



House of Representatives

General Assembly

File No. 413

January Session, 2007

Substitute House Bill No. 5735

House of Representatives, April 10, 2007

The Committee on Planning and Development reported through REP. FELTMAN of the 6th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING INCENTIVES FOR AFFORDABLE HOUSING.

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 this section:
- 2 (1) "Eligible locations" means areas (A) near transit stations,
3 including rapid transit, commuter rail and bus and ferry terminals; (B)
4 of concentrated development, including town and city centers, other
5 existing commercial districts in municipalities and existing rural
6 village districts; or (C) that by virtue of their infrastructure,
7 transportation access, existing underutilized facilities or location make
8 highly suitable locations for residential or mixed-use smart growth
9 zoning districts;
- 10 (2) "Infill housing" means new housing in established
11 neighborhoods; and
- 12 (3) "Smart growth district" means a zoning district adopted by a

13 municipality pursuant to section 2 of this act.

14 Sec. 2. (NEW) (*Effective July 1, 2007*) (a) A zoning commission may
15 adopt regulations as part of the zoning regulations adopted under
16 section 8-2 of the general statutes or any special act establishing a
17 smart growth district in accordance with the provisions of this section.
18 Any such district shall be superimposed over one or more zoning
19 districts and shall authorize a developer to elect to develop a project in
20 accordance with requirements of the smart growth zoning district
21 ordinance or in accordance with requirements of the underlying
22 zoning district.

23 (b) A smart growth district shall satisfy the following minimum
24 requirements:

25 (1) Be in an eligible location;

26 (2) Provide for a mix of housing for families, individuals, persons
27 with special needs or the elderly;

28 (3) Require a housing density as follows: (A) For multifamily
29 housing, twenty units per acre of developable land area; (B) for single-
30 family homes, eight units per acre of developable land area; and (C) for
31 two and three-family dwelling units, twelve units per acre of
32 developable land area, provided such density can be supported by
33 existing infrastructure or by upgrades to such infrastructure;

34 (4) Provide that not less than twenty per cent of the residential units
35 constructed in projects of more than twelve units shall be affordable
36 and contain provisions to ensure that not less than twenty per cent of
37 the total residential units constructed in each district shall be
38 affordable;

39 (5) Authorize infill housing and additional housing units in existing
40 buildings, consistent with neighborhood building and use patterns,
41 building codes and fire and safety codes;

42 (6) Establish no limitations on the issuance of building permits for

43 residential uses or a local moratorium on the issuance of such permits;

44 (7) Provide no age or other occupancy restrictions for housing in the
45 district, except that specific projects may be developed exclusively for
46 the elderly, the disabled or for assisted living provided not less than
47 twenty-five per cent of the housing units in such a project shall be
48 affordable housing; and

49 (8) Require that a district not exceed fifteen per cent of the total land
50 area of the municipality, except that the Secretary of the Office of
51 Policy and Management may approve a larger land area for a district,
52 and require that the aggregate land area of all approved smart growth
53 districts in the municipality shall not exceed twenty-five per cent of the
54 total land area in the municipality.

55 (c) All housing in a smart growth district shall comply with federal,
56 state and local fair housing laws.

57 Sec. 3. (NEW) (*Effective July 1, 2007*) (a) The Secretary of the Office of
58 Policy and Management shall establish a program of financial
59 assistance in the form of grants-in-aid to municipalities that adopt
60 smart growth districts under section 2 of this act. A municipality
61 applying for a grant under this section shall provide information to the
62 secretary sufficient for the secretary to determine that the smart
63 growth district complies with the minimum requirements of said
64 section 2. Any grant made under this section may be used by the
65 municipality for any purpose.

66 (b) The Secretary of the Office of Policy and Management shall
67 adopt regulations, in accordance with the procedures of chapter 54 of
68 the general statutes, to implement the provisions of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2007	New section
Sec. 2	July 1, 2007	New section
Sec. 3	July 1, 2007	New section

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Policy & Mgmt., Off.	GF - Cost	Potential Significant	Potential Significant

Note: GF=General Fund

Municipal Impact: None

Explanation

Section 3 of the bill establishes a grant program for municipalities that adopt a smart growth district within the Office of Policy and Management (OPM) and requires OPM to determine whether a smart growth district complies with the minimum requirements set forth in section 2 of the bill. It is anticipated that OPM will require additional staff to evaluate whether such smart growth districts meet the criteria established in the bill, the extent of such costs are contingent on the number of towns that establish smart growth districts. Additionally, the bill does not indicate the amount of grants provided, nor the source of such grants thus the fiscal impact is unknown.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sHB 5735*****AN ACT CONCERNING INCENTIVES FOR AFFORDABLE HOUSING.*****SUMMARY:**

This bill allows a municipal zoning commission to establish a smart growth zoning district, which allows the municipality to receive grants from the Office of Policy and Management (OPM) if such a zone meets certain of the bill's requirements. The bill allows the municipality to use such a grant for any purpose.

The bill requires the OPM secretary to (1) establish a financial assistance grant program for municipalities that adopt smart growth districts and (2) adopt regulations to implement the grant program.

EFFECTIVE DATE: July 1, 2007

SMART GROWTH DISTRICT

Under the bill, a municipality applying for a grant from OPM must provide enough information for the secretary to determine that the smart growth district complies with the bill's minimum requirements.

Smart Growth District Zoning Minimum Requirements

The bill provides that a smart growth zoning district must (1) be superimposed over one or more zoning districts and (2) authorize a developer to elect to develop a project following the smart growth zoning district ordinance's requirements or the underlying zoning district's requirements (presumably when the latter's specifications meet the bill's goals). Under the bill, all housing in a smart growth district must comply with federal, state, and local fair housing laws.

To qualify, a smart growth district must meet the following minimum requirements.

It must:

1. be in an eligible location;
2. provide for a mix of housing for families, individuals, and elderly people or people with disabilities;
3. require the following housing density: (a) for multifamily housing, 20 units per acre of developable land; (b) for single-family homes, eight units per acre; and (c) for two- and three-family homes, 12 units per acre, provided that density can be supported by existing infrastructure or by upgrades to the infrastructure;
4. (a) provide that at least 20% of the residential units constructed in projects of more than 12 units are affordable and (b) contain requirements ensuring at least 20% of the total residential units constructed in each district are affordable;
5. authorize infill housing and additional housing units in existing buildings, consistent with neighborhood building and use patterns, building codes, and fire and safety codes;
6. not limit building permit issuance for residential uses or establish a local moratorium on the permits;
7. not restrict occupancy by age or any other occupancy restrictions in general in the district, except that specific projects may be developed exclusively for the elderly, disabled people, or for assisted living if at least 25% of the housing units in such a project are affordable housing; and
8. require that a district not exceed 15% of the total land area of the municipality, except that the OPM secretary may approve a larger land area for a district, and require that the aggregate

land area of all approved smart growth districts in the municipality cannot exceed 25% of the total land area in the municipality.

Definitions

Under the bill:

1. "eligible locations" are areas (a) near transit stations, including rapid transit, commuter rail and bus and ferry terminals; (b) of concentrated development, including town and city centers, other existing commercial districts in municipalities, and existing rural village districts; or (c) that by virtue of their infrastructure, transportation access, existing underutilized facilities, or location make highly suitable locations for residential or mixed-use smart growth zoning districts and
2. "infill housing" means new housing in established neighborhoods.

COMMITTEE ACTION

Select Committee on Housing

Joint Favorable Change of Reference
Yea 10 Nay 0 (03/06/2007)

Planning and Development Committee

Joint Favorable
Yea 12 Nay 7 (03/21/2007)