.

41 (11) "Incentive housing development" means a residential or mixed
42 use development (A) that is proposed or located within an approved
43 incentive housing zone; (B) that is eligible for financial incentive and
44 reimbursement payments set forth in this act; and (C) in which not less
45 than twenty percent of the dwelling units will be conveyed subject to

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46 an incentive housing restriction requiring that, for at least thirty years
47 after the initial occupancy of the development, such dwelling units
48 shall be sold or rented at, or below, prices which will preserve the
49 units as housing for which persons pay thirty percent or less of their
50 annual income, where such income is less than or equal to eighty
51 percent or less of the median income.

52 (12) "Incentive housing education cost reimbursement" means an
53 annual financial payment, payable for fifteen years, by the State of
54 Connecticut, acting through the Secretary, to a municipality, pursuant
55 to section 8 of this act.

56 (13) "Incentive housing sponsor" or "sponsor" means (A) the owner
57 or developer responsible for the acquisition, construction or operation
58 of an incentive housing development, any other appropriate entity
59 with respect to such housing, or the owner or occupant of a unit in
60 such housing; or (B) the municipality in which such housing is located,
61 acting as trustee, agent or representative for such owner, developer,
62 entity or occupant.

63 (14) "Incentive housing restriction" means a deed restriction,
64 covenant, zoning regulation, site plan approval condition, subdivision
65 approval condition, or affordability plan, constituting an obligation
66 with respect to the restrictions on household income, sale or resale
67 price, rent, and housing costs required by this act, enforceable for
68 thirty years as required by this act, and recorded on the land records of
69 the municipality where the housing is located.

70 (15) "Incentive housing zone" means a zone adopted by a zoning
71 commission pursuant to this act, as an overlay to one or more existing
72 zones, in an eligible location as defined in subsection 1(8) of this act.

73 (16) "Incentive housing zone certificate of compliance" means a
74 written certificate issued by the Secretary in accordance with section 6
75 of this act.

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76 (17) "Letter of eligibility" means a preliminary or final letter issued
77 to a municipality by the Secretary under section 5 of this act.

78 (18) "Median income" means, after adjustments for household size,
79 the area median income as determined by the United States
80 Department of Housing and Urban Development for the municipality
81 in which an approved incentive housing zone or development is
82 located.

83 (19) "Mixed use development" means a development containing one
84 or more multifamily or single-family dwelling units and one or more
85 commercial, public, institutional, retail, office, or industrial uses.

86 (20) "Multifamily housing" means a building that contains or will
87 contain three or more residential dwelling units.

88 (21) "Open space" means land or a permanent interest in land that is
89 used for or satisfies one or more of the criteria listed in subsection
90 (b) of section 7-131d of the general statutes.

91 (22) "Redevelopment" means construction whose cost will exceed
92 fifty percent of the prerenovation assessed value of a building, or a
93 change in use of a building from nonresidential to residential.

94 (23) "Secretary" means the Secretary of the Office of Policy and
95 Management or such Secretary's designee.

96 (24) "State assistance" means a payment by the state of actual debt
97 service, comprised of principal, interest and reasonable operating
98 reserves, interest rate swap payments, liquidity fees, letter of credit
99 fees, trustee fees and other similar bond-related expenses.

100 (25) "State assistance agreement" means any contract entered into by
101 the state, acting by and through the Secretary and the State Treasurer,
102 with the Connecticut Health and Educational Facilities Authority, that
103 provides state assistance pursuant to section 15 of this act.

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104 (26) "Townhouse housing" means a residential building consisting
105 of a single-family dwelling unit constructed in a group of three or
106 more attached units, in which each unit extends from foundation to
107 roof and with open space on at least two sides.

108 (27) "Zone adoption payment" means a one-time payment, made
109 pursuant to subsection (a) of section 7 of this act.

110 (28) "Zoning commission" means a municipal agency designated or
111 authorized to exercise zoning powers under chapter 124 of the general
112 statutes or a special act, and includes an agency that exercises both
113 planning and zoning authority.

114 Sec. 2. (NEW) (*Effective July 1, 2007*) (a) A zoning commission may
115 adopt regulations establishing an incentive housing zone in
116 accordance with the provisions of this act.

117 (b) An incentive housing zone shall satisfy the following
118 requirements:

119 (1) The zone shall be located in an eligible location as defined in
120 section 1(8) of this act;

121 (2) The regulations of the zone shall permit, as-of-right, incentive
122 housing development as defined in section 1(11) of this act.

123 (3) The minimum density for incentive housing development, per
124 acre of developable land as defined in subsection 1(6) of this act, shall
125 be: (A) six units per acre for single-family detached housing; (B) ten
126 units per acre for duplex or townhouse housing; and (C) twenty units
127 per acre for multifamily housing.

128 (4) The minimum densities prescribed in subsection 2(b)(3) shall be
129 subject only to the municipality's site plan or subdivision procedures,
130 submission requirements and approval standards, and not special
131 permit or special exception procedures, requirements, or standards.

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132 (5) Notwithstanding the provisions of this act with regard to zone
133 adoption and building permit payments and incentive housing
134 educational cost reimbursement, in order to qualify for any of the
135 financial payments set forth in this act, the regulations of an incentive
136 housing zone, in providing for the minimum, as-of-right densities set
137 forth in subsection 2(b)(3), shall constitute an increase of at least
138 twenty-five percent above the density allowed by the underlying zone.

139 (6) Notwithstanding the requirements of subsection 2(b)(3), a
140 municipality whose population as determined by the most recent
141 federal decennial census is less than five thousand, when applying to
142 the Secretary for a letter of eligibility under section 5, may request
143 approval of minimum as-of-right densities of not less than four units
144 per acre for single-family detached housing, not less than six units per
145 acres for duplex or townhouse, and not less than ten units per acre for
146 multifamily housing. In making such a request, the municipality shall
147 provide the Secretary with evidence of sewage disposal, water supply,
148 traffic safety, or other existing, substantial infrastructure limitations
149 that prevent adoption of the minimum densities set forth in subsection
150 2(b)(3). If the proposed incentive housing zone otherwise satisfies the
151 requirements of this act, the Secretary may issue the requested letter of
152 eligibility.

153 (7) An incentive housing zone may consist of one or more subzones,
154 provided that each subzone and the zone as a whole shall comply with
155 the requirements of this act.

156 (8) The land area of an incentive housing zone shall not exceed ten
157 percent of the total land area in the municipality, and the aggregate
158 land area of all incentive housing zones and subzones in a
159 municipality shall not exceed twenty-five percent of the total land area
160 in the municipality.

161 (c) A zoning commission may modify, waive or delete dimensional
162 standards contained in the zone or zones that underlie an incentive
163 housing zone in order to support the minimum or desired densities,

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164 mix of uses or physical compatibility. Standards subject to
165 modification, waiver or deletion include, but shall not be limited to,
166 building height, setbacks, lot coverage, parking ratios and road design
167 standards.

168 (d) If a zoning commission adopts a regulation for an incentive
169 housing zone that permits single-family detached homes on
170 subdivided lots, requiring subdivision approval under the
171 municipality's subdivision regulations, the zoning commission shall
172 make a written finding that the applicability of such subdivision
173 regulations will not unreasonably impair the economic or physical
174 feasibility of constructing housing at the minimum densities and
175 subject to an incentive housing restriction as required by this act. If
176 housing on subdivided lots is proposed in an incentive housing zone,
177 the zoning commission shall use its best efforts to adopt or encourage
178 the planning commission to adopt subdivision standards, such as
179 cluster regulations, zero lot line provisions, and waivers of
180 dimensional or other requirements, that will ensure consistency of the
181 single-family detached housing with the purposes of this act.

182 (e) The regulations of an incentive housing zone may allow for a
183 mix of business, commercial, or other non-residential uses so long as
184 such uses are consistent with the required as-of-right residential uses
185 and densities.

186 (f) An incentive housing zone may overlay all or any part of an
187 existing historic district or districts, and a municipality may establish
188 an historic district within an approved incentive housing zone,
189 provided that, if the requirements or regulations of such historic
190 district render the approved housing incentive zone noncompliant
191 with the provisions of this act, the Secretary shall deny a preliminary
192 or final letter of eligibility, deny or revoke a certificate of compliance,
193 or deny any incentive or reimbursement payments provided for in this
194 act.

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195 (g) Notwithstanding the provisions of subsection 1(11) and 1(14) of
196 this act, applicant for site plan or subdivision approval to construct an
197 incentive housing development within an approved zone may require
198 for the development, through an incentive housing restriction, (1) that
199 more than 20 percent of the total proposed dwelling units be subject to
200 the restriction; (2) that the maximum annual income of qualifying
201 households may be less than the limit stated in section 1(11); or (3) that
202 the duration of the restriction may be longer than thirty years. An
203 application for approval of an incentive housing development may not
204 be denied on the basis that the proposed incentive housing restriction
205 contains one or more of these provisions set forth in this subsection.

206 (h) The provisions of this act shall not be construed to affect the
207 power of a zoning commission to adopt or amend regulations under
208 chapter 124 of the general statutes or any special act.

209 Sec. 3. (NEW) (*Effective July 1, 2007*) (a) A zoning commission, at the
210 time of and as part of its adoption of regulations for an incentive
211 housing zone, may adopt design standards for incentive housing
212 developments within such zone. Such design standards (1) may
213 ensure that construction within the incentive housing zone is
214 complementary to adjacent and neighboring buildings and structures,
215 and consistent with the housing plan provided for in section 4 of this
216 act; and (2) may address the scale and proportions of buildings; site
217 coverage; alignment, width, and grade of streets and sidewalks; type
218 and location of infrastructure; location of building and garage
219 entrances; off-street parking; protection of significant natural site
220 features; location and design of open spaces; signage; and setbacks and
221 buffering from adjacent properties.

222 (b) A design standard shall not be adopted if such standard will
223 unreasonably impair the economic or physical feasibility of
224 constructing housing at the minimum densities and with the required
225 incentive housing restriction set forth in this act. The Secretary shall
226 not approve a request for a letter of preliminary or final eligibility

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227 under section 5 of this act if a proposed design standard will violate
228 this subsection, but may not otherwise disapprove a proposed zone
229 solely on the basis of its design standards. A statement from an
230 applicant or potential applicant for approval of an incentive housing
231 development within a proposed or approved incentive housing zone
232 that proposed design standards are reasonable and will not impair the
233 physical or economic feasibility shall be dispositive with regard to the
234 reasonableness of such design standards with respect to such
235 development.

236 (d) Any amendment to a design standard that has been approved
237 previously by the Secretary must be submitted to and approved by the
238 Secretary, who shall respond to the zoning commission in writing
239 within 45 days of receipt of a written request for approval. The
240 Secretary's failure to respond shall constitute disapproval, after which
241 the zoning commission may reapply.

242 Sec. 4. (NEW) (*Effective July 1, 2007*) A municipality may file with the
243 Secretary an application for preliminary determination of eligibility for
244 the financial incentive payments set forth in section 7 of this act and
245 incentive housing education cost reimbursement set forth in section 8
246 of this act. Such application shall:

247 (1) Identify and describe the boundaries of the proposed incentive
248 housing zone or zones;

249 (2) Identify, describe and calculate the developable land, as defined
250 in subsection 1(6) of this act, within the proposed incentive housing
251 zone or zones;

252 (3) Identify and describe existing and potential residential
253 development and the potential for reuse of existing or underutilized
254 buildings within the zone or zones;

255 (4) Using the definition of developable land set forth in section 1(6)
256 of this act and the minimum as-of-right densities set forth in subsection

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257 2(b)(3) of this act, calculate the number of residential units that may be
258 constructed in the zone or zones if the proposed regulations are
259 approved;

260 (5) Include a housing plan that explains the anticipated build out of
261 the zone or zones, with particular attention to available and proposed
262 infrastructure, compatibility of proposed incentive housing
263 development with existing and proposed buildings and uses, and
264 efforts that the municipality is making or intends to make to support
265 and promote the residential construction permitted by the proposed
266 regulations;

267 (6) Include the text of the proposed incentive housing zone
268 regulations and design standards and, if applicable, subdivision
269 regulations; and

270 (7) Include the text of the proposed incentive housing restriction
271 and a plan for administering and enforcing its requirements and
272 limitations.

273 Sec. 5. (NEW) (*Effective July 1, 2007*) (a) Upon application by a
274 municipality under section 4 of this act, the Secretary shall, within
275 sixty days of receipt, issue in writing a preliminary determination of
276 the municipality's eligibility for the financial incentive and
277 reimbursement payments set forth in this act. At least thirty days
278 before making such preliminary determination, the Secretary shall
279 electronically give notice of the application to all persons who have
280 provided the Secretary with a current electronic mail address and a
281 written request to receive such notices. If the Secretary determines that
282 the proposed incentive housing zone is not eligible or not compliant,
283 the Secretary shall, within the sixty day response period, notify the
284 municipality in writing of the reasons for such determination. A
285 municipality may thereafter reapply for approval after addressing the
286 reasons for ineligibility. The Secretary's failure to issue a written
287 response within sixty days of receipt shall constitute disapproval, after
288 which the municipality may reapply.

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289 (b) After a municipality has received from the Secretary a
290 preliminary letter of eligibility, its zoning commission may adopt the
291 incentive housing zone regulations and design standards as proposed
292 to the Secretary for preliminary approval. Within 30 days of receipt
293 from the municipality of a written statement that its zoning
294 commission has adopted the proposed regulations and standards, the
295 Secretary shall issue a letter of final approval of the incentive housing
296 zone. The Secretary's failure to issue a letter of final approval within
297 thirty days of receipt shall constitute disapproval, after which the
298 municipality may reapply.

299 (c) The Secretary shall not approve any proposed incentive housing
300 zone for which the proposed regulations or design standards have the
301 intent or effect of discriminating against, making unavailable, denying,
302 or impairing the physical or financial feasibility of housing which is
303 receiving or will receive financial assistance under any governmental
304 program for the construction or substantial rehabilitation of low or
305 moderate income housing, or any housing occupied by persons
306 receiving rental assistance under chapter 319uu of the general statutes
307 or Section 1437f of Title 42 of the United States Code.

308 (d) Any amendment to the regulations or design standards
309 approved by the Secretary for preliminary or final eligibility shall be
310 submitted to the Secretary for approval as set forth in this section.

311 Sec. 6. (NEW) (*Effective July 1, 2007*) (a) Each municipality whose
312 zoning commission has received a final determination of eligibility
313 under section 5 of this act and has adopted an approved incentive
314 housing zone shall annually, in accordance with procedures
315 established by the Secretary, apply to the Secretary for an incentive
316 housing zone certificate of compliance. To receive a certificate, the
317 municipality shall verify within the time specified by the Secretary
318 that:

319 (1) The municipality's zoning commission has not amended or
320 repealed any portion of the zone's regulations or design standards

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321 without approval of the Secretary as required by sections 3 and 5 of
322 this act;

323 (2) The incentive housing zone has not been revoked by the
324 Secretary;

325 (3) The municipality is making reasonable efforts to assist and
326 promote approval of incentive housing development and construction
327 of housing within the approved zone or zones; and

328 (4) The zoning commission has not unreasonably denied any
329 application for site plan or subdivision approval, or other necessary
330 coordinate permits or approvals, and has only denied applications in a
331 manner consistent with section 9 of this act.

332 (b) Provided that the information required by subsection 6(a) has
333 been submitted by the municipality in a timely manner, the Secretary
334 shall issue compliance certificates by October 1 of each year. If the
335 Secretary concludes that the municipality is in material noncompliance
336 with the requirements of this act, the Secretary, after notice and
337 hearing in compliance with chapter 54 of the general statutes, may
338 revoke certification. Any revocation of certification, or other sanctions
339 imposed by the Secretary under section 10 of this act, shall not affect
340 the validity of the incentive housing zone regulations or the
341 application of such regulations to a pending or approved development
342 application within the incentive housing zone, but shall render the
343 municipality ineligible for the financial incentive and reimbursement
344 payments provided for in this act.

345 Sec. 7. (NEW) (*Effective July 1, 2007*) (a) Upon confirmation by the
346 Secretary of adoption by a zoning commission of approved regulations
347 and design standards for an incentive housing zone or zones, the
348 Secretary shall make to the municipality a zone adoption payment in
349 the amount of two thousand dollars for each unit of housing that,
350 under the definition of developable land set forth in subsection 1(6)
351 and the as-of-right densities set forth in subsection 2(b)(3), can be built

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352 as part of an incentive housing development within such zone or
353 zones. Such zone adoption payment shall be made to the municipality
354 by the Secretary within 60 days after final approval as set forth in
355 section 5 of this act, provided that any judicial appeal period from the
356 zoning commission's final adoption of regulations has expired or a
357 final and unappealable judgment upholding such regulations has been
358 issued in any civil action challenging or delaying such regulations.

359 (b) Upon submission by a municipality to the Secretary of proof of
360 issuance of a building permit for a residential housing unit in an
361 approved incentive housing development, and after determining that
362 no appeal from or challenge to such building permit has been filed or
363 is pending, the Secretary shall issue to the municipality a one-time
364 building permit payment for each such building permit. Payment shall
365 be in the amount of two thousand dollars for each multifamily housing
366 unit, duplex unit and townhouse unit, and five thousand dollars for
367 each single-family detached unit. Such payment shall be made by the
368 Secretary within 60 days of receipt of proof of the issuance of building
369 permits and verification of the absence of any appeal or challenge.

370 (c) Residential units that are located within an approved incentive
371 housing zone but are part of a development that constitutes housing
372 for older persons permitted by the federal Fair Housing Act, 42 U.S.
373 Code §3607, or sections 46a-64c and 46a-64d of the general statutes,
374 shall not be eligible for any of the financial incentive or reimbursement
375 payments provided for in sections 7 or 8 of this act.

376 Sec. 8. (NEW) (*Effective July 1, 2007*) (a) A municipality in which an
377 incentive housing development has been built and occupied in
378 compliance with this act shall be eligible for an annual incentive
379 housing education cost reimbursement, paid through bonds or other
380 obligations issued by the Connecticut Health and Education Financing
381 Authority pursuant to section 12 of this act. Each municipality seeking
382 incentive housing education cost reimbursement as provided for in
383 this act shall include in its data of record, pursuant to subsection (a) of

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384 section 10-262i of the general statutes, as of December first prior to the
385 fiscal year such reimbursement is to be made, the number of children
386 age five to seventeen, inclusive, as defined in subdivision (10) of
387 section 10-262f of the general statutes, who are enrolled in public
388 school and who are identified as residing in an incentive housing
389 development constructed and occupied in compliance with the
390 provisions of this act.

391 (b) For purposes of determining the annual reimbursement
392 pursuant to this section, "eligible education costs" shall mean the sum
393 of the town's regular program expenditures as defined in section
394 10-262f for the school year prior to the fiscal year in which
395 reimbursement is to be made, plus the amount of special education
396 and public transportation costs in such prior year, net of all state aid,
397 federal aid, tuition and other revenues received for such services,
398 provided that in determining such amounts for member towns of
399 regional school districts, any allocations necessary shall be based on
400 each member town's percentage of the total district enrollment.

401 (c) The amount of an incentive housing education cost
402 reimbursement shall be the eligible education costs per resident
403 student as defined in 10-262f of the general statutes of the town
404 multiplied by the number of children identified pursuant to subsection
405 (a) of this section, minus (1) the amount of increased aid the town
406 receives in a school year pursuant to 10-262i as the result of the
407 identification of students pursuant to subsection (a) of this section and
408 (2) fifty percent of the incremental increase in real and personal
409 property taxes occurring after the adoption of the incentive housing
410 zone regulations and attributable to the incentive housing within the
411 incentive zone. The annual payments shall commence in the fiscal year
412 following the identification of students residing in an incentive
413 housing development, as specified in subsection (a) of this section, and
414 continue for fifteen years, provided that eligible students continue to
415 live in that development.

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416 (d) Each municipality shall certify to the authority information and
417 data necessary to support the issuance of said bonds or other
418 obligations of the authority in accordance with a time frame
419 established by the authority.

420 (e) The Secretary shall annually issue to the municipality the
421 incentive housing education cost reimbursement as provided by this
422 section within 60 days of receiving the information required by this
423 act.

424 Sec. 9. (NEW) (*Effective July 1, 2007*) (a) A zoning commission shall
425 prescribe, consistent with the provisions of this act, the form of an
426 application for approval of an incentive housing development. Receipt
427 and processing of applications shall follow the time periods and
428 procedures of chapter 124 or chapter 126 of the general statutes as
429 applicable. A zoning commission or its agent is authorized, to the
430 extent allowed by the State Freedom of Information Act, to conduct
431 one or more preliminary or pre-application planning or workshop
432 meetings with regard to an incentive housing zone or development. A
433 zoning commission may conduct a public hearing in connection with
434 an application for site plan or subdivision approval of an incentive
435 housing development.

436 (b) The regulations of an incentive housing zone may require the
437 applicant for approval of an incentive housing development to pay the
438 cost of reasonable consulting fees to provide peer review of the
439 technical aspects of the application for the benefit of the zoning
440 commission. Such fees shall be held in a separate account and used
441 only for expenses associated with the technical review of the
442 application by consultants who are not otherwise salaried employees
443 of the municipality or the zoning commission, and any surplus
444 remaining, including any interest accrued, shall be returned to the
445 applicant within forty-five days of the completion of such technical
446 review.

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447 (c) Incentive housing zone regulations may provide for the referral
448 of a site plan or subdivision application for comment to other agencies,
449 boards or commissions of the municipality. If a site plan or subdivision
450 application is referred to another agency, board, or commission, such
451 agency, board or commission shall provide any comments within the
452 time period contained in section 8-7d of the general statutes that is
453 applicable to such application.

454 (d) An incentive housing development shall be approved by the
455 zoning commission subject only to conditions that are necessary to
456 (1) ensure substantial compliance of the proposed development with
457 the requirements of the incentive housing zone regulations, design
458 standards and, if applicable, subdivision regulations; or (2) mitigate
459 any extraordinary adverse impacts of the development on nearby
460 properties. An application may be denied only on the grounds that:
461 (A) the development does not meet the requirements set forth in the
462 incentive housing zone regulations; (B) the applicant failed to submit
463 information and fees required by the regulations and necessary for an
464 adequate and timely review of the design of the development or
465 potential development impacts; or (C) it is not possible to adequately
466 mitigate significant adverse project impacts on nearby properties by
467 means of conditions acceptable to the applicant.

468 (e) The duration and renewal of an approval of an incentive housing
469 development shall be governed by section 8-3(i), section 8-3(j), section
470 8-26c or section 8-26g of the general statutes, as applicable. The time to
471 complete the work approved shall be extended (1) by the time required
472 to adjudicate to final judgment any appeal from a decision of the
473 commission on an incentive housing development site plan or
474 subdivision plan or any required coordinate permit; (2) by the zoning
475 commission if the applicant is actively pursuing other permits needed
476 for the development; (3) if there is other good cause for the failure to
477 complete such work; or (4) as provided in an approval for a
478 multiphase development.

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479 (f) An applicant for approval of an incentive housing development
480 within an approved incentive housing zone may not make such
481 application nor take an appeal to the Superior Court utilizing the
482 provisions of chapter 126a of the general statutes.

483 (g) Approval of or amendment to regulations or design standards
484 for an incentive housing zone or subzone, or site plan or subdivision
485 approval of an incentive housing development, may be appealed to the
486 Superior Court in compliance with the provisions of section 8-8 or
487 section 8-28 of the general statutes, as applicable, provided that (1)
488 upon motion made to the court by the defendant municipality, zoning
489 commission, planning commission, or applicant, the court shall order
490 each appealing party to post a bond in an amount sufficient to cover
491 (a) each moving defendant's anticipated attorney fees and costs for
492 defending against the appeal and (b) if applicable, an applicant's
493 anticipated or actual costs to carry and maintain its interest in the
494 subject property for a period of one year, as established by affidavit
495 filed with the court, which bond shall be forfeited in the event that the
496 appealing party does not substantially prevail in the appeal; (2) any
497 such appeal, upon motion by any defendant made at any time after the
498 return date, shall be transferred from the judicial district to which it is
499 returned to the Judicial District of New Britain and shall be heard and
500 decided by one of the judges designated by the Chief Court
501 Administrator under chapter 126a of the general statutes; and (3) any
502 such appeal shall be a privileged case in the order of trial, to be heard
503 by the court as soon after the return day as is practicable.

504 Sec. 10. (NEW) (*Effective July 1, 2007*) (a) The Secretary shall be
505 responsible for the administration, review and reporting on the
506 incentive housing zone program as provided in this act.

507 (b) On or before January 1, 2009, and annually thereafter, the
508 Secretary shall submit an annual report on the program to the General
509 Assembly in accordance with section 11-4a of the general statutes.
510 Each municipality shall submit to the Secretary any data requested by

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511 the Secretary on the incentive housing program. The report shall be
512 based on such data and shall be for the period ending the last day of
513 the prior fiscal year. The report shall (1) identify and describe the
514 status of municipalities actively seeking letters of eligibility; (2)
515 identify approved incentive housing zones and the amounts and
516 anticipated schedule of zoning incentive and building incentive
517 payments under section 7 of this act, and education reimbursement
518 payments pursuant to section 8 of this act, during the prior and current
519 fiscal year; (3) summarize the amount of land area zoned for particular
520 types of development in both proposed and approved zones, the
521 number of developments being reviewed by zoning commissions
522 under section 9 of this act, including the number and type of proposed
523 residential units, the number of building permits issued, the number of
524 completed housing units and their type; (4) state the amount of zone
525 adoption and building permit payments and the amount of incentive
526 housing education cost reimbursement made to each municipality; and
527 (5) for the current and immediately succeeding fiscal years, estimate
528 (A) the anticipated number and size of proposed new incentive
529 housing zones over such time period; (B) the number and size of new
530 incentive housing zones that may be approved over such time period;
531 (C) the potential number of residential units to be allowed in such new
532 and proposed incentive housing zones; and (D) anticipated
533 construction of housing over such time period.

534 Sec. 11. (NEW) (*Effective July 1, 2007*) (a) Notwithstanding the
535 provisions of sections 3-20(g) and 16a-31 of the general statutes, the
536 Secretary, when making zone adoption and building permit payments
537 authorized by section 7 of this act, and the incentive housing education
538 cost reimbursement authorized by section 8 of this act, shall not be
539 required to provide a capital development impact statement or a
540 finding or determination of consistency with the state plan of
541 conservation and development.

542 (b) The Secretary, following procedures for notice and a hearing that
543 shall be established by regulation, may require the municipality to

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544 repay to the state all or part of the payments or reimbursements made
545 to a municipality under this act upon determination by the Secretary
546 that the municipality has acted to discourage incentive housing
547 development or to impose arbitrary or unreasonable standards,
548 requirements, delays or barriers to the construction of housing
549 following approval of an incentive housing zone.

550 Sec. 12. (NEW) (*Effective July 1, 2007*) (a) The Connecticut Health and
551 Educational Facilities Authority is authorized to issue bonds or other
552 obligations of the authority, in principal amounts in the aggregate not
553 to exceed three hundred fifty-five million dollars before the fiscal year
554 ending June 30, 2023, payable solely from and secured by state
555 assistance payments pursuant to section 13 of this act, for the purpose
556 of providing funds for zone adoption and building permit payments
557 pursuant to section 7 of this act.

558 (b) The authority is further authorized to issue bonds or other
559 obligations of the authority annually, payable solely from and secured
560 by state assistance payments pursuant to section 13 of this act, in
561 principal amounts in the aggregate not exceeding two billion three
562 hundred and thirty million dollars before the fiscal year ending
563 June 30, 2052, for the purpose of providing incentive housing
564 education cost reimbursement to such municipalities pursuant to
565 section 8 of this act and rental assistance to incentive housing sponsors
566 pursuant to section 19 of this act.

567 (c) Any bonds issued by the authority for the purposes of subsection
568 (a) or (b) of this section and at any time outstanding may at any time or
569 from time to time be refunded by the authority, in whole or in part, by
570 the issuance of its refunding bonds in such amounts as the authority
571 may deem necessary or appropriate but not exceeding an amount
572 sufficient to refund the principal amount of the bonds to be so
573 refunded, any unpaid interest thereon, and any premiums,
574 commissions and costs of issuance necessary to be paid in connection
575 therewith.

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576 (d) The Connecticut Health and Educational Facilities Authority
577 may pledge the state assistance authorized in section 13 of this act as
578 security for the payment of such bonds or refunding bonds issued by
579 said authority.

580 (e) The proceeds, if any, of bonds issued pursuant to this section
581 shall be transferred to the State Treasurer for deposit in the Housing
582 for Economic Growth Fund established in section 14 of this act for
583 application in accordance with subsection (c) of section 15 of this act.
584 No bonds shall be issued by the authority pursuant to this section
585 without prior authorization from the State Treasurer and the Secretary.

586 (f) Subject to the contract entered into with the state pursuant to
587 section 13 of this act, bonds issued by the authority under this section
588 may be sold at public or private sale, in such manner, at such price or
589 prices, at such time or times and on such other terms and conditions as
590 are consistent with the purposes and provisions of this act. Any bonds
591 sold at private sale pursuant to subsection (a) of this section may be
592 sold directly to a municipality, the consideration for which may be the
593 establishment and development of a incentive housing zone by such
594 municipality in lieu of cash or other form of payment. Any bonds sold
595 at private sale pursuant to subsection (b) of this section for the purpose
596 of providing funds: (1) for incentive housing education cost
597 reimbursement, may be sold directly to a municipality, the
598 consideration for which may be the construction and occupancy of one
599 or more housing units within an established incentive housing zone, in
600 which there resides one or more eligible students; and (2) for rental
601 assistance, may be sold directly to an incentive housing sponsor or, as
602 may be required for the financing of such housing, the assignee of such
603 sponsor so long as such assignment has prior approval of the
604 Secretary, the consideration for which bonds may be the construction
605 and occupancy of one or more housing units within an established
606 incentive housing zone, in which no less than twenty percent of the
607 units are available subject to an incentive housing restriction for a
608 period of not less than thirty years. In the discretion of the Secretary,

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609 and pursuant to guidelines established by the Secretary, bonds or other
610 obligations of the authority may be sold to a municipality pursuant to
611 subdivision (1) of this subsection, notwithstanding that at the time of
612 the issuance of such bonds or other obligations, no eligible students
613 reside in the housing units for which financing will be provided.

614 (g) Any bonds or other obligations of the authority sold to a
615 municipality or sponsor at private sale pursuant to this section shall be
616 issued as capital appreciation bonds, and shall be subject to
617 redemption upon such terms established by the authority and agreed
618 to by the municipality or the sponsor, as the case may be. Any bonds
619 sold to a municipality or sponsor pursuant to this section shall be
620 registered in the name of the municipality or sponsor to which such
621 bond is issued and, except as otherwise provided in sections 1 to 11,
622 inclusive, of this act, shall not be transferable by such municipality or
623 sponsor except upon a default by the authority in the payment of
624 principal of or interest on such bond when due. At or prior to the
625 issuance of a bond or bonds of the authority to a municipality or
626 sponsor pursuant to this section, the authority shall receive from the
627 Secretary, as a condition precedent to the issuance of such bond or
628 bonds, a certificate to the effect that the consideration for the issuance
629 of such bond or bonds by the authority complies with the provisions of
630 this section and is consistent with the purposes of sections 1 to 11,
631 inclusive, of this act.

632 (h) Any bonds issued by the authority pursuant to this section shall
633 be special obligations of the authority and shall not be payable from or
634 charged upon any funds other than revenues pledged therefor and
635 deposited in the Housing for Economic Growth Fund, established in
636 section 14 of this act. The authority or the state shall not be subject to
637 any liability thereon except to the extent of such pledged revenues.

638 (i) In the discretion of the authority, any bonds or other obligations
639 issued under the provisions of this section may be secured by a trust
640 agreement by and between the authority and a corporate trustee or

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641 trustees, which may be any trust company or bank having the powers
642 of a trust company within or without the state. If such bonds are sold
643 directly to a municipality or a sponsor, the provisions of this section
644 shall preclude the authority from acting as trustee for the benefit of the
645 holders of such bonds or other obligations and, as trustee, the
646 authority shall have the right, power and authority to enforce the
647 obligations of the state under any contract entered into for state
648 assistance pursuant to sections 1 to 11 , inclusive, of this act.

649 (j) The state of Connecticut does hereby pledge to and agree with
650 the holders of any bonds and other obligations of the Connecticut
651 Health and Educational Facilities Authority issued under this section
652 and with those parties who may enter into contracts with the authority
653 pursuant to the provisions of this act that the state will not limit or
654 alter the rights hereby vested in the authority or revoke, amend or alter
655 the state assistance agreement until such bonds or other obligations,
656 together with the interest thereon, are fully met and discharged and
657 such contracts and state assistance agreement are fully performed on
658 the part of the authority and the state, respectively, provided nothing
659 contained herein shall preclude such limitation, revocation,
660 amendment or alteration if and when adequate provision shall be
661 made by law for the protection of the holders of such bonds and other
662 obligations of the authority or those entering into such contracts with
663 the authority. The authority as agent for the state is authorized to
664 include this pledge and undertaking for the state in such obligations or
665 contracts.

666 Sec. 13. (NEW) (*Effective July 1, 2007*) (a) On and after July 1, 2007,
667 the State Bond Commission may authorize the State Treasurer and the
668 Secretary to enter into a contract or contracts to provide state
669 assistance on bonds or other obligations issued by the Connecticut
670 Health and Educational Facilities Authority pursuant to section 12 of
671 this act. If authorized by the State Bond Commission, the state, acting
672 by and through the Secretary and the State Treasurer, shall enter into a
673 contract or contracts with the authority that provide that the state shall

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674 pay to said authority state assistance on bonds issued by said authority
675 for purposes of this act, and costs of issuance. Any such contract
676 entered into pursuant to this section shall include provisions the
677 Secretary and the State Treasurer find that are: (1) necessary to attain
678 the purposes of this act; and (2) in the best interests of the state to
679 allow that such state assistance be paid by the state directly to the
680 trustee or paying agent for any bonds, refunding bonds or other
681 obligations of the authority, as applicable, with respect to which the
682 state assistance is provided. Any provision of any such contract
683 entered into providing for payments equal to annual debt service shall
684 constitute a full faith and credit obligation of the state and as part of
685 the contract of the state with the holders of any bonds, refunding
686 bonds or other obligations of the authority, as applicable,
687 appropriation of all amounts necessary to meet punctually the terms of
688 such contract is hereby made and the State Treasurer shall pay such
689 amounts as the same become due. The state, acting by and through the
690 Secretary and the State Treasurer and without further authorization,
691 may execute an amendment to any contract providing state assistance
692 as required in connection with the issuance by the authority of any
693 refunding bonds.

694 (b) Notwithstanding the provisions of any contract entered into by
695 the state with the Connecticut Health and Educational Facilities
696 Authority for state assistance, the bonds, refunding bonds or other
697 obligations of the authority to which such state assistance applies shall
698 not constitute bonds or notes issued or guaranteed by the state within
699 the meaning of section 3-21 of the general statutes.

700 Sec. 14. (NEW) (*Effective July 1, 2007*) (a) There is established, within
701 the General Fund, a separate, nonlapsing account to be known as the
702 "Housing for Economic Growth Fund" to be held by the State
703 Treasurer separate and apart from all other moneys, funds and
704 accounts. There shall be deposited in the Housing for Economic
705 Growth Fund: (1) Any amounts appropriated by the state for the
706 purposes of the incentive housing zone program pursuant to sections

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707 1 to 11, inclusive, of this act; (2) all amounts representing repayment of
708 the loans made by the state pursuant to section 18 of this act;
709 (3) repayments of state financial assistance in connection with the
710 incentive housing zone program pursuant to section 11 of this act;
711 (4) the proceeds, if any, of bonds or other obligations issued by the
712 Connecticut Health and Educational Facilities Authority pursuant to
713 section 12 of this act, net of the costs of issuance incurred in connection
714 with the issuance of such bonds or other obligations; and
715 (5) investment earnings on amounts on deposit in the fund which are
716 to be credited to the assets of the fund.

717 (b) Any moneys held in the Housing for Economic Growth Fund
718 may, pending the use or application thereof for an authorized purpose,
719 be invested or reinvested, as the case may be, in (1) such obligations,
720 securities and investments as are set forth in subsection (f) of section
721 3-20 of the general statutes; (2) in participation certificates in the Short
722 Term Investment Fund created under sections 3-27a and 3-27f of the
723 general statutes; and (3) participation units in the combined
724 investment funds, as defined in section 3-31b of the general statutes.
725 Proceeds from investments authorized by this subsection shall be
726 credited to the Housing for Economic Growth Fund.

727 (c) The State Treasurer shall establish such accounts and
728 subaccounts, if any, within the Housing for Economic Growth Fund as
729 may be necessary to effect the purposes of this act and to serve the
730 administrative convenience of the state.

731 (d) Moneys of the Housing for Economic Growth Fund shall be
732 used to fund the incentive housing zone program established pursuant
733 to sections 1 to 11, inclusive, of this act and shall be disbursed as
734 provided in section 15 of this act.

735 Sec. 15. (NEW) (*Effective July 1, 2007*) (a) For the purpose of
736 providing funds for (1) the annual administrative costs and expenses
737 of the incentive housing zone program, including any annual
738 administrative costs of the Connecticut Health and Educational

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739 Facilities Authority incurred in connection with the issuance of its
740 bonds or other obligations pursuant to section 12 of this act; (2) grants-
741 in-aid to municipalities for technical assistance in establishing
742 incentive housing zones as provided in this act; (3) grants-in-aid to
743 nonprofit housing or development corporations to provide capacity
744 building grants for the development of incentive housing zones
745 pursuant to section 17; and (4) in fiscal years ending June 30, 2008,
746 June 30, 2009, and June 30, 2010, zone adoption payments pursuant to
747 subsection (a) of section 7 of this act and building permit payments
748 pursuant to subsection (b) of section 7 of this act, the State Treasurer
749 shall, commencing in the fiscal year ending June 30, 2008, and in each
750 fiscal year until the fiscal year ending June 30, 2037, disburse moneys
751 on deposit in the Housing for Economic Growth Fund to the Secretary,
752 as follows: (A) In (i) fiscal year ending June 30, 2008 through fiscal
753 year ending June 30, 2017, inclusive, in an amount equal to three
754 million dollars; (ii) fiscal year ending June 30, 2018 through fiscal year
755 ending June 30, 2022, inclusive, in an amount equal to one million five
756 hundred thousand dollars; and (iii) fiscal year ending June 30, 2023
757 through fiscal year ending June 30, 2037, inclusive, in an amount equal
758 to seven hundred fifty thousand dollars, such moneys to be made
759 available by the Secretary in equal annual amounts for such
760 administrative costs, grants-in-aid to municipalities and grants-in-aid
761 to nonprofit housing or development corporations; and (B) in fiscal
762 year ending June 30, 2009 through fiscal year ending June 30, 2010, an
763 amount not to exceed in the aggregate ten million dollars, such
764 moneys to be made available by the Secretary to municipalities as
765 zoning incentive payments and building incentive payments.

766 (b) Commencing in the fiscal year ending June 30, 2008, and in each
767 fiscal year thereafter, until the fiscal year ending June 30, 2022, moneys
768 on deposit in the Housing for Economic Growth Fund representing the
769 balance of amounts deposited therein pursuant to section 22 of this act,
770 investment earnings on amounts deposited therein pursuant to
771 section 14 of this act, and repayments of loans made to municipalities
772 pursuant to section 19 of this act shall be available for disbursement to

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773 the Secretary in an annual aggregate amount not to exceed six million
774 dollars for the purpose of making loans to municipalities pursuant to
775 section 19 of this act.

776 (c) Moneys deposited in the Housing for Economic Growth Fund
777 from proceeds, if any, of bonds or other obligations issued by the
778 Connecticut Health and Educational Facilities Authority pursuant to
779 subsection (a) of section 12 of this act, and investment earnings
780 thereon, shall be disbursed to the Secretary for the purpose of
781 providing funds for the payment of zone adoption payments and
782 building permit payments pursuant to section 7 of this act.

783 Sec. 16. (NEW) (*Effective July 1, 2007*) The Secretary, following
784 procedures and criteria for application and evaluation that shall be
785 established by regulation shall, from funds disbursed from the
786 Housing for Economic Growth Fund, as specified in Section 15 of this
787 act, issue grants to municipalities for the purpose of providing
788 technical assistance in the planning of incentive housing zones, the
789 adoption of incentive housing zone regulations and design standards,
790 the review and revision as needed of applicable subdivision
791 regulations, and applications to the Secretary for preliminary or final
792 approval as set forth in section 5 of this act.

793 Sec. 17. (NEW) (*Effective July 1, 2007*) The Secretary, following
794 procedures and criteria for application and evaluation that shall be
795 established by regulation, shall, from funds disbursed from the
796 Housing for Economic Growth Fund, as specified in section 15 of this
797 act, issue grants to non-profit housing or development organizations in
798 order to assist with planning, development, applications, construction,
799 and administration of incentive housing developments.

800 Sec. 18. (NEW) (*Effective July 1, 2007*) (a) Each municipality in which
801 the zoning commission has adopted an incentive housing zone shall be
802 eligible for a loan from moneys on deposit in the Housing for
803 Economic Growth Fund, for infrastructure improvements that would
804 make an area more attractive and functional for an incentive housing

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805 development. Such loans would bear an interest rate of one percent
806 per annum, and would be repaid to the Housing for Economic Growth
807 Fund over a fifteen year period, commencing two years after the loan
808 is made. Loans to each municipality could be no greater than a sum
809 equal to \$750 per housing unit allowed in an incentive housing zone.

810 (b) Each eligible municipality may apply to the Secretary, on a form
811 prescribed by the Secretary, for project authorization of infrastructure
812 improvement projects. The Secretary shall approve or disapprove each
813 completed application for an infrastructure improvement project loan
814 not later than forty-five days after receipt of such application. Such
815 application shall include a certification by the municipality that:
816 (1) The project for which loan assistance is requested is an
817 infrastructure improvement project that satisfies the criteria specified
818 below; and (2) the project would benefit an incentive housing
819 development to be located within an incentive housing zone. The
820 municipality shall provide any other certification required by the
821 Secretary. Within available resources, the Secretary shall authorize
822 such loan if, in the Secretary's opinion, the project meets the
823 requirements set forth in this section and any other requirement
824 imposed by the Secretary.

825 (c) "Infrastructure improvement project" means a municipal capital
826 expenditure project for any of the following purposes: (A) Road
827 construction, renovation, repair or resurfacing; (B) sidewalk and
828 pavement improvements; (C) streetlights and signage;
829 (D) construction, renovation, enlargement or repair of sewage
830 treatment plants and sanitary or storm, water or sewer lines, including
831 separation of lines; (E) construction, renovation, enlargement or repair
832 of dams, bridges and flood control projects; (F) construction,
833 renovation, enlargement or repair of water mains; and (G) floodplain
834 management and hazard mitigation activities. An infrastructure
835 improvement project is limited to capital expenditures and includes
836 repairs incident to reconstruction and renovation but does not include
837 ordinary repairs and maintenance of an ongoing nature.

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838 (d) Infrastructure improvements need not be within the boundaries
839 of an incentive housing zone, but the municipality shall specify on the
840 application how they would benefit an incentive housing
841 development.

842 (e) If there is insufficient funding for infrastructure improvement
843 projects related to incentive housing zones in any fiscal year, priority
844 shall be given to those applications from municipalities with housing
845 incentive zones where development is unlikely to occur but for that
846 infrastructure improvement.

847 (f) Each municipality receiving an infrastructure improvement
848 project loan under this section shall retain detailed accounting records
849 of all expenses incurred relative to the infrastructure improvement
850 project for which a loan is received for a period of not less than three
851 years following the completion of such project. If the Secretary
852 determines that such records are not maintained or a review of such
853 records indicates that such loan, or any portion thereof, was used for a
854 purpose other than its intended purpose, the Secretary shall provide
855 written notification to the chief executive officer of the municipality of
856 such finding. Upon issuing a finding under this section, the Secretary
857 may require the municipality to promptly pay to the state an amount
858 equal to the amount of the loan and an interest rate of eighteen percent
859 per annum.

860 Sec. 19. (NEW) (*Effective July 1, 2007*) (a) The Commissioner of
861 Economic and Community Development shall establish and
862 implement a program of rental assistance for low-income households
863 living in newly created privately-owned rental incentive housing
864 development in an incentive housing zone, as defined in section 1 of
865 this act. For the purposes of this section, a low-income household is
866 one whose income does not exceed fifty percent of the area median
867 income. The commissioner shall provide such rental assistance in order
868 to encourage the creation of additional rental housing.

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869 (b) The state, acting by and in the discretion of the Commissioner of
870 Economic and Community Development in consultation with the
871 Secretary, may enter into a contract with an incentive housing sponsor
872 as defined in subsection 1(13) of this act to provide rental assistance
873 linked to a specific number of units in such housing which shall be set
874 aside for low-income households. Moneys for such rental assistance
875 shall be provided from bonds or other obligations issued by the
876 Authority pursuant to subsection (b) of section 12 of this act. Each
877 contract to provide rental assistance for units set aside for occupancy
878 by low-income households under this section shall remain in effect for
879 at least thirty years.

880 (c) The commissioner shall, within available funds, upon request of
881 the owner or developer of rental units constructed as an incentive
882 housing development in conformance with the requirements of this
883 act, provide rental assistance for the number of requested units up to
884 ten percent of the new rental units in such development, and may,
885 within available funds, provide rental assistance for additional
886 requested units in such development, provided that in the aggregate,
887 on a statewide basis, rental assistance provided under this section shall
888 not exceed five percent of rental units constructed in incentive housing
889 developments.

890 (d) The commissioner shall adopt regulations, in accordance with
891 the provisions of chapter 54, to carry out the purposes of this section.
892 Such regulations shall establish (1) maximum income eligibility
893 guidelines for such rental assistance, (2) maximum rent for each
894 assisted unit in an incentive housing development in a manner that
895 reasonably assures the rental assistance will be used, and (3) criteria
896 for determining the amount of rental assistance which shall be
897 provided so that the amount of such assistance shall be the difference
898 between thirty percent of the adjusted gross income of the low-income
899 household less a utility allowance, and the contract rent.

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900 Sec. 20. Subsection (c) of section 4b-21 of the general statutes is
901 repealed and the following is substituted in lieu thereof (*Effective*
902 *July 1, 2007*):

903 (c) If the Secretary determines that such land, improvement, interest
904 or part thereof may properly be treated as surplus, he shall notify the
905 Commissioner of Public Works. If the Secretary also determines that
906 such land, improvement or interest or part thereof was purchased or
907 improved with proceeds of tax exempt obligations issued or to be
908 issued by the state, he shall also notify the Treasurer. The
909 Commissioner of Public Works may sell, exchange or lease, or enter
910 into agreements concerning, such land, improvement, interest or part
911 thereof, after (1) notifying (A) the municipality or municipalities in
912 which such land, improvement or interest is located; [and] (B) the
913 members of the General Assembly representing such municipality or
914 municipalities; and (C) any potential developer of incentive housing
915 under this act who has registered with the commissioner of economic
916 and community development in order to be notified of any such state
917 surplus land; and (2) obtaining the approval of (A) the Secretary of the
918 Secretary; (B) the State Properties Review Board; and (C) the joint
919 standing committees of the General Assembly having cognizance of
920 matters relating to (i) state revenue; and (ii) the purchase and sale of
921 state property and facilities; and (3) if such land, improvement, interest
922 or part thereof was purchased or improved with proceeds of tax-
923 exempt obligations issued or to be issued by the state, obtaining the
924 approval of the Treasurer. The Treasurer may disapprove such a
925 transaction only if the transaction would affect the tax-exempt status of
926 such obligations and could not be modified to maintain such tax-
927 exempt status. If a proposed agreement for such a conveyance has not
928 been submitted to the State Properties Review Board within three
929 years after the Commissioner of Public Works provides such notice to
930 such municipality and such members of the General Assembly, or if
931 the board does not approve the proposed agreement within five years
932 after such notice, the Commissioner of Public Works may not convey
933 such land, improvement or interest without again so notifying such

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934 municipality and such members of the General Assembly. In the case
935 of a proposed lease of land, an improvement to land or an interest in
936 land, or any part thereof, with a person, firm or corporation in the
937 private sector, for a term of six months or more, the Commissioner of
938 Public Works shall comply with such notice requirement by notifying
939 in writing the chief executive officer of the municipality in which the
940 land, improvement or interest is located and the members of the
941 General Assembly representing such municipality, not less than two
942 weeks before seeking the approval of said Secretary, board and
943 committees, concerning the proposed lease and the manner in which
944 the lessee proposes to use the land, improvement or interest. Each
945 agency, department or institution which informs the Secretary that any
946 land, improvement or interest in land is not needed shall retain
947 responsibility for its security and maintenance until the Commissioner
948 of Public Works receives custody and control of the property, if any.
949 The Treasurer shall execute and deliver any deed or instrument
950 necessary to convey the title to any property the sale or exchange of
951 which or a contract for the sale or exchange of which is authorized by
952 this section.

953 Sec. 21. (NEW) (*Effective from passage*) (a) There is established a task
954 force to study how to increase the amount of public and private
955 financing for housing within the state. The task force's study will
956 include but not be limited to, the following topics: establishing
957 uniform underwriting criteria for the financing of multifamily housing;
958 expanding the usage of loan guarantees; CHFA mortgage insurance
959 and other forms of credit enhancements to significantly expand the
960 amount of public and private financing; enhancing the state affordable
961 housing tax credit program and historic tax credit program to promote
962 renovation of existing housing; expanding the availability of project
963 based Rental Assistance Program certificates; coordinating financing to
964 better utilize four percent federal tax credits; encouraging
965 municipalities to utilize federal Community Development Block
966 Grants to leverage additional financing of affordable housing; and
967 making recommendations concerning funding to support the inclusion

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968 of housing in intermodal transportation centers and transportation
969 oriented design.

970 (b) The task force shall consist of the following members:

971 (1) One appointed by the speaker of the House of Representatives,
972 who shall be an advocate for affordable housing;

973 (2) One appointed by the president pro tempore of the Senate, who
974 shall be a representative of a municipality with a population over one
975 hundred thousand;

976 (3) One appointed by the majority leader of the House of
977 Representatives, who shall be a for-profit housing developer;

978 (4) One appointed by the majority leader of the Senate, who shall be
979 a non-profit housing developer;

980 (5) One appointed by the minority leader of the House, who shall be
981 a representative of the banking industry with experience financing
982 multifamily housing;

983 (6) One appointed by the minority leader of the Senate, who shall be
984 a representative of a municipality with a population less than one
985 hundred thousand;

986 (7) The Commissioner of the Department of Economic and
987 Community Development, or the commissioner's designee;

988 (8) The chairman of the Connecticut Housing Finance Authority, or
989 the chairman's designee.

990 (9) The State Treasurer, or the Treasurer's designee;

991 (10) The chairpersons of the Select Committee of the General
992 Assembly having cognizance of matters relating to housing, or their
993 designees;

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994 (11) The ranking members of the Select Committee of the General
995 Assembly having cognizance of matters relating to housing, or their
996 designees; and

997 (12) The Secretary, or the Secretary's designee.

998 (c) All appointments to the task force shall be made no later than
999 thirty days after the effective date of this section. Any vacancy shall be
1000 filled by the appointing authority.

1001 (d) The chairpersons of the Select Committee of the General
1002 Assembly having cognizance of matters relating to housing shall be the
1003 chairpersons of the task force. Such chairpersons shall schedule the
1004 first meeting of the task force which shall be held no later than sixty
1005 days after the effective date of this section.

1006 (e) Not later than January 1, 2008, the task force shall submit a
1007 report on its findings and recommendations to the select committee of
1008 the General Assembly having cognizance of matters relating to
1009 housing, in accordance with the provisions of section 11-4a of the
1010 general statutes. The task force shall terminate on the date that it
1011 submits such report or January 1, 2008, whichever is earlier.

1012 Sec. 22. (*Effective from passage*) For the purpose of capitalizing the
1013 Housing for Economic Growth Fund created by section 14 of this act,
1014 the sum of sixty million dollars is hereby appropriated from the
1015 surplus in the General Fund for the fiscal year ending June 30, 2007, as
1016 certified by the State Comptroller on or prior to September 15, 2007,
1017 such sum, together with investment earnings thereon and repayments
1018 of municipal loans made therefrom, shall be applied as provided in
1019 section 15 of this act to provide funds for (1) the administrative costs
1020 and expenses of the incentive housing zone program; (2) grants-in-aid
1021 to municipalities and nonprofit housing or development corporations
1022 pursuant to sections 16 and 17 of this act, as applicable; and (3) loans to
1023 municipalities pursuant to section 18 provided that for the fiscal years
1024 ending June 30, 2008, June 30, 2009, and June 30, 2010, such sum may

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1025 also be used to provide funds for zone adoption payments pursuant to
1026 subsection (a) of section 7 of this act and building permit payments
1027 pursuant to subsection (b) of section 7 of this act.

This act shall take effect as follows and shall amend the following sections:		
Sec. 1	<i>July 1, 2007</i>	New section
Sec. 2	<i>July 1, 2007</i>	New section
Sec. 3	<i>July 1, 2007</i>	New section
Sec. 4	<i>July 1, 2007</i>	New section
Sec. 5	<i>July 1, 2007</i>	New section
Sec. 6	<i>July 1, 2007</i>	New section
Sec. 7	<i>July 1, 2007</i>	New section
Sec. 8	<i>July 1, 2007</i>	New section
Sec. 9	<i>July 1, 2007</i>	New section
Sec. 10	<i>July 1, 2007</i>	New section
Sec. 11	<i>July 1, 2007</i>	New section
Sec. 12	<i>July 1, 2007</i>	New section
Sec. 13	<i>July 1, 2007</i>	New section
Sec. 14	<i>July 1, 2007</i>	New section
Sec. 15	<i>July 1, 2007</i>	New section
Sec. 16	<i>July 1, 2007</i>	New section
Sec. 17	<i>July 1, 2007</i>	New section
Sec. 18	<i>July 1, 2007</i>	New section
Sec. 19	<i>July 1, 2007</i>	New section
Sec. 20	<i>July 1, 2007</i>	4b-21(c)
Sec. 21	<i>From passage</i>	New section
Sec. 22	<i>From passage</i>	New section

Statement of Purpose:

To expand housing options for workers families' and young professionals, creating the foundation for economic expansion and job growth.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

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