



General Assembly

**Amendment**

February Session, 2010

LCO No. 5031

**\*HB0537405031HDO\***

Offered by:

REP. GREEN, 1<sup>st</sup> Dist.

SEN. GOMES, 23<sup>rd</sup> Dist.

To: Subst. House Bill No. 5374

File No. 155

Cal. No. 109

**"AN ACT PROMOTING AND SUSTAINING AFFORDABLE HOUSING IN CONNECTICUT AND CONCERNING REAL ESTATE LICENSING FOR NONPROFIT HOUSING CORPORATIONS."**

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. Subsection (a) of section 32-1m of the 2010 supplement to  
4 the general statutes is repealed and the following is substituted in lieu  
5 thereof (*Effective October 1, 2010*):

6 (a) Not later than February 1, 2006, and annually thereafter, the  
7 Commissioner of Economic and Community Development shall  
8 submit a report to the Governor and the General Assembly, in  
9 accordance with the provisions of section 11-4a. Not later than thirty  
10 days after submission of the report to the Governor and the General  
11 Assembly, said commissioner shall post the report on the Department  
12 of Economic and Community Development's web site. Said report  
13 shall include, but not be limited to, the following information with

14 regard to the activities of the Department of Economic and  
15 Community Development during the preceding state fiscal year:

16 (1) A brief description and assessment of the state's economy during  
17 such year, utilizing the most recent and reasonably available data, and  
18 including:

19 (A) Connecticut employment by industry;

20 (B) Connecticut and national average unemployment;

21 (C) Connecticut gross state product, by industry;

22 (D) Connecticut productivity, by industry, compared to the national  
23 average;

24 (E) Connecticut manufacturing activity;

25 (F) Identification of economic and competitive conditions affecting  
26 Connecticut's industry sectors, problems resulting from these  
27 conditions and state efforts to address the problems;

28 (G) A brief summary of Connecticut's competitiveness as a place for  
29 business, which shall include, but not be limited to, an evaluation of (i)  
30 how the programs and policies of state government affect the state  
31 economy and state business environment, (ii) the ability of the state to  
32 retain and attract businesses, (iii) the steps taken by other states to  
33 improve the competitiveness of such states as places for business, and  
34 (iv) programs and policies the state could implement to improve the  
35 competitiveness of the state in order to encourage economic growth;  
36 and

37 (H) Any other economic information that the commissioner deems  
38 appropriate.

39 (2) A statement of the department's economic and community  
40 development objectives, measures of program success and standards  
41 for granting financial and nonfinancial assistance under programs

42 administered by the department.

43 (3) An analysis of the economic development portfolio of the  
44 department, including:

45 (A) A list of the names, addresses and locations of all recipients of  
46 the department's assistance;

47 (B) The following information concerning each recipient of such  
48 assistance: (i) Business activities, (ii) standard industrial classification  
49 codes or North American industrial classification codes, (iii) number of  
50 full-time jobs and part-time jobs at the time of application, (iv) number  
51 of actual full-time jobs and actual part-time jobs during the preceding  
52 state fiscal year, (v) whether the recipient is a minority or woman-  
53 owned business, (vi) a summary of the terms and conditions for the  
54 assistance, including the type and amount of state financial assistance,  
55 job creation or retention requirements and anticipated wage rates, (vii)  
56 the amount of investments from private and other nonstate sources  
57 that have been leveraged by the assistance, (viii) the extent to which  
58 employees of the recipient participate in health benefit plans offered  
59 by such recipient, (ix) the extent to which the recipient offers unique  
60 economic, social, cultural or aesthetic attributes to the municipality in  
61 which the recipient is located or to the state, and (x) the amount of  
62 state investment;

63 (C) A portfolio analysis, including (i) an analysis of the wages paid  
64 by recipients of financial assistance, (ii) the average portfolio wage,  
65 median portfolio wage, highest and lowest portfolio wage, (iii)  
66 portfolio wage data by industry, and (iv) portfolio wage data by  
67 municipality;

68 (D) An investment analysis, including (i) total portfolio value, (ii)  
69 total investment by industry, (iii) portfolio dollar per job average, (iv)  
70 portfolio leverage ratio, and (v) percentage of financial assistance  
71 which was provided to high performance work organizations in the  
72 preceding state fiscal year; and

73 (E) An analysis of the estimated economic effects of the  
74 department's economic development investments on the state's  
75 economy, including (i) contribution to gross state product for the total  
76 economic development portfolio and for any investment activity  
77 occurring in the preceding state fiscal year, (ii) direct and indirect  
78 employment created by the investments for the total portfolio and for  
79 any investment activity occurring in the preceding state fiscal year, (iii)  
80 productivity of recipients of financial assistance as a result of the  
81 department's investment occurring in the preceding state fiscal year,  
82 (iv) directly or indirectly increased property values in the  
83 municipalities in which the recipients of assistance are located, and (v)  
84 personal income.

85 (4) An analysis of the community development portfolio of the  
86 department, including:

87 (A) A list of the names, addresses and locations of all recipients of  
88 the department's assistance;

89 (B) The following information concerning each recipient of such  
90 assistance: (i) Amount of state investment, (ii) a summary of the terms  
91 and conditions for the department's assistance, including the type and  
92 amount of state financial assistance, and (iii) the amount of  
93 investments from private and other nonstate sources that have been  
94 leveraged by such assistance;

95 (C) An investment analysis, including (i) total active portfolio value,  
96 (ii) total investments made in the preceding state fiscal year, (iii) total  
97 portfolio by municipality, (iv) total investments made in the preceding  
98 state fiscal year categorized by municipality, (v) total portfolio  
99 leverage ratio, and (vi) leverage ratio of the total investments made in  
100 the preceding state fiscal year; and

101 (D) An analysis of the estimated economic effects of the  
102 department's economic development investments on the state's  
103 economy, including (i) contribution to gross state product for the total  
104 portfolio and for any investment activity occurring in the preceding

105 state fiscal year, (ii) direct and indirect employment created by the  
106 investments for the total portfolio and for any investment activity  
107 occurring in the preceding state fiscal year, (iii) productivity of  
108 recipients of financial assistance as a result of the department's  
109 investment occurring in the preceding state fiscal year, (iv) directly or  
110 indirectly increased property values in the municipalities in which the  
111 recipients are located, and (v) personal income.

112 (5) A summary of the department's economic and community  
113 development marketing efforts in the preceding state fiscal year, a  
114 summary of the department's business recruitment strategies and  
115 activities in such year, and a summary of the department's efforts to  
116 assist small businesses and minority business enterprises in such year.

117 (6) A summary of the department's international trade efforts in the  
118 preceding state fiscal year, and, to the extent possible, a summary of  
119 foreign direct investment that occurred in the state in such year.

120 (7) Identification of existing economic clusters, the formation of new  
121 economic clusters, the measures taken by the commissioner during the  
122 preceding state fiscal year to encourage the growth of economic  
123 clusters and the amount of bond funds expended by the department  
124 during the previous fiscal year on each economic cluster.

125 (8) (A) A summary of the department's brownfield-related efforts  
126 and activities within the Office of Brownfield Remediation and  
127 Development established pursuant to subsections (a) to (f), inclusive,  
128 of section 32-9cc in the preceding state fiscal year, except for activity  
129 under the Special Contaminated Property Remediation and Insurance  
130 Fund program. Such efforts shall include, but not be limited to, (i) total  
131 portfolio investment in brownfield remediation projects, (ii) total  
132 investment in brownfield remediation projects in the preceding state  
133 fiscal year, (iii) total number of brownfield remediation projects, (iv)  
134 total number of brownfield remediation projects in the preceding state  
135 fiscal year, (v) total of reclaimed and remediated acreage, (vi) total of  
136 reclaimed and remediated acreage in the preceding state fiscal year,

137 (vii) leverage ratio for the total portfolio investment in brownfield  
138 remediation projects, and (viii) leverage ratio for the total portfolio  
139 investment in brownfield remediation projects in the preceding state  
140 fiscal year. Such summary shall include a list of such brownfield  
141 remediation projects and, for each such project, the name of the  
142 developer and the location by street address and municipality and a  
143 tracking of all funds administered through or by said office;

144 (B) A summary of the department's efforts with regard to the  
145 Special Contaminated Property Remediation and Insurance Fund,  
146 including, but not limited to, (i) the number of applications received in  
147 the preceding state fiscal year, (ii) the number and amounts of loans  
148 made in such year, (iii) the names of the applicants for such loans, (iv)  
149 the average time period between submission of application and the  
150 decision to grant or deny the loan, (v) a list of the applications  
151 approved and the applications denied and the reasons for such  
152 denials, and (vi) for each project, the location by street address and  
153 municipality; and

154 (C) A summary of the department's efforts with regard to the dry  
155 cleaning grant program, established pursuant to section 12-263m,  
156 including, but not limited to, (i) information as to the number of  
157 applications received, (ii) the number and amounts of grants made  
158 since the inception of the program, (iii) the names of the applicants,  
159 (iv) the time period between submission of application and the  
160 decision to grant or deny the loan, (v) which applications were  
161 approved and which applications were denied and the reasons for any  
162 denials, and (vi) a recommendation as to whether the surcharge and  
163 grant program established pursuant to section 12-263m should  
164 continue.

165 (9) The following information concerning enterprise zones  
166 designated under section 32-70:

167 (A) A statement of the current goals for enterprise zones;

168 (B) A statement of the current performance standards to measure

169 the progress of municipalities that have enterprise zones in attaining  
170 the goals for such zones;

171 (C) A report from each municipality that has an enterprise zone,  
172 which evaluates the progress of the municipality in meeting the  
173 performance standards established under section 32-70a; and

174 (D) An assessment of the performance of each enterprise zone based  
175 on information collected under subparagraph (C) of this subdivision.

176 (10) With regard to the grant program designated pursuant to  
177 sections 32-324a to 32-324e, inclusive, an assessment of program  
178 performance.

179 (11) With regard to the fuel diversification program designated  
180 pursuant to section 32-324g, an assessment of program performance.

181 (12) With regard to the department's housing-development-related  
182 functions and activities:

183 (A) A brief description and assessment of the state's housing market  
184 during the preceding state fiscal year, utilizing the most recent and  
185 reasonably available data, and including, but not limited to, (i) a brief  
186 description of the significant characteristics of such market, including  
187 supply, demand and condition and cost of housing, and (ii) any other  
188 information that the commissioner deems appropriate;

189 (B) A comprehensive assessment of current and future needs for  
190 rental assistance under section 8-119kk for housing projects for the  
191 elderly and disabled, in consultation with the Connecticut Housing  
192 Finance Authority;

193 (C) An analysis of the progress of the public and private sectors  
194 toward meeting housing needs in the state, using building permit data  
195 from the United States Census Bureau and demolition data from  
196 Connecticut municipalities;

197 (D) A list of municipalities that meet the affordable housing criteria

198 set forth in subsection (k) of section 8-30g, pursuant to regulations that  
199 the Commissioner of Economic and Community Development shall  
200 adopt pursuant to the provisions of chapter 54. For the purpose of  
201 determining the percentage required by subsection (k) of said section  
202 8-30g, the commissioner shall use as the denominator the number of  
203 dwelling units in the municipality, as reported in the most recent  
204 United States decennial census; and

205 (E) A statement of the department's housing development  
206 objectives, measures of program success and standards for granting  
207 financial and nonfinancial assistance under programs administered by  
208 said commissioner.

209 (13) A presentation of the state-funded housing development  
210 portfolio of the department, including:

211 (A) A list of the names, addresses and locations of all recipients of  
212 such assistance; and

213 (B) For each such recipient, (i) a summary of the terms and  
214 conditions for the assistance, including the type and amount of state  
215 financial assistance, (ii) the amount of investments from private and  
216 other nonstate sources that have been leveraged by the assistance, (iii)  
217 the number of new units to be created and the number of units to be  
218 preserved at the time of the application, and (iv) the number of actual  
219 new units created and number of units preserved.

220 (14) An analysis of the state-funded housing development portfolio  
221 of the department, including:

222 (A) An investment analysis, including the (i) total active portfolio  
223 value, (ii) total investment made in the preceding state fiscal year, (iii)  
224 portfolio dollar per new unit created, (iv) estimated dollars per new  
225 unit created for projects receiving an assistance award in the preceding  
226 state fiscal year, (v) portfolio dollars per unit preserved, (vi) estimated  
227 dollar per unit preserved for projects receiving an assistance award in  
228 the preceding state fiscal year, (vii) portfolio leverage ratio, and (viii)

229 leverage ratio for housing development investments made in the  
230 preceding state fiscal year; and

231 (B) A production and preservation analysis, including (i) the total  
232 number of units created, itemized by municipality, for the total  
233 portfolio and projects receiving an assistance award in the preceding  
234 state fiscal year, (ii) the total number of elderly units created for the  
235 total portfolio and for projects receiving an assistance award in the  
236 preceding state fiscal year, (iii) the total number of family units created  
237 for the total portfolio and for projects receiving an assistance award in  
238 the preceding state fiscal year, (iv) the total number of units preserved,  
239 itemized by municipality, for the total portfolio and projects receiving  
240 an assistance award in the preceding state fiscal year, (v) the total  
241 number of elderly units preserved for the total portfolio and for  
242 projects receiving an assistance award in the preceding state fiscal  
243 year, (vi) the total number of family units preserved for the total  
244 portfolio and for projects receiving an assistance award in the  
245 preceding state fiscal year, (vii) an analysis by income group of  
246 households served by the department's housing construction,  
247 substantial rehabilitation, purchase and rental assistance programs, for  
248 each housing development, if applicable, and for each program,  
249 including number of households served under each program by race  
250 and data for all households, [and] (viii) a summary of the department's  
251 efforts in promoting fair housing choice and racial and economic  
252 integration, including information of the department's affirmative fair  
253 housing marketing activities and programs and data on the racial  
254 composition of the occupants and persons on the waiting list of each  
255 housing project that is assisted under any housing program  
256 established by the general statutes or a special act or that is supervised  
257 by the department, provided no information shall be required to be  
258 disclosed by any occupant or person on a waiting list for the  
259 preparation of such summary, and (ix) an analysis of the department's  
260 affirmative fair housing marketing efforts. As used in this  
261 subparagraph, "elderly units" means dwelling units for which  
262 occupancy is restricted by age, and "family units" means dwelling

263 units for which occupancy is not restricted by age.

264 (15) An economic impact analysis of the department's housing  
265 development efforts and activities, including, but not limited to:

266 (A) The contribution of such efforts and activities to the gross state  
267 product;

268 (B) The direct and indirect employment created by the investments  
269 for the total housing development portfolio and for any investment  
270 activity for such portfolio occurring in the preceding state fiscal year;  
271 and

272 (C) Personal income in the state.

273 (16) With regard to the Housing Trust Fund and Housing Trust  
274 Fund program, as those terms are defined in section 8-336m:

275 (A) Activities for the prior fiscal year of the Housing Trust Fund and  
276 the Housing Trust Fund program; and

277 (B) The efforts of the department to obtain private support for the  
278 Housing Trust Fund and the Housing Trust Fund program.

279 (17) With regard to the department's energy conservation loan  
280 program:

281 (A) The number of loans or deferred loans made during the  
282 preceding fiscal year under each component of such program and the  
283 total amount of the loans or deferred loans made during such fiscal  
284 year under each such component;

285 (B) A description of each step of the loan or deferred loan  
286 application and review process;

287 (C) The location of each loan or deferred loan application intake site  
288 for such program;

289 (D) The average time period for the processing of loan or deferred

290 loan applications during such fiscal year; and

291 (E) The total administrative expenses of such program for such  
292 fiscal year.

293 (18) An assessment of the performance of the Connecticut qualified  
294 biodiesel producer incentive account grant program established  
295 pursuant to sections 32-324a to 32-324e, inclusive.

296 (19) An assessment of the performance of the fuel diversification  
297 grant program established pursuant to section 32-324g.

298 (20) A summary of the total social and economic impact of the  
299 department's efforts and activities in the areas of economic,  
300 community and housing development, and an assessment of the  
301 department's performance in terms of meeting its stated goals and  
302 objectives.

303 Sec. 2. Subsection (a) of section 8-37bb of the general statutes is  
304 repealed and the following is substituted in lieu thereof (*Effective*  
305 *October 1, 2010*):

306 (a) On or before December 31, 1991, and annually thereafter, each  
307 housing agency, except the Department of Economic and Community  
308 Development, shall submit to the General Assembly a report, for the  
309 year ending the preceding September thirtieth, which analyzes by  
310 income group, households served by its housing construction,  
311 substantial rehabilitation, purchase and rental assistance programs.  
312 Each report submitted after December 31, 1991, shall analyze the  
313 households served under each program by race. The analysis shall  
314 provide information by housing development, if applicable, and by  
315 program. Each analysis shall include data for all households (1)  
316 entering an agency program during the year ending the preceding  
317 September thirtieth, and (2) in occupancy or receiving the benefits of  
318 an agency rental program the preceding September thirtieth. The  
319 report of the Connecticut Housing Finance Authority shall also (A)  
320 identify, by census tract, the number of households served in each

321 program and the total amount of financial assistance provided to such  
322 households, (B) provide information on the authority's affirmative fair  
323 housing marketing activities and programs, and (C) provide an  
324 analysis of the authority's affirmative fair housing marketing efforts.  
325 The provisions of this section shall not be construed to preclude a  
326 housing agency from reporting additional information on programs it  
327 administers. Each report submitted under this section shall also  
328 analyze the efforts, and the results of such efforts, of each agency in  
329 promoting fair housing choice and racial and economic integration.  
330 The provisions of this section shall not be construed to require an  
331 occupant or applicant to disclose his race on an application or survey  
332 form.

333 Sec. 3. Section 8-395 of the general statutes is repealed and the  
334 following is substituted in lieu thereof (*Effective October 1, 2010*):

335 (a) As used in this section, (1) "business firm" means any business  
336 entity authorized to do business in the state and subject to the  
337 corporation business tax imposed under chapter 208, or any company  
338 subject to a tax imposed under chapter 207, or any air carrier subject to  
339 the air carriers tax imposed under chapter 209, or any railroad  
340 company subject to the railroad companies tax imposed under chapter  
341 210, or any regulated telecommunications service, express, telegraph,  
342 cable, or community antenna television company subject to the  
343 regulated telecommunications service, express, telegraph, cable, and  
344 community antenna television companies tax imposed under chapter  
345 211, or any utility company subject to the utility companies tax  
346 imposed under chapter 212, and (2) "nonprofit corporation" means a  
347 nonprofit corporation incorporated pursuant to chapter 602 or any  
348 predecessor statutes thereto, having as one of its purposes the  
349 construction, rehabilitation, ownership or operation of housing and  
350 having articles of incorporation approved by the executive director of  
351 the Connecticut Housing Finance Authority in accordance with  
352 regulations adopted pursuant to section 8-79a or 8-84.

353 (b) The Commissioner of Revenue Services shall grant a credit

354 against any tax due under the provisions of chapter 207, 208, 209, 210,  
355 211 or 212 in an amount equal to the amount specified by the  
356 Connecticut Housing Finance Authority in any tax credit voucher  
357 issued by said authority pursuant to subsection (c) of this section.

358 (c) The Connecticut Housing Finance Authority shall administer a  
359 system of tax credit vouchers within the resources, requirements and  
360 purposes of this section, for business firms making cash contributions  
361 to housing programs developed, sponsored or managed by a nonprofit  
362 corporation, as defined in subsection (a) of this section, which benefit  
363 low and moderate income persons or families which have been  
364 approved prior to the date of any such cash contribution by the  
365 authority. Such vouchers may be used as a credit against any of the  
366 taxes to which such business firm is subject and which are enumerated  
367 in subsection (b) of this section. For income years commencing on or  
368 after January 1, 1998, to be eligible for approval a housing program  
369 shall be scheduled for completion not more than three years from the  
370 date of approval. Each program shall submit to the authority quarterly  
371 progress reports and a final report upon completion, in a manner and  
372 form prescribed by the authority. If a program fails to be completed  
373 after three years, or at any time the authority determines that a  
374 program is unlikely to be completed, the authority may reclaim any  
375 remaining funds contributed by business firms and reallocate such  
376 funds to another eligible program.

377 (d) No business firm shall receive a credit pursuant to both this  
378 section and chapter 228a in relation to the same cash contribution.

379 (e) Nothing in this section shall be construed to prevent two or more  
380 business firms from participating jointly in one or more programs  
381 under the provisions of this section. Such joint programs shall be  
382 submitted, and acted upon, as a single program by the business firms  
383 involved.

384 (f) No tax credit shall be granted to any business firm for any  
385 individual amount contributed of less than two hundred fifty dollars.

386 (g) Any tax credit not used in the period during which the cash  
387 contribution was made may be carried forward or backward for the  
388 five immediately succeeding or preceding income years until the full  
389 credit has been allowed.

390 (h) In no event shall the total amount of all tax credits allowed to all  
391 business firms pursuant to the provisions of this section exceed ten  
392 million dollars in any one fiscal year, provided, [until November first  
393 of] each year until the date sixty days after the date the Connecticut  
394 Housing Finance Authority publishes the list of housing programs that  
395 will receive tax credit reservations, two million dollars of the total  
396 amount of all tax credits under this section shall be set aside for the  
397 Supportive Housing Pilots Initiative, [or] the Next Steps Initiative  
398 established pursuant to section 17a-485c or any other supportive  
399 housing initiative, and one million dollars of the total amount of all tax  
400 credits under this section shall be set aside for workforce housing, as  
401 defined by the Connecticut Housing Finance Authority through  
402 written procedures adopted pursuant to subsection (k) of this section.  
403 [On or after November first of each year] Each year, on or after the  
404 date sixty days after the date the Connecticut Housing Finance  
405 Authority publishes the list of housing programs that will receive tax  
406 credit reservations, any unused portion of such tax credits shall  
407 become available for any housing program eligible for tax credits  
408 pursuant to this section.

409 (i) No organization conducting a housing program or programs  
410 eligible for funding with respect to which tax credits may be allowed  
411 under this section shall be allowed to receive an aggregate amount of  
412 such funding for any such program or programs in excess of five  
413 hundred thousand dollars for any fiscal year.

414 (j) Nothing in this section shall be construed to prevent a business  
415 firm from making any cash contribution to a housing program to  
416 which tax credits may be applied which cash contribution may result  
417 in the business firm having a limited equity interest in the program.

418 (k) The Connecticut Housing Finance Authority, with the approval  
419 of the Commissioner of Revenue Services, shall adopt written  
420 procedures in accordance with section 1-121 to implement the  
421 provisions of this section. Such procedures shall include provisions for  
422 issuing tax credit vouchers for cash contributions to housing programs  
423 based on a system of ranking housing programs. In establishing such  
424 ranking system, the authority shall consider the following: (1) The  
425 readiness of the project to be built; (2) use of the funds to build or  
426 rehabilitate a specific housing project or to capitalize a revolving loan  
427 fund providing low-cost loans for housing construction, repair or  
428 rehabilitation to benefit persons of very low, low and moderate  
429 income; (3) the extent the project will benefit families at or below  
430 twenty-five per cent of the area median income and families with  
431 incomes between twenty-five per cent and fifty per cent of the area  
432 median income, as defined by the United States Department of  
433 Housing and Urban Development; (4) evidence of the general  
434 administrative capability of the nonprofit corporation to build or  
435 rehabilitate housing; (5) evidence that any funds received by the  
436 nonprofit corporation for which a voucher was issued were used to  
437 accomplish the goals set forth in the application; and (6) with respect  
438 to any income year commencing on or after January 1, 1998: (A) Use of  
439 the funds to provide housing opportunities in urban areas and the  
440 impact of such funds on neighborhood revitalization; and (B) the  
441 extent to which tax credit funds are leveraged by other funds.

442 (l) Vouchers issued or reserved by the Department of Housing  
443 under the provisions of this section prior to July 1, 1995, shall be valid  
444 on and after July 1, 1995, to the same extent as they would be valid  
445 under the provisions of this section in effect on June 30, 1995.

446 (m) The credit which is sought by the business firm shall first be  
447 claimed on the tax return for such business firm's income year during  
448 which the cash contribution to which the tax credit voucher relates was  
449 paid."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2010</i>	32-1m(a)
Sec. 2	<i>October 1, 2010</i>	8-37bb(a)
Sec. 3	<i>October 1, 2010</i>	8-395