



House of Representatives

File No. 727

General Assembly

January Session, 2023

(Reprint of File No. 135)

Substitute House Bill No. 6632
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 5, 2023

**AN ACT CONCERNING AFFORDABLE HOMEOWNERSHIP
OPPORTUNITIES.**

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

1 Section 1. Section 8-64a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2023*):

3 No housing authority that receives or has received any state financial
4 assistance may sell, lease, transfer or destroy, or contract to sell, lease,
5 transfer or destroy, any housing project or portion thereof in any case
6 where such project or portion thereof would no longer be available for
7 the purpose of low or moderate income rental housing as a result of such
8 sale, lease, transfer or destruction, except the Commissioner of Housing
9 may grant written approval for the sale, lease, transfer or destruction of
10 a housing project if the commissioner finds, after a public hearing, that
11 (1) the sale, lease, transfer or destruction is in the best interest of the state
12 and the municipality in which the project is located, (2) an adequate
13 supply of low or moderate income rental housing exists in the

14 municipality in which the project is located, (3) the housing authority
15 has developed a plan for the sale, lease, transfer or destruction of such
16 project in consultation with the residents of such project and
17 representatives of the municipality in which such project is situated and
18 has made adequate provision for [said] such residents' and
19 representatives' participation in such plan, which plan may include the
20 construction of housing that is subject to an affordable housing deed
21 restriction, as defined in section 12-81bb, for not less than twenty years
22 and that is owner-occupied single-family or multifamily housing to
23 replace existing housing units at a ratio of not less than one-to-one, and
24 (4) any person who is displaced as a result of the sale, lease, transfer or
25 destruction will (A) be relocated to a comparable dwelling unit of public
26 or subsidized housing in the same municipality, [or will] (B) receive a
27 tenant-based rental subsidy and will receive relocation assistance under
28 chapter 135, or (C) be relocated to a housing unit within a single-family
29 or multifamily residence in the same municipality that is subject to an
30 affordable housing deed restriction, as defined in section 12-81bb, for
31 not less than twenty years. The commissioner shall consider the extent
32 to which the housing units that are to be sold, leased, transferred or
33 destroyed will be replaced with housing that is affordable to households
34 with incomes below twenty-five per cent of the area median income and
35 to households with incomes below fifty per cent of the area median
36 income, in ways that may include, but need not be limited to, newly
37 constructed housing, rehabilitation of housing that is abandoned or has
38 been vacant for at least one year, or new federal, state or local tenant-
39 based or project-based rental subsidies. The commissioner shall give the
40 residents of the housing project or portion thereof that is to be sold,
41 leased, transferred or destroyed written notice of [said] such public
42 hearing by first class mail not less than ninety days before the date of
43 the hearing. [Said] Such written approval shall contain a statement of
44 facts supporting the findings of the commissioner. This section shall not
45 apply to the sale, lease, transfer or destruction of a housing project
46 pursuant to the terms of any contract entered into before June 3, 1988.
47 The commissioner shall not impose a one-for-one replacement
48 requirement on King Court in East Hartford. This section shall not apply

49 to phase I of Father Panik Village in Bridgeport, Elm Haven in New
50 Haven, Pequonnock Gardens Project in Bridgeport, Evergreen
51 Apartments in Bridgeport, Quinnipiac Terrace/Riverview in New
52 Haven, Dutch Point in Hartford, William V. Begg Apartments in
53 Waterbury, Southfield Village in Stamford, Marina Village in
54 Bridgeport and, upon approval by the United States Department of
55 Housing and Urban Development of a HOPE VI revitalization
56 application and a revitalization plan that includes at least the one-for-
57 one replacement of low and moderate income units, Fairfield Court in
58 Stamford.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2023</i>	8-64a

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill, which allows the Department of Housing (DOH) to approve an additional means through which a housing authority may replace its housing units, has no fiscal impact. DOH has the expertise to review proposals utilizing the bill's additional replacement method.

House "A" clarifies the definition of "affordable housing", which has no fiscal impact.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 6632 (as amended by House "A")******AN ACT CONCERNING AFFORDABLE HOMEOWNERSHIP OPPORTUNITIES.*****SUMMARY**

Existing law generally prohibits housing authorities that receive or have received state assistance from selling, leasing, transferring, or destroying a housing project if the project would no longer be available for, or replaced by, low- or moderate-income rental housing. However, the housing commissioner may approve the action if she finds, after a public hearing, that four specified conditions are met.

This bill modifies two of the four conditions. Under current law, one of these conditions requires a finding that the housing authority (1) developed a plan to lease, sell, transfer, or destroy the project in consultation with its residents and municipal representatives and (2) made adequate provision for the residents and representatives to participate in the plan. The bill allows the plan to include constructing certain types of housing to replace existing units at a ratio of at least one-to-one. Specifically, the housing must be subject to an affordable housing deed restriction (see BACKGROUND) for at least 20 years and be owner-occupied single-family or multifamily housing.

A second condition under current law requires a finding by the commissioner that anyone displaced by the action will receive assistance under the Uniform Relocation Assistance Act and will either be relocated to a comparable public or subsidized housing dwelling unit in the municipality or be given a tenant-based rental subsidy. The bill additionally allows her to find that someone displaced by the action will be relocated to a housing unit within a single-family or multifamily

residence in the same municipality that is subject to an affordable housing deed restriction for at least 20 years.

Under existing law, the other two findings that the commissioner must make before approving the action are that (1) an adequate supply of low- or moderate-income rental housing exists in the municipality where the project is located and (2) the action is in the state’s and municipality’s best interests.

*House Amendment “A” adds the requirement that the affordable housing be subject to a deed restriction for at least 20 years.

EFFECTIVE DATE: October 1, 2023

BACKGROUND

Affordable Housing Deed Restrictions

By law, an “affordable housing deed restriction” is a restriction filed on a municipality’s land records requiring that a dwelling be sold or rented only to households (1) with annual incomes of no more than the lesser of 80% of the area median income or the state median income and (2) that will pay no more than 30% of their income for the housing (CGS §§ 12-81bb).

COMMITTEE ACTION

Housing Committee

Joint Favorable Substitute

Yea 15 Nay 0 (03/02/2023)