



General Assembly

Substitute Bill No. 1057

January Session, 2007

* _____SB01057PD_FIN032307_____*

AN ACT ESTABLISHING A PROGRAM OF 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 19,
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 for
12 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 that are payable only at the maturity
15 or prior redemption thereof.

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, 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
44 payments set forth in section 7 of this act and incentive housing
45 education cost reimbursement set forth in section 8 of this act; and (C)
46 in which not less than twenty per cent of the dwelling units will be
47 conveyed subject to an incentive housing restriction requiring that, for
48 at least thirty years after the initial occupancy of the development,

49 such dwelling units shall be sold or rented at, or below, prices which
50 will preserve the units as housing for which persons pay thirty per
51 cent or less of their annual income, where such income is less than or
52 equal to eighty per cent or less of the median income.

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

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

64 (14) "Incentive housing restriction" means a deed restriction,
65 covenant, zoning regulation, site plan approval condition, subdivision
66 approval condition, or affordability plan constituting an obligation
67 with respect to the restrictions on household income, sale or resale
68 price, rent and housing costs required by subsection (g) of section 2 of
69 this act, enforceable for thirty years as required by said subsection (g),
70 and recorded on the land records of the municipality where the
71 housing is located.

72 (15) "Incentive housing zone" means a zone adopted by a zoning
73 commission pursuant to sections 1 to 19, inclusive, of this act, as an
74 overlay to one or more existing zones, in an eligible location.

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

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

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

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

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

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

93 (22) "Redevelopment" means (A) construction whose cost will
94 exceed fifty per cent of the prerenovation assessed value of a building,
95 or (B) a change in use of a building from nonresidential to residential.

96 (23) "Secretary" means the Secretary of the Office of Policy and
97 Management or the designee of the secretary.

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

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

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

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

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

116 Sec. 2. (NEW) (*Effective July 1, 2007*) (a) A zoning commission may
117 adopt regulations, as part of the zoning regulations adopted under
118 section 8-2 of the general statutes or any special act, establishing an
119 incentive housing zone in accordance with the provisions of sections 1
120 to 19, inclusive, of this act.

121 (b) An incentive housing zone shall satisfy the following
122 requirements:

123 (1) The zone shall be located in an eligible location;

124 (2) The regulations of the zone shall permit, as-of-right, incentive
125 housing development.

126 (3) The minimum density for incentive housing development, per
127 acre of developable land, shall be: (A) Six units per acre for single-
128 family detached housing; (B) ten units per acre for duplex or
129 townhouse housing; and (C) twenty units per acre for multifamily
130 housing.

131 (4) The minimum densities prescribed in subdivision (3) of this
132 subsection shall be subject to site plan or subdivision procedures,
133 submission requirements and approval standards of the municipality,
134 and shall not be subject to special permit or special exception
135 procedures, requirements or standards.

136 (5) In order to qualify for financial incentive payments set forth in
137 section 7 of this act and incentive housing education cost
138 reimbursement set forth in section 8 of this act, the regulations of an
139 incentive housing zone concerning the minimum as-of-right densities

140 set forth in subdivision (3) of this subsection shall constitute an
141 increase of at least twenty-five per cent above the density allowed by
142 the underlying zone, notwithstanding the provisions of said section 7
143 with regard to zone adoption and building permit payments and the
144 provisions of said section 8 with regard to incentive housing
145 educational cost reimbursement.

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

161 (7) An incentive housing zone may consist of one or more subzones,
162 provided each subzone and the zone as a whole comply with the
163 requirements of section 1 to 19, inclusive, of this act.

164 (8) The land area of an incentive housing zone shall not exceed ten
165 per cent of the total land area in the municipality. The aggregate land
166 area of all incentive housing zones and subzones in a municipality
167 shall not exceed twenty-five per cent of the total land area in the
168 municipality.

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

172 mix of uses or physical compatibility in the incentive housing zone.
173 Standards subject to modification, waiver or deletion include, but shall
174 not be limited to, building height, setbacks, lot coverage, parking ratios
175 and road design standards.

176 (d) If a zoning commission adopts a regulation for an incentive
177 housing zone that permits single-family detached homes on
178 subdivided lots, requiring subdivision approval under the subdivision
179 regulations of the municipality, the zoning commission shall make a
180 written finding that the applicability of such subdivision regulations
181 will not unreasonably impair the economic or physical feasibility of
182 constructing housing at the minimum densities and subject to an
183 incentive housing restriction as required by sections 1 to 19, inclusive,
184 of this act. If housing on subdivided lots is proposed in an incentive
185 housing zone, the zoning commission shall use its best efforts to adopt
186 or encourage the planning commission to adopt subdivision standards,
187 such as cluster regulations, zero lot line provisions, and waivers of
188 dimensional or other requirements, that will ensure consistency of the
189 single-family detached housing with the purposes of sections 1 to 19,
190 inclusive, of this act.

191 (e) The regulations of an incentive housing zone may allow for a
192 mix of business, commercial or other nonresidential uses provided
193 such uses are consistent with as-of-right residential uses and densities
194 required under this section.

195 (f) An incentive housing zone may overlay all or any part of an
196 existing historic district or districts, and a municipality may establish
197 an historic district within an approved incentive housing zone,
198 provided, if the requirements or regulations of such historic district
199 render the approved housing incentive zone not in compliance with
200 the provisions of sections 1 to 19, inclusive, of this act, the secretary
201 shall deny a preliminary or final letter of eligibility, deny or revoke a
202 certificate of compliance, or deny any financial incentive payments set
203 forth in section 7 of this act and incentive housing education cost
204 reimbursement set forth in section 8 of this act.

205 (g) An applicant for site plan or subdivision approval to construct
206 an incentive housing development within an approved zone may
207 require for the development, through an incentive housing restriction,
208 that (1) more than twenty per cent of the total proposed dwelling units
209 be subject to the restriction; (2) the maximum annual income of
210 qualifying households may be less than eighty per cent; or (3) the
211 duration of the restriction may be longer than thirty years. An
212 application for approval of an incentive housing development may not
213 be denied on the basis that the proposed incentive housing restriction
214 contains one or more of these provisions set forth in this subsection.

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

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

231 (b) A design standard shall not be adopted if such standard will
232 unreasonably impair the economic or physical feasibility of
233 constructing housing at the minimum densities and with the required
234 incentive housing restriction set forth in this act. The Secretary of the
235 Office of Policy and Management shall not approve a request for a
236 letter of preliminary or final eligibility under section 5 of this act if a
237 proposed design standard will violate the provisions of this

238 subsection, but may not otherwise disapprove a proposed zone solely
239 on the basis of its design standards. A statement from an applicant or
240 potential applicant for approval of an incentive housing development
241 within a proposed or approved incentive housing zone that proposed
242 design standards are reasonable and will not impair the physical or
243 economic feasibility shall be dispositive with regard to the
244 reasonableness of such design standards with respect to such
245 development.

246 (c) A zoning commission shall submit to the secretary each
247 amendment to a design standard that has been approved by the
248 secretary under this section. The secretary shall approve or disapprove
249 such amendment not more than forty-five days after receipt of such
250 request. If the secretary fails to approve or disapprove such
251 amendment within such period, the amendment shall be deemed to be
252 a disapproval. Thereafter, the commission may reapply for approval of
253 the amendment.

254 Sec. 4. (NEW) (*Effective July 1, 2007*) A municipality may file with the
255 Secretary of the Office of Policy and Management an application for
256 preliminary determination of eligibility for the financial incentive
257 payments set forth in section 7 of this act and incentive housing
258 education cost reimbursement set forth in section 8 of this act. Such
259 application shall:

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

262 (2) Identify, describe and calculate the developable land within the
263 proposed incentive housing zone or zones;

264 (3) Identify and describe existing and potential residential
265 development and the potential for reuse of existing or underutilized
266 buildings within the zone or zones;

267 (4) Calculate the number of residential units that may be
268 constructed in the zone or zones if the proposed regulations are
269 approved;

270 (5) Include a housing plan that describes the anticipated build-out of
271 the zone or zones, including information on available and proposed
272 infrastructure, compatibility of proposed incentive housing
273 development with existing and proposed buildings and uses, and
274 efforts that the municipality is making or intends to make to support
275 and promote the residential construction permitted by the proposed
276 regulations;

277 (6) Include the text of the proposed incentive housing zone
278 regulations and design standards and, if applicable, the text of the
279 subdivision regulations; and

280 (7) Include the text of the proposed incentive housing restriction
281 and a plan for administering and enforcing its requirements and
282 limitations.

283 Sec. 5. (NEW) (*Effective July 1, 2007*) (a) Upon application by a
284 municipality under section 4 of this act, the Secretary of the Office of
285 Policy and Management shall, not later than sixty days after receipt,
286 issue, in writing, a preliminary determination of the eligibility of the
287 municipality for the financial incentive payments set forth in section 7
288 of this act and incentive housing education cost reimbursements set
289 forth in section 8 of this act. At least thirty days before making such
290 preliminary determination, the secretary shall electronically give
291 notice of the application to all persons who have provided the
292 secretary with a current electronic mail address and a written request
293 to receive such notices. If the secretary determines that the proposed
294 incentive housing zone is not eligible or does not comply with the
295 provisions of sections 2 and 3 of this act, the secretary shall, within the
296 sixty-day response period, notify the municipality, in writing, of the
297 reasons for such determination. A municipality may thereafter reapply
298 for approval after addressing the reasons for ineligibility. The

299 secretary's failure to issue a written response within sixty days of
300 receipt shall be deemed to be disapproval, after which the municipality
301 may reapply.

302 (b) After a municipality has received from the secretary a
303 preliminary letter of eligibility, its zoning commission may adopt the
304 incentive housing zone regulations and design standards as proposed
305 to the secretary for preliminary approval. Not later than thirty days
306 after receipt from the municipality of a written statement that its
307 zoning commission has adopted the proposed regulations and
308 standards, the secretary shall issue a letter of final approval of the
309 incentive housing zone. The secretary's failure to issue a letter of final
310 approval within thirty days of receipt shall be deemed disapproval,
311 after which the municipality may reapply for a preliminary
312 determination of eligibility under this section.

313 (c) The secretary shall not approve any proposed incentive housing
314 zone for which the proposed regulations or design standards have the
315 intent or effect of discriminating against, making unavailable, denying
316 or impairing the physical or financial feasibility of housing which is
317 receiving or will receive financial assistance under any governmental
318 program for the construction or substantial rehabilitation of low or
319 moderate income housing, or any housing occupied by persons
320 receiving rental assistance under chapter 319uu of the general statutes
321 or Section 1437f of Title 42 of the United States Code.

322 (d) Any amendment to the regulations or design standards
323 approved by the secretary for preliminary or final eligibility shall be
324 submitted to the secretary for approval as set forth in this section.

325 Sec. 6. (NEW) (*Effective July 1, 2007*) (a) Each municipality whose
326 zoning commission has received a final determination of eligibility
327 under section 5 of this act and has adopted an approved incentive
328 housing zone shall annually, in accordance with procedures
329 established by the Secretary of the Office of Policy and Management,
330 apply to the secretary for an incentive housing zone certificate of

331 compliance. To receive a certificate, the municipality shall verify
332 within the time specified by the secretary that:

333 (1) The zoning commission of the municipality has not amended or
334 repealed any portion of the regulations or design standards in the
335 incentive housing zone without approval of the secretary as required
336 by sections 3 and 5 of this act;

337 (2) The approval of the incentive housing zone has not been revoked
338 by the secretary;

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

342 (4) The zoning commission has not unreasonably denied any
343 application for site plan or subdivision approval, or other necessary
344 coordinating permits or approvals, and has only denied applications in
345 a manner consistent with the provisions of section 9 of this act.

346 (b) If the information required pursuant to subsection (a) of this
347 section has been submitted by a municipality in a timely manner, the
348 secretary shall issue compliance certificates by October first annually.
349 If the secretary determines that the municipality is in material
350 noncompliance with the requirements of sections 1 to 19, inclusive, of
351 this act, the secretary, after notice and hearing pursuant to chapter 54
352 of the general statutes, may revoke certification. Any revocation of
353 certification, or other sanctions imposed by the secretary under section
354 10 of this act, shall not affect the validity of the incentive housing zone
355 regulations or the application of such regulations to a pending or
356 approved development application within the incentive housing zone,
357 but shall render the municipality ineligible for financial incentive
358 payments set forth in section 7 of this act and incentive housing
359 education cost reimbursement set forth in section 8 of this act.

360 Sec. 7. (NEW) (*Effective July 1, 2007*) (a) Upon confirmation by the
361 Secretary of the Office of Policy and Management of adoption by a

362 zoning commission of approved regulations and design standards for
363 an incentive housing zone or zones, the secretary shall make to the
364 municipality a zone adoption payment in the amount of two thousand
365 dollars for each unit of housing that can be built as part of an incentive
366 housing development within such zone or zones. Such zone adoption
367 payment shall be made to the municipality by the secretary not more
368 than sixty days after final approval of the incentive housing zone
369 pursuant to section 5 of this act, provided the time for appeal of the
370 final adoption of the regulations has expired or a final and
371 unappealable judgment upholding such regulations has been issued in
372 any civil action challenging or delaying such regulations.

373 (b) Upon submission by a municipality to the secretary of proof of
374 issuance of a building permit for a residential housing unit in an
375 approved incentive housing development, and after determining that
376 no appeal from or challenge to such building permit has been filed or
377 is pending, the secretary shall issue to the municipality a one-time
378 building permit payment for each such building permit. Payment for
379 each multifamily housing unit, duplex unit and townhouse unit shall
380 be two thousand dollars for each multifamily housing unit, duplex
381 unit and townhouse unit and five thousand dollars for each single-
382 family detached unit. Such payment shall be made by the secretary
383 not more than sixty days after receipt of proof of the issuance of
384 building permits and verification of the absence of any appeal or
385 challenge.

386 (c) Residential units that are located within an approved incentive
387 housing zone that are part of a development that constitutes housing
388 for older persons permitted by the federal Fair Housing Act, 42 USC
389 3607 or sections 46a-64c and 46a-64d of the general statutes, shall not
390 be eligible for payments under this section.

391 Sec. 8. (NEW) (*Effective July 1, 2007*) (a) A municipality in which an
392 incentive housing development has been built and occupied in
393 compliance with sections 1 to 19, inclusive, of this act shall be eligible
394 for an annual incentive housing education cost reimbursement, paid

395 through bonds or other obligations issued by the Connecticut Health
396 and Education Financing Authority pursuant to section 12 of this act.
397 Each municipality seeking incentive housing education cost
398 reimbursement as provided in this section shall include in its data of
399 record, pursuant to subsection (a) of section 10-262i of the general
400 statutes, as of December first prior to the fiscal year such
401 reimbursement is to be made, the number of children age five to
402 seventeen, inclusive, as defined in subdivision (10) of section 10-262f of
403 the general statutes, who are enrolled in public school and who are
404 identified as residing in an incentive housing development constructed
405 and occupied in compliance with the provisions of sections 1 to 19,
406 inclusive, of this act.

407 (b) (1) As used in this subsection, "eligible education costs" means
408 the sum of the town's regular program expenditures as defined in
409 section 10-262f of the general statutes for the school year prior to the
410 fiscal year in which reimbursement is to be made, plus the amount of
411 special education and public transportation costs in such prior year,
412 net of all state aid, federal aid, tuition and other revenues received for
413 such services, provided that in determining such amounts for member
414 towns of regional school districts, any allocations necessary shall be
415 based on each member town's per centage of the total district
416 enrollment.

417 (2) The amount of an incentive housing education cost
418 reimbursement shall be the eligible education costs per resident
419 student as defined in section 10-262f of the general statutes of the town
420 multiplied by the number of children identified pursuant to subsection
421 (a) of this section, minus (A) the amount of increased aid the town
422 receives in a school year pursuant to section 10-262i of the general
423 statutes as the result of the identification of students pursuant to
424 subsection (a) of this section, and (B) fifty per cent of the incremental
425 increase in real and personal property taxes occurring after the
426 adoption of the incentive housing zone regulations and attributable to
427 the incentive housing within the incentive zone. The annual payments
428 shall commence in the fiscal year following the identification of

429 students residing in an incentive housing development, as specified in
430 subsection (a) of this section, and continue for fifteen years, provided
431 eligible students continue to live in that development.

432 (c) Each municipality shall certify to the authority information and
433 data necessary to support the issuance of said bonds or other
434 obligations of the authority in accordance with a time frame
435 established by the authority.

436 (d) The Secretary of the Office of Policy and Management shall
437 annually issue to the municipality the incentive housing education cost
438 reimbursement as provided by this section not more than sixty days
439 receiving the information required by this section.

440 (e) Residential units that are located within an approved incentive
441 housing zone that are part of a development that constitutes housing
442 for older persons permitted by the federal Fair Housing Act, 42 USC
443 3607 or sections 46a-64c and 46a-64d of the general statutes, shall not
444 be eligible for payments under this section.

445 Sec. 9. (NEW) (*Effective July 1, 2007*) (a) A zoning commission shall
446 prescribe, consistent with the provisions of sections 1 to 19, inclusive,
447 of this act, the form of an application for approval of an incentive
448 housing development. The time for and procedures for receipt and
449 processing of applications shall be as provided in chapters 124 and 126
450 of the general statutes, as applicable. A zoning commission may, to the
451 extent allowed by the Freedom of Information Act, conduct one or
452 more preliminary or preapplication planning or workshop meetings
453 with regard to an incentive housing zone or development. A zoning
454 commission may conduct a public hearing in connection with an
455 application for site plan or subdivision approval of an incentive
456 housing development.

457 (b) The regulations of an incentive housing zone may require the
458 applicant for approval of an incentive housing development to pay the
459 cost of reasonable consulting fees for peer review of the technical
460 aspects of the application for the benefit of the zoning commission.

461 Such fees shall be deposited in a separate account of the municipality
462 and used only for expenses associated with the technical review of the
463 application by consultants who are not otherwise salaried employees
464 of the municipality or the zoning commission. Any amount in the
465 account remaining after payment of all expenses for technical review,
466 including any interest accrued, shall be returned to the applicant not
467 later than forty-five days after the completion of the technical review.

468 (c) The regulations of the incentive housing zone may provide for
469 the referral of a site plan or subdivision application to other agencies,
470 boards or commissions of the municipality for comment. If a site plan
471 or subdivision application is referred to another agency, board or
472 commission, such agency, board or commission shall provide any
473 comments within the time period contained in section 8-7d of the
474 general statutes that is applicable to such application.

475 (d) An incentive housing development shall be approved by the
476 zoning commission subject only to conditions that are necessary to (1)
477 ensure substantial compliance of the proposed development with the
478 requirements of the incentive housing zone regulations, design
479 standards and, if applicable, subdivision regulations; or (2) mitigate
480 any extraordinary adverse impacts of the development on nearby
481 properties. An application may be denied only on the grounds: (A) The
482 development does not meet the requirements set forth in the incentive
483 housing zone regulations; (B) the applicant failed to submit
484 information and fees required by the regulations and necessary for an
485 adequate and timely review of the design of the development or
486 potential development impacts; or (C) it is not possible to adequately
487 mitigate significant adverse project impacts on nearby properties by
488 means of conditions acceptable to the applicant.

489 (e) The duration and renewal of an approval of an incentive housing
490 development shall be governed by subsection (i) of section 8-3,
491 subsection (j) of section 8-3, section 8-26c or section 8-26g of the general
492 statutes, as applicable. The time to complete the work approved shall
493 be extended (1) by the time required to adjudicate to final judgment

494 any appeal from a decision of the commission on an incentive housing
495 development site plan or subdivision plan or any required coordinate
496 permit; (2) by the zoning commission if the applicant is actively
497 pursuing other permits needed for the development; (3) if there is
498 other good cause for the failure to complete such work; or (4) as
499 provided in an approval for a multiphase development.

500 (f) An applicant for approval of an incentive housing development
501 within an approved incentive housing zone may not make such
502 application nor take an appeal to the Superior Court utilizing the
503 provisions of section 8-30g of the general statutes.

504 (g) Approval of or amendment to regulations or design standards
505 for an incentive housing zone or subzone, or site plan or subdivision
506 approval of an incentive housing development, may be appealed to the
507 Superior Court pursuant to the provisions of section 8-8 or section 8-28
508 of the general statutes, as applicable, provided (1) upon motion made
509 to the court by the defendant municipality, zoning commission,
510 planning commission or applicant, the court shall order each appealing
511 party to post a bond in an amount sufficient to cover (A) each moving
512 defendant's anticipated attorney fees and costs for defending against
513 the appeal, and (B) if applicable, an applicant's anticipated or actual
514 costs to carry and maintain its interest in the subject property for a
515 period of one year, as established by affidavit filed with the court,
516 which bond shall be forfeited in the event that the appealing party
517 does not substantially prevail in the appeal; (2) any such appeal, upon
518 motion by any defendant made at any time after the return date, shall
519 be transferred from the judicial district to which it is returned to the
520 superior court for the judicial district of New Britain and shall be heard
521 and decided by one of the judges designated by the Chief Court
522 Administrator under section 8-30g of the general statutes; and (3) any
523 such appeal shall be a privileged case in the order of trial, to be heard
524 by the court as soon after the return day as is practicable.

525 Sec. 10. (NEW) (*Effective July 1, 2007*) (a) The Secretary of the Office
526 of Policy and Management shall be responsible for the administration,

527 review and reporting on the incentive housing zone program as
528 provided in sections 1 to 19, inclusive, of this act.

529 (b) On or before January 1, 2009, and annually thereafter, the
530 secretary shall submit an annual report on the program to the General
531 Assembly in accordance with section 11-4a of the general statutes.
532 Each municipality shall submit to the secretary any data requested by
533 the secretary on the incentive housing program. The report shall be
534 based on such data and shall be for the period ending the last day of
535 the prior fiscal year. The report shall (1) identify and describe the
536 status of municipalities actively seeking letters of eligibility; (2)
537 identify approved incentive housing zones and the amounts and
538 anticipated schedule of zoning incentive and building incentive
539 payments under section 7 of this act, and education reimbursement
540 payments pursuant to section 8 of this act, during the prior and current
541 fiscal year; (3) summarize the amount of land area zoned for particular
542 types of development in both proposed and approved zones and the
543 number of developments being reviewed by zoning commissions
544 under section 9 of this act, including the number and type of proposed
545 residential units, the number of building permits issued, the number of
546 completed housing units and their type; (4) state the amount of zone
547 adoption and building permit payments and the amount of incentive
548 housing education cost reimbursement made to each municipality; and
549 (5) for the current and immediately succeeding fiscal years, estimate
550 (A) the anticipated number and size of proposed new incentive
551 housing zones over such time period; (B) the number and size of new
552 incentive housing zones that may be approved over such time period;
553 (C) the potential number of residential units to be allowed in such new
554 and proposed incentive housing zones; and (D) anticipated
555 construction of housing over such time period.

556 Sec. 11. (NEW) (*Effective July 1, 2007*) (a) The Secretary of the Office
557 of Policy and Management may require the municipality to repay to
558 the state all or part of the payments or reimbursements made to a
559 municipality under sections 1 to 19, inclusive, of this act upon
560 determination by the secretary that the municipality has acted to

561 discourage incentive housing development or to impose arbitrary or
562 unreasonable standards, requirements, delays or barriers to the
563 construction of housing following approval of an incentive housing
564 zone.

565 (b) The secretary shall adopt regulations, in accordance with the
566 provisions of chapter 54 of the general statutes, to implement the
567 provisions of this subsection. Such regulations shall include
568 procedures for notice and hearing.

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

577 (b) The authority is further authorized to issue bonds or other
578 obligations of the authority annually, payable solely from and secured
579 by state assistance payments pursuant to section 13 of this act, in
580 principal amounts in the aggregate not exceeding two billion three
581 hundred thirty million dollars before the fiscal year ending June 30,
582 2052, for the purpose of providing incentive housing education cost
583 reimbursement to such municipalities pursuant to section 8 of this act
584 and rental assistance to incentive housing sponsors pursuant to section
585 19 of this act.

586 (c) Any bonds issued by the authority for the purposes of subsection
587 (a) or (b) of this section and at any time outstanding may at any time or
588 from time to time be refunded by the authority, in whole or in part, by
589 the issuance of its refunding bonds in such amounts as the authority
590 may deem necessary or appropriate but not exceeding an amount
591 sufficient to refund the principal amount of the bonds to be so
592 refunded, any unpaid interest thereon, and any premiums,

593 commissions and costs of issuance necessary to be paid in connection
594 therewith.

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

599 (e) The proceeds, if any, of bonds issued pursuant to this section
600 shall be transferred to the State Treasurer for deposit in the Housing
601 for Economic Growth Fund established in section 14 of this act for
602 application in accordance with subsection (c) of section 15 of this act.
603 No bonds shall be issued by the authority pursuant to this section
604 without prior authorization from the State Treasurer and the Secretary
605 of the Office of Policy and Management.

606 (f) Subject to the contract entered into with the state pursuant to
607 section 13 of this act, bonds issued by the authority under this section
608 may be sold at public or private sale, in such manner, at such price or
609 prices, at such time or times and on such other terms and conditions as
610 are consistent with the purposes and provisions of sections 1 to 19,
611 inclusive, of this act. Any bonds sold at private sale pursuant to
612 subsection (a) of this section may be sold directly to a municipality, the
613 consideration for which may be the establishment and development of
614 an incentive housing zone by such municipality in lieu of cash or other
615 form of payment. Any bonds sold at private sale pursuant to
616 subsection (b) of this section for the purpose of providing funds: (1)
617 For incentive housing education cost reimbursement, may be sold
618 directly to a municipality, the consideration for which may be the
619 construction and occupancy of one or more housing units within an
620 established incentive housing zone, in which there resides one or more
621 eligible students; and (2) for rental assistance, may be sold directly to
622 an incentive housing sponsor or, as may be required for the financing
623 of such housing, the assignee of such sponsor so long as such
624 assignment has prior approval of the secretary, the consideration for
625 which bonds may be the construction and occupancy of one or more

626 housing units within an established incentive housing zone, in which
627 not less than twenty per cent of the units are available subject to an
628 incentive housing restriction for a period of not less than thirty years.
629 In the discretion of the secretary, and pursuant to guidelines
630 established by the secretary, bonds or other obligations of the authority
631 may be sold to a municipality pursuant to subdivision (1) of this
632 subsection, notwithstanding that at the time of the issuance of such
633 bonds or other obligations, no eligible students reside in the housing
634 units for which financing will be provided.

635 (g) Any bonds or other obligations of the authority sold to a
636 municipality or sponsor at private sale pursuant to this section shall be
637 issued as capital appreciation bonds, and shall be subject to
638 redemption upon such terms established by the authority and agreed
639 to by the municipality or the sponsor, as the case may be. Any bonds
640 sold to a municipality or sponsor pursuant to this section shall be
641 registered in the name of the municipality or sponsor to which such
642 bond is issued and, except as otherwise provided in sections 1 to 11,
643 inclusive, of this act, shall not be transferable by such municipality or
644 sponsor except upon a default by the authority in the payment of
645 principal of or interest on such bond when due. At or prior to the
646 issuance of a bond or bonds of the authority to a municipality or
647 sponsor pursuant to this section, the authority shall receive from the
648 secretary, as a condition precedent to the issuance of such bond or
649 bonds, a certificate to the effect that the consideration for the issuance
650 of such bond or bonds by the authority complies with the provisions of
651 this section and is consistent with the purposes of sections 1 to 11,
652 inclusive, of this act.

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

659 (i) In the discretion of the authority, any bonds or other obligations
660 issued under the provisions of this section may be secured by a trust
661 agreement by and between the authority and a corporate trustee or
662 trustees, which may be any trust company or bank having the powers
663 of a trust company within or without the state. If such bonds are sold
664 directly to a municipality or a sponsor, the provisions of this section
665 shall preclude the authority from acting as trustee for the benefit of the
666 holders of such bonds or other obligations and, as trustee, the
667 authority shall have the right, power and authority to enforce the
668 obligations of the state under any contract entered into for state
669 assistance pursuant to sections 1 to 11, inclusive, of this act.

670 (j) The state of Connecticut does hereby pledge to and agree with
671 the holders of any bonds and other obligations of the Connecticut
672 Health and Educational Facilities Authority issued under this section
673 and with those parties who may enter into contracts with the authority
674 pursuant to the provisions of sections 1 to 19, inclusive, of this act that
675 the state will not limit or alter the rights hereby vested in the authority
676 or revoke, amend or alter the state assistance agreement until such
677 bonds or other obligations, together with the interest thereon, are fully
678 met and discharged and such contracts and state assistance agreement
679 are fully performed on the part of the authority and the state,
680 respectively, provided nothing contained herein shall preclude such
681 limitation, revocation, amendment or alteration if and when adequate
682 provision shall be made by law for the protection of the holders of
683 such bonds and other obligations of the authority or those entering
684 into such contracts with the authority. The authority as agent for the
685 state is authorized to include this pledge and undertaking for the state
686 in such obligations or contracts.

687 Sec. 13. (NEW) (*Effective July 1, 2007*) (a) On and after July 1, 2007,
688 the State Bond Commission may authorize the State Treasurer and the
689 Secretary of the Office of Policy and Management to enter into a
690 contract or contracts to provide state assistance on bonds or other
691 obligations issued by the Connecticut Health and Educational Facilities
692 Authority pursuant to section 12 of this act. If authorized by the State

693 Bond Commission, the state, acting by and through the secretary and
694 the State Treasurer, shall enter into a contract or contracts with the
695 authority that provide that the state shall pay to said authority state
696 assistance on bonds issued by said authority for purposes of sections 1
697 to 19, inclusive, of this act, and costs of issuance. Any such contract
698 entered into pursuant to this section shall include provisions the
699 secretary and the State Treasurer find that are: (1) Necessary to attain
700 the purposes of sections 1 to 12, inclusive, of this act; and (2) in the best
701 interests of the state to allow that such state assistance be paid by the
702 state directly to the trustee or paying agent for any bonds, refunding
703 bonds or other obligations of the authority, as applicable, with respect
704 to which the state assistance is provided. Any provision of any such
705 contract entered into providing for payments equal to annual debt
706 service shall constitute a full faith and credit obligation of the state and
707 as part of the contract of the state with the holders of any bonds,
708 refunding bonds or other obligations of the authority, as applicable,
709 appropriation of all amounts necessary to meet punctually the terms of
710 such contract is hereby made and the State Treasurer shall pay such
711 amounts as the same become due. The state, acting by and through the
712 secretary and the State Treasurer and without further authorization,
713 may execute an amendment to any contract providing state assistance
714 as required in connection with the issuance by the authority of any
715 refunding bonds.

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

722 Sec. 14. (NEW) (*Effective July 1, 2007*) (a) There is established, within
723 the General Fund, a separate, nonlapsing fund to be known as the
724 "Housing for Economic Growth Fund" to be held by the State
725 Treasurer separate and apart from all other moneys, funds and
726 accounts. There shall be deposited in the Housing for Economic

727 Growth Fund: (1) Any amounts appropriated by the state for the
728 purposes of the incentive housing zone program pursuant to sections
729 1 to 11, inclusive, of this act; (2) all amounts representing repayment of
730 the loans made by the state pursuant to section 18 of this act;
731 (3) repayments of state financial assistance in connection with the
732 incentive housing zone program pursuant to section 11 of this act;
733 (4) the proceeds, if any, of bonds or other obligations issued by the
734 Connecticut Health and Educational Facilities Authority pursuant to
735 section 12 of this act, net of the costs of issuance incurred in connection
736 with the issuance of such bonds or other obligations; and
737 (5) investment earnings on amounts on deposit in the fund which are
738 to be credited to the assets of the fund.

739 (b) Any moneys held in the Housing for Economic Growth Fund
740 may, pending the use or application thereof for an authorized purpose,
741 be invested or reinvested, as the case may be, in (1) such obligations,
742 securities and investments as are set forth in subsection (f) of section
743 3-20 of the general statutes; (2) in participation certificates in the Short
744 Term Investment Fund created under sections 3-27a and 3-27f of the
745 general statutes; and (3) participation units in the combined
746 investment funds, as defined in section 3-31b of the general statutes.
747 Proceeds from investments authorized by this subsection shall be
748 credited to the Housing for Economic Growth Fund.

749 (c) The State Treasurer shall establish such accounts and
750 subaccounts, if any, within the Housing for Economic Growth Fund as
751 may be necessary to effect the purposes of this section and to serve the
752 administrative convenience of the state.

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

757 Sec. 15. (NEW) (*Effective July 1, 2007*) (a) For the purpose of
758 providing funds for (1) the annual administrative costs and expenses

759 of the incentive housing zone program, including any annual
760 administrative costs of the Connecticut Health and Educational
761 Facilities Authority incurred in connection with the issuance of its
762 bonds or other obligations pursuant to section 12 of this act; (2) grants-
763 in-aid to municipalities for technical assistance in establishing
764 incentive housing zones as provided in sections 1 to 19, inclusive, of
765 this act; (3) grants-in-aid to nonprofit housing or development
766 corporations to provide capacity building grants for the development
767 of incentive housing zones pursuant to section 17; and (4) in fiscal
768 years ending June 30, 2008, June 30, 2009, and June 30, 2010, zone
769 adoption payments pursuant to subsection (a) of section 7 of this act
770 and building permit payments pursuant to subsection (b) of section 7
771 of this act, the State Treasurer shall, commencing in the fiscal year
772 ending June 30, 2008, and in each fiscal year until the fiscal year ending
773 June 30, 2037, disburse moneys on deposit in the Housing for
774 Economic Growth Fund to the secretary, as follows: (A) In the (i) fiscal
775 year ending June 30, 2008, through the fiscal year ending June 30, 2017,
776 inclusive, in an amount equal to three million dollars; (ii) fiscal year
777 ending June 30, 2018, through the fiscal year ending June 30, 2022,
778 inclusive, in an amount equal to one million five hundred thousand
779 dollars; and (iii) fiscal year ending June 30, 2023, through the fiscal
780 year ending June 30, 2037, inclusive, in an amount equal to seven
781 hundred fifty thousand dollars, such moneys to be made available by
782 the secretary in equal annual amounts for such administrative costs,
783 grants-in-aid to municipalities and grants-in-aid to nonprofit housing
784 or development corporations; and (B) in the fiscal year ending June 30,
785 2009, through the fiscal year ending June 30, 2010, an amount not to
786 exceed in the aggregate ten million dollars, such moneys to be made
787 available by the secretary to municipalities as zoning incentive
788 payments and building incentive payments.

789 (b) Commencing in the fiscal year ending June 30, 2008, and in each
790 fiscal year thereafter, until the fiscal year ending June 30, 2022, moneys
791 on deposit in the Housing for Economic Growth Fund representing the
792 balance of amounts deposited therein pursuant to section 22 of this act,

793 investment earnings on amounts deposited therein pursuant to
794 section 14 of this act, and repayments of loans made to municipalities
795 pursuant to section 19 of this act shall be available for disbursement to
796 the secretary in an annual aggregate amount not to exceed six million
797 dollars for the purpose of making loans to municipalities pursuant to
798 section 19 of this act.

799 (c) Moneys deposited in the Housing for Economic Growth Fund
800 from proceeds, if any, of bonds or other obligations issued by the
801 Connecticut Health and Educational Facilities Authority pursuant to
802 subsection (a) of section 12 of this act, and investment earnings
803 thereon, shall be disbursed to the secretary for the purpose of
804 providing funds for the payment of zone adoption payments and
805 building permit payments pursuant to section 7 of this act.

806 Sec. 16. (NEW) (*Effective July 1, 2007*) The Secretary of the Office of
807 Policy and Management shall, from funds disbursed from the Housing
808 for Economic Growth Fund established pursuant to section 15 of this
809 act, make grants to municipalities for the purpose of providing
810 technical assistance in the planning of incentive housing zones, the
811 adoption of incentive housing zone regulations and design standards,
812 the review and revision as needed of applicable subdivision
813 regulations and applications to the secretary for preliminary or final
814 approval as set forth in section 5 of this act. The secretary shall adopt
815 regulations, in accordance with the provisions of chapter 54 of the
816 general statutes, to implement the provisions of this section. Such
817 regulations shall establish procedures and criteria for application of
818 evaluation of applications.

819 Sec. 17. (NEW) (*Effective July 1, 2007*) The Secretary of the Office of
820 Policy and Management shall, from funds disbursed from the Housing
821 for Economic Growth Fund, established pursuant to section 15 of this
822 act, make grants to nonprofit housing or development organizations in
823 order to assist with planning, development, applications, construction
824 and administration of incentive housing developments. The secretary
825 shall adopt regulations, in accordance with the provisions of chapter

826 54 of the general statutes, to implement the provisions of this section.
827 Such regulations shall establish procedures and criteria for application
828 of evaluation of applications.

829 Sec. 18. (NEW) (*Effective July 1, 2007*) (a) Each municipality in which
830 the zoning commission has adopted an incentive housing zone shall be
831 eligible for a loan from moneys on deposit in the Housing for
832 Economic Growth Fund, established pursuant to section 15 of this act,
833 for infrastructure improvements that would make a geographic area of
834 the municipality more attractive and functional for an incentive
835 housing development. Such loans shall bear an interest rate of one per
836 cent per annum, and shall be repaid over a fifteen-year period,
837 commencing two years after the loan is made. Loan repayments shall
838 be deposited in the fund. Each loan shall be an amount that is equal to
839 the total of all housing units allowed in an incentive housing zone
840 times seven hundred fifty dollars.

841 (b) Each municipality eligible for a loan under this section may
842 apply to the Secretary of the Office of Policy and Management, on a
843 form prescribed by the secretary, for authorization of a loan for
844 infrastructure improvement projects. The secretary shall approve or
845 disapprove a completed application not more than forty-five days after
846 receipt of such application. Such application shall include a
847 certification by the municipality that (1) the project for which loan
848 assistance is requested is an infrastructure improvement project as
849 defined in subsection (c) of this section, and (2) the project would
850 benefit an incentive housing development to be located within an
851 incentive housing zone. The municipality shall provide any other
852 certification required by the secretary. Within available resources, the
853 secretary shall authorize such loan if the secretary determines that the
854 project meets the requirements set forth in this section and any other
855 requirement imposed by the secretary.

856 (c) As used in this section, "infrastructure improvement project"
857 means a municipal capital expenditure project for any of the following
858 purposes: (1) Road construction, renovation, repair or resurfacing; (2)

859 sidewalk and pavement improvements; (3) streetlights and signage; (4)
860 construction, renovation, enlargement or repair of sewage treatment
861 plants and sanitary or storm, water or sewer lines, including
862 separation of lines; (5) construction, renovation, enlargement or repair
863 of dams, bridges and flood control projects; (6) construction,
864 renovation, enlargement or repair of water mains; and (7) floodplain
865 management and hazard mitigation activities. An infrastructure
866 improvement project is limited to capital expenditures and includes
867 repairs incident to reconstruction and renovation but does not include
868 ordinary repairs and maintenance of an ongoing nature.

869 (d) A loan under this section may be used to pay the cost of an
870 infrastructure improvement that is not located within the boundaries
871 of an incentive housing zone, provided the municipality describes in
872 the application for the loan how such infrastructure improvement
873 would benefit an incentive housing development.

874 (e) If there is insufficient funding for infrastructure improvement
875 projects related to incentive housing zones in any fiscal year, priority
876 shall be given to those applications from municipalities with housing
877 incentive zones where development is unlikely to occur but for such
878 projects.

879 (f) Each municipality receiving an infrastructure improvement
880 project loan under this section shall retain detailed accounting records
881 of all expenses incurred relative to the infrastructure improvement
882 project for which a loan is received for a period of not less than three
883 years following the completion of such project. If the secretary
884 determines that such records are not maintained or a review of such
885 records indicates that such loan, or any portion thereof, was used for a
886 purpose other than its intended purpose, the secretary shall provide
887 written notification to the chief executive officer of the municipality of
888 such finding. Upon such determination, the secretary may require the
889 municipality to promptly pay to the state an amount equal to the
890 amount of the loan and an interest rate of eighteen per cent per annum.

891 Sec. 19. (NEW) (*Effective July 1, 2007*) (a) To encourage the creation
892 of additional rental housing, the Commissioner of Economic and
893 Community Development shall establish and implement a program of
894 rental assistance for low-income households living in a newly created
895 privately owned rental incentive housing development in an incentive
896 housing zone. For the purposes of this section, a low-income
897 household is a household whose income does not exceed fifty per cent
898 of the area median income.

899 (b) The state, acting by and in the discretion of the Commissioner of
900 Economic and Community Development in consultation with the
901 Secretary of the Office of Policy and Management, may enter into a
902 contract with an incentive housing sponsor to provide rental assistance
903 linked to a specific number of units in such housing which shall be set
904 aside for low-income households. Moneys for such rental assistance
905 shall be provided from bonds or other obligations issued by the
906 Connecticut Health and Educational Facilities Authority pursuant to
907 subsection (b) of section 12 of this act. Each contract to provide rental
908 assistance for units set aside for occupancy by low-income households
909 under this section shall remain in effect for at least thirty years.

910 (c) The commissioner shall, within available funds, upon request of
911 the owner or developer of rental units constructed as an incentive
912 housing development in conformance with the requirements of
913 sections 1 to 19, inclusive, of this act, provide rental assistance for the
914 number of requested units up to ten per cent of the new rental units in
915 such development, and may, within available funds, provide rental
916 assistance for additional requested units in such development,
917 provided that in the aggregate, on a state-wide basis, rental assistance
918 provided under this section shall not exceed five per cent of rental
919 units constructed in incentive housing developments.

920 (d) The commissioner shall adopt regulations, in accordance with
921 the provisions of chapter 54 of the general statutes, to carry out the
922 purposes of this section. Such regulations shall establish (1) maximum
923 income eligibility guidelines for such rental assistance, (2) maximum

924 rent for each assisted unit in an incentive housing development in a
925 manner that reasonably assures the rental assistance will be used, and
926 (3) criteria for determining the amount of rental assistance which shall
927 be provided so that the amount of such assistance shall be the
928 difference between thirty per cent of the adjusted gross income of the
929 low-income household less a utility allowance, and the contract rent.

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

933 (c) If the secretary determines that such land, improvement, interest
934 or part thereof may properly be treated as surplus, he shall notify the
935 Commissioner of Public Works. If the secretary also determines that
936 such land, improvement or interest or part thereof was purchased or
937 improved with proceeds of tax exempt obligations issued or to be
938 issued by the state, he shall also notify the Treasurer. The
939 Commissioner of Public Works may sell, exchange or lease, or enter
940 into agreements concerning, such land, improvement, interest or part
941 thereof, after (1) notifying (A) the municipality or municipalities in
942 which such land, improvement or interest is located, [and] (B) the
943 members of the General Assembly representing such municipality or
944 municipalities, and (C) any potential developer of an incentive housing
945 development, as defined in section 1 of this act, who has registered
946 with the Commissioner of Economic and Community Development to
947 be notified of any such state surplus land, and (2) obtaining the
948 approval of (A) the Secretary of the Office of Policy and Management,
949 (B) the State Properties Review Board, and (C) the joint standing
950 committees of the General Assembly having cognizance of matters
951 relating to (i) state revenue and (ii) the purchase and sale of state
952 property and facilities, and (3) if such land, improvement, interest or
953 part thereof was purchased or improved with proceeds of tax-exempt
954 obligations issued or to be issued by the state, obtaining the approval
955 of the Treasurer. The Treasurer may disapprove such a transaction
956 only if the transaction would affect the tax-exempt status of such
957 obligations and could not be modified to maintain such tax-exempt

958 status. If a proposed agreement for such a conveyance has not been
959 submitted to the State Properties Review Board within three years after
960 the Commissioner of Public Works provides such notice to such
961 municipality and such members of the General Assembly, or if the
962 board does not approve the proposed agreement within five years
963 after such notice, the Commissioner of Public Works may not convey
964 such land, improvement or interest without again so notifying such
965 municipality and such members of the General Assembly. In the case
966 of a proposed lease of land, an improvement to land or an interest in
967 land, or any part thereof, with a person, firm or corporation in the
968 private sector, for a term of six months or more, the Commissioner of
969 Public Works shall comply with such notice requirement by notifying
970 in writing the chief executive officer of the municipality in which the
971 land, improvement or interest is located and the members of the
972 General Assembly representing such municipality, not less than two
973 weeks before seeking the approval of said secretary, board and
974 committees, concerning the proposed lease and the manner in which
975 the lessee proposes to use the land, improvement or interest. Each
976 agency, department or institution which informs the secretary that any
977 land, improvement or interest in land is not needed shall retain
978 responsibility for its security and maintenance until the Commissioner
979 of Public Works receives custody and control of the property, if any.
980 The Treasurer shall execute and deliver any deed or instrument
981 necessary to convey the title to any property the sale or exchange of
982 which or a contract for the sale or exchange of which is authorized by
983 this section.

984 Sec. 21. Subsection (c) of section 16a-31 of the general statutes is
985 repealed and the following is substituted in lieu thereof (*Effective July*
986 *1, 2007*):

987 (c) The secretary shall submit and the State Bond Commission shall
988 consider prior to the allocation of any bond funds for any of the actions
989 specified in subsection (a) an advisory statement commenting on the
990 extent to which such action is in conformity with the plan of
991 conservation and development. The provisions of this section shall not

992 apply to zone adoption and building permit payments authorized by
993 section 7 of this act and the incentive housing education cost
994 reimbursements authorized by section 8 of this act.

995 Sec. 22 (NEW) (*Effective July 1, 2007*) Notwithstanding the provisions
996 of section 4-66b of the general statutes, the Secretary of the Office of
997 Policy and Management, when making zone adoption and building
998 permit payments authorized by section 7 of this act and the incentive
999 housing education cost reimbursements authorized by section 8 of this
1000 act, shall not be required to provide a capital development impact
1001 statement.

1002 Sec. 23. (*Effective from passage*) (a) There is established a task force to
1003 study methods to increase the amount of public and private financing
1004 for housing within the state. Such study shall include, but not be
1005 limited to, an evaluation of the following:

1006 (1) Establishment of uniform underwriting criteria for the financing
1007 of multifamily housing;

1008 (2) Expansion of loan guarantees;

1009 (3) Utilization of mortgage insurance and other forms of credit
1010 enhancements provided by the Connecticut Housing Finance
1011 Authority to significantly expand the amount of public and private
1012 financing;

1013 (4) Enhancement of the affordable housing tax credit program under
1014 section 8-395 of the general statutes and historic tax credit programs
1015 under sections 10-416 and 10-416a of the general statutes to promote
1016 renovation of existing housing;

1017 (5) Expansion of the availability of project based rental assistance
1018 program certificates;

1019 (6) Coordination of financing to better utilize four per cent federal
1020 tax credits;

1021 (7) Encouragement of municipalities to utilize federal community
1022 development block grants to leverage additional financing of
1023 affordable housing; and

1024 (8) Provision of funds for inclusion of housing in intermodal
1025 transportation centers and transportation oriented design.

1026 (b) The task force shall consist of the following members:

1027 (1) One appointed by the speaker of the House of Representatives,
1028 who shall be an advocate for affordable housing;

1029 (2) One appointed by the president pro tempore of the Senate, who
1030 shall be a representative of a municipality with a population over one
1031 hundred thousand;

1032 (3) One appointed by the majority leader of the House of
1033 Representatives, who shall be a for-profit housing developer;

1034 (4) One appointed by the majority leader of the Senate, who shall be
1035 a nonprofit housing developer;

1036 (5) One appointed by the minority leader of the House of
1037 Representatives, who shall be a representative of the banking industry
1038 with experience financing multifamily housing;

1039 (6) One appointed by the minority leader of the Senate, who shall be
1040 a representative of a municipality with a population less than one
1041 hundred thousand;

1042 (7) The Commissioner of Economic and Community Development,
1043 or the commissioner's designee;

1044 (8) The chairman of the Connecticut Housing Finance Authority, or
1045 the chairman's designee;

1046 (9) The State Treasurer, or the Treasurer's designee;

1047 (10) The chairpersons of the select committee of the General
1048 Assembly having cognizance of matters relating to housing, or their
1049 designees;

1050 (11) The ranking members of the select committee of the General
1051 Assembly having cognizance of matters relating to housing, or their
1052 designees; and

1053 (12) The Secretary of the Office of Policy and Management, or the
1054 secretary's designee.

1055 (c) All appointments to the task force shall be made not later than
1056 thirty days after the effective date of this section. Any vacancy shall be
1057 filled by the appointing authority.

1058 (d) The chairpersons of the select committee of the General
1059 Assembly having cognizance of matters relating to housing shall be the
1060 chairpersons of the task force. Such chairpersons shall schedule the
1061 first meeting of the task force which shall be held not later than sixty
1062 days after the effective date of this section.

1063 (e) Not later than January 1, 2008, the task force shall submit a
1064 report on its findings and recommendations to the select committee of
1065 the General Assembly having cognizance of matters relating to
1066 housing, in accordance with the provisions of section 11-4a of the
1067 general statutes. The task force shall terminate on the date that it
1068 submits such report or January 1, 2008, whichever is earlier.

1069 Sec. 24. (*Effective from passage*) For the purpose of capitalizing the
1070 Housing for Economic Growth Fund created by section 14 of this act,
1071 the sum of sixty million dollars is hereby appropriated from the
1072 surplus in the General Fund for the fiscal year ending June 30, 2007, as
1073 certified by the State Comptroller on or prior to September 15, 2007.
1074 Such sum, together with investment earnings thereon and repayments
1075 of municipal loans made therefrom, shall be applied as provided in
1076 section 15 of this act to provide funds for (1) the administrative costs
1077 and expenses of the incentive housing zone program; (2) grants-in-aid

1078 to municipalities and nonprofit housing or development corporations
 1079 pursuant to sections 16 and 17 of this act, as applicable; and (3) loans to
 1080 municipalities pursuant to section 18 of this act provided for the fiscal
 1081 years ending June 30, 2008, June 30, 2009, and June 30, 2010, such sum
 1082 may also be used to provide funds for zone adoption payments
 1083 pursuant to subsection (a) of section 7 of this act and building permit
 1084 payments pursuant to subsection (b) of section 7 of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 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>July 1, 2007</i>	16a-31(c)
Sec. 22	<i>July 1, 2007</i>	New section
Sec. 23	<i>from passage</i>	New section
Sec. 24	<i>from passage</i>	New section

PD

Joint Favorable Subst. C/R

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