

OFFICE OF FISCAL ANALYSIS

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sHB-6808

AN ACT ESTABLISHING GRANT PROGRAMS TO FACILITATE THE CONSTRUCTION AND RENOVATION OF HOUSING FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Department of Developmental Services	GF - Cost	See Below	See Below
Department of Housing	GF - Potential Cost	None	See Below
Treasurer, Debt Serv.	GF - Potential Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

Section 1 requires the Department of Developmental Services (DDS) to develop and administer a competitive grant program beginning in FY 24 to fund housing development for people with intellectual and developmental disabilities (IDD). Grant recipients may be (1) developers, and (2) individuals with IDD and their relative caregivers. The agency will require additional staff to undertake this responsibility as DDS does not administer such a program¹. While the exact staffing level necessary to administer the program is not known at this time, it is estimated that at a minimum the agency would require a Project

¹ Recent supportive housing initiatives for DDS consumers have been done in conjunction with the Department of Housing and the Connecticut Housing Finance Authority.

Manager (\$92,000 annual salary) and a Fiscal Administrative Officer (\$72,000 annual salary) and associated fringe benefits, resulting in a total state cost of at least \$237,000 in FY 24 and \$243,000 in FY 25.

This section also results in a cost associated with requiring DDS to fund the grant program established by the bill. The extent of the cost is dependent on the parameters DDS develops for the grant program and the funding made available. Additionally, to the extent the department is required to provide residential supports to the individuals accessing housing as a result of the grant program, there could be additional costs based on the level of need of the DDS consumers. There is currently a waiting list for DDS residential support services.²

Section 2 requires the Department of Housing (DOH) to develop and administer a competitive grant program beginning in FY 24 for eligible developers seeking to construct new affordable housing for people with IDD. To the extent funding is made available, DOH will incur: (1) annual costs for grants to developers, anticipated to exceed \$1 million each, beginning in FY 25, (2) consulting costs of up to \$50,000 per year beginning in FY 25, associated with the required annual reporting, and (3) potential costs for ongoing project-based rental assistance to the IDD units once they are constructed, beginning in FY 27 or later.

Due to limited research staff, it is anticipated that DOH would hire an outside vendor to collect data and prepare the required report by January 1, 2025, and annually thereafter, on the operations and effectiveness of the program. The section does not result in new staffing costs to DOH because the grant program is within the agency's expertise and could be administered within its current Development Engagement Process.

DOH already administers the Intellectual Disabilities and Autism Spectrum Disorder Housing (IDASH) Program, which funds permanent

² As of December 2022, there were 677 individuals on the DDS residential waiting list, who receive no residential support services with an active need designated either emergency or urgent.

supportive housing development by providing grants to non-profits. IDASH is funded through General Obligation (GO) bond funds. To the extent DOH can utilize IDASH or other affordable housing state bond funds for the new program, future General Fund debt service costs may be incurred sooner under the bill, to the degree that it causes authorized GO bond funds to be expended or to be expended more rapidly than they otherwise would have been.

As of March 1, 2023, there is an unallocated bond balance of just over \$1.5 million available under the IDASH authorization. The bill does not change GO bond authorizations relevant to the program.

According to DOH, the total cost to develop a new accessible, affordable unit is currently \$335 per square foot. This means a typical handicapped accessible, one-bedroom unit that is 800 square feet costs \$268,000 to complete. Under most DOH housing development programs, it takes three to five years from the time grant applications are solicited until residents move into new units.

Under IDASH, 25% of the units are set aside for people with IDD and supported with project-based rental assistance through the state's Rental Assistance Program (RAP).³ The rental assistance helps make the new development sustainable. To the extent units developed through the bill's grant program also require RAPs, DOH will incur ongoing costs of approximately \$8,000 to \$11,000 per unit. Given the length of time to finish new units, RAP costs are anticipated to begin in FY 27 or later.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and the terms of any bonds issued.

³ Remaining units are available to income-eligible households, including additional people with IDD.