AN ACT CONCERNING THE ALLOCATION OF LOW INCOME HOUSING TAX CREDITS.

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

Section 1. (NEW) (Effective October 1, 2016) (a) For purposes of this section, "opportunity areas" means those areas so designated by the Department of Housing; "feasible proposal" means those proposals demonstrating a strong likelihood of initiating construction within twelve months of a tax credit being awarded in accordance with subsection (b) of this section; and "catalytic proposal" means those proposals that are part of a neighborhood plan predicted to enhance economic development in the neighborhood as demonstrated through market analysis and do not increase neighborhood poverty levels.

(b) The Connecticut Housing Finance Authority shall design the Qualified Allocation Plan of the Low Income Housing Tax Credit program, Section 42 of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, to create priority tiers in accordance with the following: (1) Feasible nonage-restricted proposals in high or very high opportunity areas shall be given priority consideration for at least sixty per cent of such credits; and (2) feasible catalytic proposals in very low, low or moderate opportunity areas, including Qualified Census Tracts, as defined by 26 USC 42(c)(5)(B)(ii) shall be given
priority consideration for at least twenty-five per cent of such credits. If credits are not allocated pursuant to subdivisions (1) and (2) of this subsection due to an insufficient number of qualified proposals in any allocation round, then any remaining credits shall be made available during the same allocation round to the general pool of applicants in accordance with the priorities determined by the Connecticut Housing Finance Authority regardless of opportunity designation.

This act shall take effect as follows and shall amend the following sections:

| Section 1 | October 1, 2016 | New section |