



General Assembly

Substitute Bill No. 1057

January Session, 2007

* SB01057ED__060107__*

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, and sections 23 and 24 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, and sections 23 and
74 24 of this act, as an overlay to one or more existing zones, in an eligible
75 location.

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

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

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

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

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

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

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

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

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

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

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

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

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

117 Sec. 2. (NEW) (*Effective July 1, 2007*) (a) A zoning commission may
118 adopt regulations, as part of the zoning regulations adopted under
119 section 8-2 of the general statutes or any special act, establishing an
120 incentive housing zone in accordance with the provisions of sections 1
121 to 19, inclusive, and sections 23 and 24 of this act.

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

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

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

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

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

137 (5) In order to qualify for financial incentive payments set forth in
138 section 7 of this act and incentive housing education cost
139 reimbursement set forth in section 8 of this act, the regulations of an
140 incentive housing zone concerning the minimum as-of-right densities
141 set forth in subdivision (3) of this subsection shall constitute an
142 increase of at least twenty-five per cent above the density allowed by
143 the underlying zone, notwithstanding the provisions of said section 7
144 with regard to zone adoption and building permit payments and the
145 provisions of said section 8 with regard to incentive housing
146 educational cost reimbursement.

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

162 (7) An incentive housing zone may consist of one or more subzones,
163 provided each subzone and the zone as a whole comply with the
164 requirements of sections 1 to 19, inclusive, and sections 23 and 24 of
165 this act.

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

169 shall not exceed twenty-five per cent of the total land area in the
170 municipality.

171 (c) A zoning commission may modify, waive or delete dimensional
172 standards contained in the zone or zones that underlie an incentive
173 housing zone in order to support the minimum or desired densities,
174 mix of uses or physical compatibility in the incentive housing zone.
175 Standards subject to modification, waiver or deletion include, but shall
176 not be limited to, building height, setbacks, lot coverage, parking ratios
177 and road design standards.

178 (d) If a zoning commission adopts a regulation for an incentive
179 housing zone that permits single-family detached homes on
180 subdivided lots, requiring subdivision approval under the subdivision
181 regulations of the municipality, the zoning commission shall make a
182 written finding that the applicability of such subdivision regulations
183 will not unreasonably impair the economic or physical feasibility of
184 constructing housing at the minimum densities and subject to an
185 incentive housing restriction as required by sections 1 to 19, inclusive,
186 and sections 23 and 24 of this act. If housing on subdivided lots is
187 proposed in an incentive housing zone, the zoning commission shall
188 use its best efforts to adopt or encourage the planning commission to
189 adopt subdivision standards, such as cluster regulations, zero lot line
190 provisions, and waivers of dimensional or other requirements, that
191 will ensure consistency of the single-family detached housing with the
192 purposes of sections 1 to 19, inclusive, and sections 23 and 24 of this
193 act.

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

198 (f) An incentive housing zone may overlay all or any part of an
199 existing historic district or districts, and a municipality may establish
200 an historic district within an approved incentive housing zone,

201 provided, if the requirements or regulations of such historic district
202 render the approved housing incentive zone not in compliance with
203 the provisions of sections 1 to 19, inclusive, and sections 23 and 24 of
204 this act, the secretary shall deny a preliminary or final letter of
205 eligibility, deny or revoke a certificate of compliance, or deny any
206 financial incentive payments set forth in section 7 of this act and
207 incentive housing education cost reimbursement set forth in section 8
208 of this act.

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

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

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

234 design of open spaces; signage; and setbacks and buffering from
235 adjacent properties.

236 (b) A design standard shall not be adopted if such standard will
237 unreasonably impair the economic or physical feasibility of
238 constructing housing at the minimum densities and with the required
239 incentive housing restriction set forth in sections 1 to 19, inclusive, and
240 sections 23 and 24 of this act. The Secretary of the Office of Policy and
241 Management shall not approve a request for a letter of preliminary or
242 final eligibility under section 5 of this act if a proposed design standard
243 will violate the provisions of this subsection, but may not otherwise
244 disapprove a proposed zone solely on the basis of its design standards.
245 A statement from an applicant or potential applicant for approval of an
246 incentive housing development within a proposed or approved
247 incentive housing zone that proposed design standards are reasonable
248 and will not impair the physical or economic feasibility shall be
249 dispositive with regard to the reasonableness of such design standards
250 with respect to such development.

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

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

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

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

269 (3) Identify and describe existing and potential residential
270 development and the potential for reuse of existing or underutilized
271 buildings within the zone or zones;

272 (4) Calculate the number of residential units that may be
273 constructed in the zone or zones if the proposed regulations are
274 approved;

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

282 (6) Include the text of the proposed incentive housing zone
283 regulations and design standards and, if applicable, the text of the
284 subdivision regulations; and

285 (7) Include the text of the proposed incentive housing restriction
286 and a plan for administering and enforcing its requirements and
287 limitations.

288 Sec. 5. (NEW) (*Effective July 1, 2007*) (a) Upon application by a
289 municipality under section 4 of this act, the Secretary of the Office of
290 Policy and Management shall, not later than sixty days after receipt,
291 issue, in writing, a preliminary determination of the eligibility of the
292 municipality for the financial incentive payments set forth in section 7
293 of this act and incentive housing education cost reimbursements set
294 forth in section 8 of this act. At least thirty days before making such

295 preliminary determination, the secretary shall electronically give
296 notice of the application to all persons who have provided the
297 secretary with a current electronic mail address and a written request
298 to receive such notices. If the secretary determines that the proposed
299 incentive housing zone is not eligible or does not comply with the
300 provisions of sections 2 and 3 of this act, the secretary shall, within the
301 sixty-day response period, notify the municipality, in writing, of the
302 reasons for such determination. A municipality may thereafter reapply
303 for approval after addressing the reasons for ineligibility. The
304 secretary's failure to issue a written response within sixty days of
305 receipt shall be deemed to be disapproval, after which the municipality
306 may reapply.

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

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

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

330 Sec. 6. (NEW) (*Effective July 1, 2007*) (a) Each municipality whose
331 zoning commission has received a final determination of eligibility
332 under section 5 of this act and has adopted an approved incentive
333 housing zone shall annually, in accordance with procedures
334 established by the Secretary of the Office of Policy and Management,
335 apply to the secretary for an incentive housing zone certificate of
336 compliance. To receive a certificate, the municipality shall verify
337 within the time specified by the secretary that:

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

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

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

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

351 (b) If the information required pursuant to subsection (a) of this
352 section has been submitted by a municipality in a timely manner, the
353 secretary shall issue compliance certificates by October first annually.
354 If the secretary determines that the municipality is in material
355 noncompliance with the requirements of sections 1 to 19, inclusive,
356 and sections 23 and 24 of this act, the secretary, after notice and
357 hearing pursuant to chapter 54 of the general statutes, may revoke

358 certification. Any revocation of certification, or other sanctions
359 imposed by the secretary under section 10 of this act, shall not affect
360 the validity of the incentive housing zone regulations or the
361 application of such regulations to a pending or approved development
362 application within the incentive housing zone, but shall render the
363 municipality ineligible for financial incentive payments set forth in
364 section 7 of this act and incentive housing education cost
365 reimbursement set forth in section 8 of this act.

366 Sec. 7. (NEW) (*Effective July 1, 2007*) (a) Upon confirmation by the
367 Secretary of the Office of Policy and Management of adoption by a
368 zoning commission of approved regulations and design standards for
369 an incentive housing zone or zones, the secretary shall make to the
370 municipality a zone adoption payment in the amount of two thousand
371 dollars for each unit of housing that can be built as part of an incentive
372 housing development within such zone or zones. Such zone adoption
373 payment shall be made to the municipality by the secretary not more
374 than sixty days after final approval of the incentive housing zone
375 pursuant to section 5 of this act, provided the time for appeal of the
376 final adoption of the regulations has expired or a final and
377 unappealable judgment upholding such regulations has been issued in
378 any civil action challenging or delaying such regulations.

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

391 (c) Residential units that are located within an approved incentive
392 housing zone that are part of a development that constitutes housing
393 for older persons permitted by the federal Fair Housing Act, 42 USC
394 3607 or sections 46a-64c and 46a-64d of the general statutes, shall not
395 be eligible for payments under this section.

396 Sec. 8. (NEW) (*Effective July 1, 2007*) (a) A municipality in which an
397 incentive housing development has been built and occupied in
398 compliance with sections 1 to 19, inclusive, and sections 23 and 24 of
399 this act shall be eligible for an annual incentive housing education cost
400 reimbursement, paid through bonds or other obligations issued by the
401 Connecticut Health and Education Financing Authority pursuant to
402 section 12 of this act. Each municipality seeking incentive housing
403 education cost reimbursement as provided in this section shall include
404 in its data of record, pursuant to subsection (a) of section 10-262i of the
405 general statutes, as of December first prior to the fiscal year such
406 reimbursement is to be made, the number of children age five to
407 seventeen, inclusive, as defined in subdivision (10) of section 10-262f of
408 the general statutes, who are enrolled in public school and who are
409 identified as residing in an incentive housing development constructed
410 and occupied in compliance with the provisions of sections 1 to 19,
411 inclusive, and sections 23 and 24 of this act.

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

422 (2) The amount of an incentive housing education cost
423 reimbursement shall be the eligible education costs per resident

424 student as defined in section 10-262f of the general statutes of the town
425 multiplied by the number of children identified pursuant to subsection
426 (a) of this section, minus (A) the amount of increased aid the town
427 receives in a school year pursuant to section 10-262i of the general
428 statutes as the result of the identification of students pursuant to
429 subsection (a) of this section, and (B) fifty per cent of the incremental
430 increase in real and personal property taxes occurring after the
431 adoption of the incentive housing zone regulations and attributable to
432 the incentive housing within the incentive zone. The annual payments
433 shall commence in the fiscal year following the identification of
434 students residing in an incentive housing development, as specified in
435 subsection (a) of this section, and continue for fifteen years, provided
436 eligible students continue to live in that development.

437 (c) Each municipality shall certify to the authority information and
438 data necessary to support the issuance of said bonds or other
439 obligations of the authority in accordance with a time frame
440 established by the authority.

441 (d) The Secretary of the Office of Policy and Management shall
442 annually issue to the municipality the incentive housing education cost
443 reimbursement as provided by this section not more than sixty days
444 after receiving the information required by this section.

445 (e) Residential units that are located within an approved incentive
446 housing zone that are part of a development that constitutes housing
447 for older persons permitted by the federal Fair Housing Act, 42 USC
448 3607 or sections 46a-64c and 46a-64d of the general statutes, shall not
449 be eligible for payments under this section.

450 Sec. 9. (NEW) (*Effective July 1, 2007*) (a) A zoning commission shall
451 prescribe, consistent with the provisions of sections 1 to 19, inclusive,
452 and sections 23 and 24 of this act, the form of an application for
453 approval of an incentive housing development. The time for and
454 procedures for receipt and processing of applications shall be as
455 provided in chapters 124 and 126 of the general statutes, as applicable.

456 A zoning commission may, to the extent allowed by the Freedom of
457 Information Act, conduct one or more preliminary or preapplication
458 planning or workshop meetings with regard to an incentive housing
459 zone or development. A zoning commission may conduct a public
460 hearing in connection with an application for site plan or subdivision
461 approval of an incentive housing development.

462 (b) The regulations of an incentive housing zone may require the
463 applicant for approval of an incentive housing development to pay the
464 cost of reasonable consulting fees for peer review of the technical
465 aspects of the application for the benefit of the zoning commission.
466 Such fees shall be deposited in a separate account of the municipality
467 and used only for expenses associated with the technical review of the
468 application by consultants who are not otherwise salaried employees
469 of the municipality or the zoning commission. Any amount in the
470 account remaining after payment of all expenses for technical review,
471 including any interest accrued, shall be returned to the applicant not
472 later than forty-five days after the completion of the technical review.

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

480 (d) An incentive housing development shall be approved by the
481 zoning commission subject only to conditions that are necessary to (1)
482 ensure substantial compliance of the proposed development with the
483 requirements of the incentive housing zone regulations, design
484 standards and, if applicable, subdivision regulations; or (2) mitigate
485 any extraordinary adverse impacts of the development on nearby
486 properties. An application may be denied only on the grounds: (A) The
487 development does not meet the requirements set forth in the incentive
488 housing zone regulations; (B) the applicant failed to submit

489 information and fees required by the regulations and necessary for an
490 adequate and timely review of the design of the development or
491 potential development impacts; or (C) it is not possible to adequately
492 mitigate significant adverse project impacts on nearby properties by
493 means of conditions acceptable to the applicant.

494 (e) The duration and renewal of an approval of an incentive housing
495 development shall be governed by subsection (i) of section 8-3,
496 subsection (j) of section 8-3, section 8-26c or section 8-26g of the general
497 statutes, as applicable. The time to complete the work approved shall
498 be extended (1) by the time required to adjudicate to final judgment
499 any appeal from a decision of the commission on an incentive housing
500 development site plan or subdivision plan or any required coordinate
501 permit; (2) by the zoning commission if the applicant is actively
502 pursuing other permits needed for the development; (3) if there is
503 other good cause for the failure to complete such work; or (4) as
504 provided in an approval for a multiphase development.

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

509 (g) Approval of or amendment to regulations or design standards
510 for an incentive housing zone or subzone, or site plan or subdivision
511 approval of an incentive housing development, may be appealed to the
512 Superior Court pursuant to the provisions of section 8-8 or section 8-28
513 of the general statutes, as applicable, provided (1) upon motion made
514 to the court by the defendant municipality, zoning commission,
515 planning commission or applicant, the court shall order each appealing
516 party to post a bond in an amount sufficient to cover (A) each moving
517 defendant's anticipated attorney fees and costs for defending against
518 the appeal, and (B) if applicable, an applicant's anticipated or actual
519 costs to carry and maintain its interest in the subject property for a
520 period of one year, as established by affidavit filed with the court,
521 which bond shall be forfeited in the event that the appealing party

522 does not substantially prevail in the appeal; (2) any such appeal, upon
523 motion by any defendant made at any time after the return date, shall
524 be transferred from the judicial district to which it is returned to the
525 superior court for the judicial district of New Britain and shall be heard
526 and decided by one of the judges designated by the Chief Court
527 Administrator under section 8-30g of the general statutes; and (3) any
528 such appeal shall be a privileged case in the order of trial, to be heard
529 by the court as soon after the return day as is practicable.

530 Sec. 10. (NEW) (*Effective July 1, 2007*) (a) The Secretary of the Office
531 of Policy and Management shall be responsible for the administration,
532 review and reporting on the incentive housing zone program as
533 provided in sections 1 to 19, inclusive, and sections 23 and 24 of this
534 act.

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

556 (A) the anticipated number and size of proposed new incentive
557 housing zones over such time period; (B) the number and size of new
558 incentive housing zones that may be approved over such time period;
559 (C) the potential number of residential units to be allowed in such new
560 and proposed incentive housing zones; and (D) anticipated
561 construction of housing over such time period.

562 Sec. 11. (NEW) (*Effective July 1, 2007*) (a) The Secretary of the Office
563 of Policy and Management may require the municipality to repay to
564 the state all or part of the payments or reimbursements made to a
565 municipality under sections 1 to 19, inclusive, and sections 23 and 24 of
566 this act upon determination by the secretary that the municipality has
567 acted to discourage incentive housing development or to impose
568 arbitrary or unreasonable standards, requirements, delays or barriers
569 to the construction of housing following approval of an incentive
570 housing zone.

571 (b) The secretary shall adopt regulations, in accordance with the
572 provisions of chapter 54 of the general statutes, to implement the
573 provisions of this subsection. Such regulations shall include
574 procedures for notice and hearing.

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

583 (b) The authority is further authorized to issue bonds or other
584 obligations of the authority annually, payable solely from and secured
585 by state assistance payments pursuant to section 13 of this act, in
586 principal amounts in the aggregate not exceeding two billion three
587 hundred thirty million dollars before the fiscal year ending June 30,

588 2052, for the purpose of providing incentive housing education cost
589 reimbursement to such municipalities pursuant to section 8 of this act
590 and rental assistance to incentive housing sponsors pursuant to section
591 19 of this act.

592 (c) Any bonds issued by the authority for the purposes of subsection
593 (a) or (b) of this section and at any time outstanding may at any time or
594 from time to time be refunded by the authority, in whole or in part, by
595 the issuance of its refunding bonds in such amounts as the authority
596 may deem necessary or appropriate but not exceeding an amount
597 sufficient to refund the principal amount of the bonds to be so
598 refunded, any unpaid interest thereon, and any premiums,
599 commissions and costs of issuance necessary to be paid in connection
600 therewith.

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

605 (e) The proceeds, if any, of bonds issued pursuant to subsection (a)
606 of this section shall be transferred to the State Treasurer for deposit in
607 the Housing for Economic Growth Fund established in section 14 of
608 this act for application in accordance with subsection (c) of section 15
609 of this act. No bonds shall be issued by the authority pursuant to this
610 section without prior authorization from the State Treasurer and the
611 Secretary of the Office of Policy and Management.

612 (f) Subject to the contract entered into with the state pursuant to
613 section 13 of this act, bonds issued by the authority under this section
614 may be sold at public or private sale, in such manner, at such price or
615 prices, at such time or times and on such other terms and conditions as
616 are consistent with the purposes and provisions of sections 1 to 19,
617 inclusive, and sections 23 and 24 of this act. Any bonds sold at private
618 sale pursuant to subsection (a) of this section may be sold directly to a
619 municipality, the consideration for which may be the establishment

620 and development of an incentive housing zone by such municipality in
621 lieu of cash or other form of payment. Any bonds sold at private sale
622 pursuant to subsection (b) of this section for the purpose of providing
623 funds: (1) For incentive housing education cost reimbursement, may be
624 sold directly to a municipality, the consideration for which may be the
625 construction and occupancy of one or more housing units within an
626 established incentive housing zone, in which there resides one or more
627 eligible students; and (2) for rental assistance, may be sold directly to
628 an incentive housing sponsor or, as may be required for the financing
629 of such housing, the assignee of such sponsor so long as such
630 assignment has prior approval of the secretary, the consideration for
631 which bonds may be the construction and occupancy of one or more
632 housing units within an established incentive housing zone, in which
633 not less than twenty per cent of the units are available subject to an
634 incentive housing restriction for a period of not less than thirty years.
635 In the discretion of the secretary, and pursuant to guidelines
636 established by the secretary, bonds or other obligations of the authority
637 may be sold to a municipality pursuant to subdivision (1) of this
638 subsection, notwithstanding that at the time of the issuance of such
639 bonds or other obligations, no eligible students reside in the housing
640 units for which financing will be provided.

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

654 secretary, as a condition precedent to the issuance of such bond or
655 bonds, a certificate to the effect that the consideration for the issuance
656 of such bond or bonds by the authority complies with the provisions of
657 this section and is consistent with the purposes of sections 1 to 11,
658 inclusive, of this act.

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

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

676 (j) The state of Connecticut does hereby pledge to and agree with
677 the holders of any bonds and other obligations of the Connecticut
678 Health and Educational Facilities Authority issued under this section
679 and with those parties who may enter into contracts with the authority
680 pursuant to the provisions of sections 1 to 19, inclusive, and sections 23
681 and 24 of this act that the state will not limit or alter the rights hereby
682 vested in the authority or revoke, amend or alter the state assistance
683 agreement until such bonds or other obligations, together with the
684 interest thereon, are fully met and discharged and such contracts and
685 state assistance agreement are fully performed on the part of the
686 authority and the state, respectively, provided nothing contained

687 herein shall preclude such limitation, revocation, amendment or
688 alteration if and when adequate provision shall be made by law for the
689 protection of the holders of such bonds and other obligations of the
690 authority or those entering into such contracts with the authority. The
691 authority as agent for the state is authorized to include this pledge and
692 undertaking for the state in such obligations or contracts.

693 Sec. 13. (NEW) (*Effective July 1, 2007*) (a) On and after July 1, 2007,
694 the State Bond Commission may authorize the State Treasurer and the
695 Secretary of the Office of Policy and Management to enter into a
696 contract or contracts to provide state assistance on bonds or other
697 obligations issued by the Connecticut Health and Educational Facilities
698 Authority pursuant to section 12 of this act. If authorized by the State
699 Bond Commission, the state, acting by and through the secretary and
700 the State Treasurer, shall enter into a contract or contracts with the
701 authority that provide that the state shall pay to said authority state
702 assistance on bonds issued by said authority for purposes of sections 1
703 to 19, inclusive, and sections 23 and 24 of this act, and costs of issuance.
704 Any such contract entered into pursuant to this section shall include
705 provisions the secretary and the State Treasurer find that are: (1)
706 Necessary to attain the purposes of sections 1 to 12, inclusive, of this
707 act; and (2) in the best interests of the state to allow that such state
708 assistance be paid by the state directly to the trustee or paying agent
709 for any bonds, refunding bonds or other obligations of the authority,
710 as applicable, with respect to which the state assistance is provided.
711 Any provision of any such contract entered into providing for
712 payments equal to annual debt service shall constitute a full faith and
713 credit obligation of the state and as part of the contract of the state with
714 the holders of any bonds, refunding bonds or other obligations of the
715 authority, as applicable, appropriation of all amounts necessary to
716 meet punctually the terms of such contract is hereby made and the
717 State Treasurer shall pay such amounts as the same become due. The
718 state, acting by and through the secretary and the State Treasurer and
719 without further authorization, may execute an amendment to any

720 contract providing state assistance as required in connection with the
721 issuance by the authority of any refunding bonds.

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

728 Sec. 14. (NEW) (*Effective July 1, 2007*) (a) There is established a
729 separate, nonlapsing fund to be known as the "Housing for Economic
730 Growth Fund" to be held by the State Treasurer separate and apart
731 from all other moneys, funds and accounts. There shall be deposited in
732 the Housing for Economic Growth Fund: (1) Any amounts
733 appropriated by the state for the purposes of the incentive housing
734 zone program pursuant to sections 1 to 11, inclusive, of this act; (2) all
735 amounts representing repayment of the loans made by the state
736 pursuant to section 18 of this act; (3) repayments of state financial
737 assistance in connection with the incentive housing zone program
738 pursuant to section 11 of this act; (4) the proceeds, if any, of bonds or
739 other obligations issued by the Connecticut Health and Educational
740 Facilities Authority pursuant to section 12 of this act, net of the costs of
741 issuance incurred in connection with the issuance of such bonds or
742 other obligations; and (5) investment earnings on amounts on deposit
743 in the fund which are to be credited to the assets of the fund.

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

752 Proceeds from investments authorized by this subsection shall be
753 credited to the Housing for Economic Growth Fund.

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

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

762 Sec. 15. (NEW) (*Effective July 1, 2007*) (a) For the purpose of
763 providing funds for (1) the annual administrative costs and expenses
764 of the incentive housing zone program, including any annual
765 administrative costs of the Connecticut Health and Educational
766 Facilities Authority incurred in connection with the issuance of its
767 bonds or other obligations pursuant to section 12 of this act; (2) grants-
768 in-aid to municipalities for technical assistance in establishing
769 incentive housing zones as provided in section 16 of this act; (3) grants-
770 in-aid to nonprofit housing or development corporations to provide
771 capacity building grants for the development of incentive housing
772 developments pursuant to section 17; and (4) in fiscal years ending
773 June 30, 2008, June 30, 2009, and June 30, 2010, zone adoption
774 payments pursuant to subsection (a) of section 7 of this act and
775 building permit payments pursuant to subsection (b) of section 7 of
776 this act, the State Treasurer shall, commencing in the fiscal year ending
777 June 30, 2008, and in each fiscal year until the fiscal year ending June
778 30, 2037, disburse moneys on deposit in the Housing for Economic
779 Growth Fund to the secretary, as follows: (A) In the (i) fiscal year
780 ending June 30, 2008, through the fiscal year ending June 30, 2017,
781 inclusive, in an amount equal to three million dollars; (ii) fiscal year
782 ending June 30, 2018, through the fiscal year ending June 30, 2022,
783 inclusive, in an amount equal to one million five hundred thousand
784 dollars; and (iii) fiscal year ending June 30, 2023, through the fiscal

785 year ending June 30, 2037, inclusive, in an amount equal to seven
786 hundred fifty thousand dollars, such moneys to be made available by
787 the secretary in equal annual amounts for such administrative costs,
788 grants-in-aid to municipalities and grants-in-aid to nonprofit housing
789 or development corporations; and (B) in the fiscal year ending June 30,
790 2008, through the fiscal year ending June 30, 2010, an amount not to
791 exceed in the aggregate ten million dollars, such moneys to be made
792 available by the secretary to municipalities as zoning incentive
793 payments and building incentive payments.

794 (b) Commencing in the fiscal year ending June 30, 2008, and in each
795 fiscal year thereafter, until the fiscal year ending June 30, 2022, moneys
796 on deposit in the Housing for Economic Growth Fund representing the
797 balance of amounts deposited therein pursuant to section 24 of this act,
798 investment earnings on amounts deposited therein pursuant to section
799 14 of this act, and repayments of loans made to municipalities
800 pursuant to section 18 of this act shall be available for disbursement to
801 the secretary in an annual aggregate amount not to exceed six million
802 dollars for the purpose of making loans to municipalities pursuant to
803 section 18 of this act.

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

811 Sec. 16. (NEW) (*Effective July 1, 2007*) The Secretary of the Office of
812 Policy and Management shall, from funds disbursed from the Housing
813 for Economic Growth Fund established pursuant to section 15 of this
814 act, make grants to municipalities for the purpose of providing
815 technical assistance in the planning of incentive housing zones, the
816 adoption of incentive housing zone regulations and design standards,
817 the review and revision as needed of applicable subdivision

818 regulations and applications to the secretary for preliminary or final
819 approval as set forth in section 5 of this act. The secretary shall adopt
820 regulations, in accordance with the provisions of chapter 54 of the
821 general statutes, to implement the provisions of this section. Such
822 regulations shall establish procedures and criteria for application and
823 evaluation of applications.

824 Sec. 17. (NEW) (*Effective July 1, 2007*) The Secretary of the Office of
825 Policy and Management shall, from funds disbursed from the Housing
826 for Economic Growth Fund, established pursuant to section 15 of this
827 act, make grants to nonprofit housing or development organizations in
828 order to assist with planning, development, applications, construction
829 and administration of incentive housing developments. The secretary
830 shall adopt regulations, in accordance with the provisions of chapter
831 54 of the general statutes, to implement the provisions of this section.
832 Such regulations shall establish procedures and criteria for application
833 and evaluation of applications.

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

846 (b) Each municipality eligible for a loan under this section may
847 apply to the Secretary of the Office of Policy and Management, on a
848 form prescribed by the secretary, for authorization of a loan for
849 infrastructure improvement projects. The secretary shall approve or
850 disapprove a completed application not more than forty-five days after

851 receipt of such application. Such application shall include a
852 certification by the municipality that (1) the project for which loan
853 assistance is requested is an infrastructure improvement project as
854 defined in subsection (c) of this section, and (2) the project would
855 benefit an incentive housing development to be located within an
856 incentive housing zone. The municipality shall provide any other
857 certification required by the secretary. Within available resources, the
858 secretary shall authorize such loan if the secretary determines that the
859 project meets the requirements set forth in this section and any other
860 requirement imposed by the secretary.

861 (c) As used in this section, "infrastructure improvement project"
862 means a municipal capital expenditure project for any of the following
863 purposes: (1) Road construction, renovation, repair or resurfacing; (2)
864 sidewalk and pavement improvements; (3) streetlights and signage; (4)
865 construction, renovation, enlargement or repair of sewage treatment
866 plants and sanitary or storm, water or sewer lines, including
867 separation of lines; (5) construction, renovation, enlargement or repair
868 of dams, bridges and flood control projects; (6) construction,
869 renovation, enlargement or repair of water mains; and (7) floodplain
870 management and hazard mitigation activities. An infrastructure
871 improvement project is limited to capital expenditures and includes
872 repairs incident to reconstruction and renovation but does not include
873 ordinary repairs and maintenance of an ongoing nature.

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

879 (e) If there is insufficient funding for infrastructure improvement
880 projects related to incentive housing zones in any fiscal year, priority
881 shall be given to those applications from municipalities with housing
882 incentive zones where development is unlikely to occur but for such
883 projects.

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

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

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

915 (c) The commissioner shall, within available funds, upon request of
916 the owner or developer of rental units constructed as an incentive

917 housing development in conformance with the requirements of this
918 section, sections 1 to 18, inclusive, and sections 23 and 24 of this act,
919 provide rental assistance for the number of requested units up to ten
920 per cent of the new rental units in such development, and may, within
921 available funds, provide rental assistance for additional requested
922 units in such development, provided that in the aggregate, on a state-
923 wide basis, rental assistance provided under this section shall not
924 exceed five per cent of rental units constructed in incentive housing
925 developments.

926 (d) The commissioner shall adopt regulations, in accordance with
927 the provisions of chapter 54 of the general statutes, to carry out the
928 purposes of this section. Such regulations shall establish (1) maximum
929 income eligibility guidelines for such rental assistance, (2) maximum
930 rent for each assisted unit in an incentive housing development in a
931 manner that reasonably assures the rental assistance will be used, and
932 (3) criteria for determining the amount of rental assistance which shall
933 be provided so that the amount of such assistance shall be the
934 difference between thirty per cent of the adjusted gross income of the
935 low-income household less a utility allowance, and the contract rent.

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

939 (c) If the secretary determines that such land, improvement, interest
940 or part thereof may properly be treated as surplus, he shall notify the
941 Commissioner of Public Works. If the secretary also determines that
942 such land, improvement or interest or part thereof was purchased or
943 improved with proceeds of tax exempt obligations issued or to be
944 issued by the state, he shall also notify the Treasurer. The
945 Commissioner of Public Works may sell, exchange or lease, or enter
946 into agreements concerning, such land, improvement, interest or part
947 thereof, after (1) notifying (A) the municipality or municipalities in
948 which such land, improvement or interest is located, [and] (B) the
949 members of the General Assembly representing such municipality or

950 municipalities, and (C) any potential developer of an incentive housing
951 development, as defined in section 1 of this act, who has registered
952 with the Commissioner of Economic and Community Development to
953 be notified of any such state surplus land, and (2) obtaining the
954 approval of (A) the Secretary of the Office of Policy and Management,
955 (B) the State Properties Review Board, and (C) the joint standing
956 committees of the General Assembly having cognizance of matters
957 relating to (i) state revenue and (ii) the purchase and sale of state
958 property and facilities, and (3) if such land, improvement, interest or
959 part thereof was purchased or improved with proceeds of tax-exempt
960 obligations issued or to be issued by the state, obtaining the approval
961 of the Treasurer. The Treasurer may disapprove such a transaction
962 only if the transaction would affect the tax-exempt status of such
963 obligations and could not be modified to maintain such tax-exempt
964 status. If a proposed agreement for such a conveyance has not been
965 submitted to the State Properties Review Board within three years after
966 the Commissioner of Public Works provides such notice to such
967 municipality and such members of the General Assembly, or if the
968 board does not approve the proposed agreement within five years
969 after such notice, the Commissioner of Public Works may not convey
970 such land, improvement or interest without again so notifying such
971 municipality and such members of the General Assembly. In the case
972 of a proposed lease of land, an improvement to land or an interest in
973 land, or any part thereof, with a person, firm or corporation in the
974 private sector, for a term of six months or more, the Commissioner of
975 Public Works shall comply with such notice requirement by notifying
976 in writing the chief executive officer of the municipality in which the
977 land, improvement or interest is located and the members of the
978 General Assembly representing such municipality, not less than two
979 weeks before seeking the approval of said secretary, board and
980 committees, concerning the proposed lease and the manner in which
981 the lessee proposes to use the land, improvement or interest. Each
982 agency, department or institution which informs the secretary that any
983 land, improvement or interest in land is not needed shall retain
984 responsibility for its security and maintenance until the Commissioner

985 of Public Works receives custody and control of the property, if any.
986 The Treasurer shall execute and deliver any deed or instrument
987 necessary to convey the title to any property the sale or exchange of
988 which or a contract for the sale or exchange of which is authorized by
989 this section.

990 Sec. 21. Subsection (c) of section 16a-31 of the general statutes is
991 repealed and the following is substituted in lieu thereof (*Effective July*
992 *1, 2007*):

993 (c) The secretary shall submit and the State Bond Commission shall
994 consider prior to the allocation of any bond funds for any of the actions
995 specified in subsection (a) an advisory statement commenting on the
996 extent to which such action is in conformity with the plan of
997 conservation and development. The provisions of this section shall not
998 apply to zone adoption and building permit payments authorized by
999 section 7 of this act and the incentive housing education cost
1000 reimbursements authorized by section 8 of this act.

1001 Sec. 22. (NEW) (*Effective July 1, 2007*) Notwithstanding the
1002 provisions of section 4-66b of the general statutes, the Secretary of the
1003 Office of Policy and Management, when making zone adoption and
1004 building permit payments authorized by section 7 of this act and the
1005 incentive housing education cost reimbursements authorized by
1006 section 8 of this act, shall not be required to provide a capital
1007 development impact statement.

1008 Sec. 23. (*Effective from passage*) (a) There is established a task force to
1009 study methods to increase the amount of public and private financing
1010 for housing within the state. Such study shall include, but not be
1011 limited to, an evaluation of the following:

1012 (1) Establishment of uniform underwriting criteria for the financing
1013 of multifamily housing;

1014 (2) Expansion of loan guarantees;

1015 (3) Utilization of mortgage insurance and other forms of credit
1016 enhancements provided by the Connecticut Housing Finance
1017 Authority to significantly expand the amount of public and private
1018 financing;

1019 (4) Enhancement of the affordable housing tax credit program under
1020 section 8-395 of the general statutes and historic tax credit programs
1021 under sections 10-416 and 10-416a of the general statutes to promote
1022 renovation of existing housing;

1023 (5) Expansion of the availability of project based rental assistance
1024 program certificates;

1025 (6) Coordination of financing to better utilize four per cent federal
1026 tax credits;

1027 (7) Encouragement of municipalities to utilize federal community
1028 development block grants to leverage additional financing of
1029 affordable housing; and

1030 (8) Provision of funds for inclusion of housing in intermodal
1031 transportation centers and transportation oriented design.

1032 (b) The task force shall consist of the following members:

1033 (1) One appointed by the speaker of the House of Representatives,
1034 who shall be an advocate for affordable housing;

1035 (2) One appointed by the president pro tempore of the Senate, who
1036 shall be a representative of a municipality with a population over one
1037 hundred thousand;

1038 (3) One appointed by the majority leader of the House of
1039 Representatives, who shall be a for-profit housing developer;

1040 (4) One appointed by the majority leader of the Senate, who shall be
1041 a nonprofit housing developer;

1042 (5) One appointed by the minority leader of the House of
1043 Representatives, who shall be a representative of the banking industry
1044 with experience financing multifamily housing;

1045 (6) One appointed by the minority leader of the Senate, who shall be
1046 a representative of a municipality with a population less than one
1047 hundred thousand;

1048 (7) The Commissioner of Economic and Community Development,
1049 or the commissioner's designee;

1050 (8) The chairman of the Connecticut Housing Finance Authority, or
1051 the chairman's designee;

1052 (9) The State Treasurer, or the Treasurer's designee;

1053 (10) The chairpersons of the select committee of the General
1054 Assembly having cognizance of matters relating to housing, or their
1055 designees;

1056 (11) The ranking members of the select committee of the General
1057 Assembly having cognizance of matters relating to housing, or their
1058 designees; and

1059 (12) The Secretary of the Office of Policy and Management, or the
1060 secretary's designee.

1061 (c) All appointments to the task force shall be made not later than
1062 thirty days after the effective date of this section. Any vacancy shall be
1063 filled by the appointing authority.

1064 (d) The chairpersons of the select committee of the General
1065 Assembly having cognizance of matters relating to housing shall be the
1066 chairpersons of the task force. Such chairpersons shall schedule the
1067 first meeting of the task force which shall be held not later than sixty
1068 days after the effective date of this section.

1069 (e) Not later than January 1, 2008, the task force shall submit a
 1070 report on its findings and recommendations to the select committee of
 1071 the General Assembly having cognizance of matters relating to
 1072 housing, in accordance with the provisions of section 11-4a of the
 1073 general statutes. The task force shall terminate on the date that it
 1074 submits such report or January 1, 2008, whichever is earlier.

1075 Sec. 24. (*Effective from passage*) For the purpose of capitalizing the
 1076 Housing for Economic Growth Fund created by section 14 of this act,
 1077 the sum of sixty million dollars is hereby appropriated from the
 1078 surplus in the General Fund for the fiscal year ending June 30, 2007, as
 1079 certified by the State Comptroller on or prior to September 15, 2007.
 1080 Such sum, together with investment earnings thereon and repayments
 1081 of municipal loans made therefrom, shall be applied as provided in
 1082 section 15 of this act to provide funds for (1) the administrative costs
 1083 and expenses of the incentive housing zone program; (2) grants-in-aid
 1084 to municipalities and nonprofit housing or development corporations
 1085 pursuant to sections 16 and 17 of this act, as applicable; and (3) loans to
 1086 municipalities pursuant to section 18 of this act, provided for the fiscal
 1087 years ending June 30, 2008, June 30, 2009, and June 30, 2010, such sum
 1088 may also be used to provide funds for zone adoption payments
 1089 pursuant to subsection (a) of section 7 of this act and building permit
 1090 payments pursuant to subsection (b) of section 7 of this act

1091 Sec. 25. (*Effective from passage*) Notwithstanding the limitation on the
 1092 period of a contract pursuant to section 8-216 of the general statutes,
 1093 the Commissioner of Economic and Community Development shall
 1094 enter into an agreement with the city of New Britain to continue the
 1095 tax abatement and grant-in-aid applicable to Interfaith Housing on
 1096 Ellis Street in New Britain pursuant to said section 8-216.

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

