

**Proposed Substitute
Bill No. 155**

LCO No. 2855

**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:

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

10 (b) The Connecticut Housing Finance Authority shall design the
11 Qualified Allocation Plan of the Low Income Housing Tax Credit
12 program, Section 42 of the Internal Revenue Code of 1986, or any
13 subsequent corresponding internal revenue code of the United States,
14 as amended from time to time, to create priority tiers in accordance
15 with the following: (1) Feasible nonage-restricted proposals in high or
16 very high opportunity areas shall be given priority consideration for at
17 least sixty per cent of such credits; and (2) feasible catalytic proposals
18 in very low, low or moderate opportunity areas, including Qualified
19 Census Tracts, as defined by 26 USC 42(c)(5)(B)(ii) shall be given

20 priority consideration for at least twenty-five per cent of such credits.
21 If credits are not allocated pursuant to subdivisions (1) and (2) of this
22 subsection due to an insufficient number of qualified proposals in any
23 allocation round, then any remaining credits shall be made available
24 during the same allocation round to the general pool of applicants in
25 accordance with the priorities determined by the Connecticut Housing
26 Finance Authority regardless of opportunity designation.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2016</i>	New section