



General Assembly

February Session, 2024

Raised Bill No. 5337

LCO No. 2224



Referred to Committee on HOUSING

Introduced by:
(HSG)

AN ACT CONCERNING AFFORDABLE HOUSING DEVELOPMENT PRACTICES.

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

1 Section 1. Subsection (a) of section 8-30g of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective October*
3 *1, 2024*):

4 (a) As used in this section, [and] section 8-30j and section 2 of this act:

5 (1) "Affordable housing development" means a proposed housing
6 development which is (A) assisted housing, or (B) a set-aside
7 development;

8 (2) "Affordable housing application" means any application made to
9 a commission in connection with an affordable housing development by
10 a person who proposes to develop such affordable housing;

11 (3) "Assisted housing" means housing [which] that is receiving, or
12 will receive, financial assistance under any governmental program for
13 the construction or substantial rehabilitation of low and moderate

14 income housing, and any housing occupied by persons receiving rental
15 assistance under chapter 319uu or Section 1437f of Title 42 of the United
16 States Code;

17 (4) "Commission" means a zoning commission, planning
18 commission, planning and zoning commission, zoning board of appeals
19 or municipal agency exercising zoning or planning authority;

20 (5) "Municipality" means any town, city or borough, whether
21 consolidated or unconsolidated;

22 (6) "Set-aside development" means a development in which not less
23 than thirty per cent of the dwelling units will be conveyed by deeds
24 containing covenants or restrictions which shall require that, for at least
25 forty years after the initial occupation of the proposed development,
26 such dwelling units shall be sold or rented at, or below, prices which
27 will preserve the units as housing for which persons and families pay
28 thirty per cent or less of their annual income, where such income is less
29 than or equal to eighty per cent of the median income. In a set-aside
30 development, of the dwelling units conveyed by deeds containing
31 covenants or restrictions, a number of dwelling units equal to not less
32 than fifteen per cent of all dwelling units in the development shall be
33 sold or rented to persons and families whose income is less than or equal
34 to sixty per cent of the median income and the remainder of the dwelling
35 units conveyed by deeds containing covenants or restrictions shall be
36 sold or rented to persons and families whose income is less than or equal
37 to eighty per cent of the median income;

38 (7) "Median income" means, after adjustments for family size, the
39 lesser of the state median income or the area median income for the area
40 in which the municipality containing the affordable housing
41 development is located, as determined by the United States Department
42 of Housing and Urban Development; and

43 (8) "Commissioner" means the Commissioner of Housing.

44 Sec. 2. (NEW) (*Effective October 1, 2024*) (a) Each applicant who

45 submits an affordable housing application to a commission shall
46 provide a surety bond, issued by a licensed insurance company,
47 banking institution or surety company authorized to do business in this
48 state, in the amount of one hundred thousand dollars, as surety for the
49 applicant's development of the project as specified in such application.
50 The bond shall be in favor of the municipality in which such commission
51 is located and run for a period of one year.

52 (b) A municipality may proceed on such bond against the amount of
53 such bond if the applicant withdraws such applicant's affordable
54 housing application without good cause, as determined by the
55 commission. The proceeds of such bond recovered by the municipality
56 shall be used solely by the municipality for (1) the development of
57 affordable housing, as defined in section 8-39a of the general statutes,
58 (2) capital improvements to the public property of the municipality, or
59 (3) the acquisition or preservation of land designated as open space.

60 Sec. 3. Section 7-339hh of the general statutes is repealed and the
61 following is substituted in lieu thereof (*Effective October 1, 2024*):

62 Costs authorized for payment from a district master plan fund,
63 established pursuant to section 7-339gg are limited to:

64 (1) Costs of improvements made within the tax increment district,
65 including, but not limited to, (A) capital costs, including, but not limited
66 to, (i) the acquisition or construction of land, improvements,
67 infrastructure, public ways, parks, buildings, structures, railings, street
68 furniture, signs, landscaping, plantings, benches, trash receptacles,
69 curbs, sidewalks, turnouts, recreational facilities, structured parking,
70 transportation improvements, pedestrian improvements and other
71 related improvements, fixtures and equipment for public use, (ii) the
72 acquisition or construction of land, improvements, infrastructure,
73 buildings, structures, including facades and signage, fixtures and
74 equipment for industrial, commercial, residential, mixed-use or retail
75 use or transit-oriented development, (iii) the demolition, alteration,
76 remodeling, repair or reconstruction of existing buildings, structures

77 and fixtures; (iv) environmental remediation; (v) site preparation and
78 finishing work; and (vi) all fees and expenses associated with the capital
79 cost of such improvements, including, but not limited to, licensing and
80 permitting expenses and planning, engineering, architectural, testing,
81 legal and accounting expenses; (B) financing costs, including, but not
82 limited to, closing costs, issuance costs, reserve funds and capitalized
83 interest; (C) real property assembly costs; (D) costs of technical and
84 marketing assistance programs; (E) professional service costs,
85 including, but not limited to, licensing, architectural, planning,
86 engineering, development and legal expenses; (F) maintenance and
87 operation costs; (G) administrative costs, including, but not limited to,
88 reasonable charges for the time spent by municipal employees, other
89 agencies or third-party entities in connection with the implementation
90 of a district master plan; and (H) organizational costs relating to the
91 planning and the establishment of the tax increment district, including,
92 but not limited to, the costs of conducting environmental impact and
93 other studies and the costs of informing the public about the creation of
94 tax increment districts and the implementation of the district master
95 plan;

96 (2) Costs of improvements that are made outside the tax increment
97 district but are directly related to or are made necessary by the
98 establishment or operation of the tax increment district, including, but
99 not limited to, (A) that portion of the costs reasonably related to the
100 construction, alteration or expansion of any facilities not located within
101 the tax increment district that are required due to improvements or
102 activities within the tax increment district, including, but not limited to,
103 roadways, traffic signalization, easements, sewage treatment plants,
104 water treatment plants or other environmental protection devices, storm
105 or sanitary sewer lines, water lines, electrical lines, improvements to fire
106 stations, and street signs; (B) costs of public safety and public school
107 improvements made necessary by the establishment of the tax
108 increment district; and (C) costs of funding to mitigate any adverse
109 impact of the tax increment district upon the municipality and its
110 constituents; and

111 (3) Costs related to economic development, environmental
112 improvements or employment training associated with the tax
113 increment district, including, but not limited to, (A) economic
114 development programs or events related to the tax increment district;
115 (B) environmental improvement projects developed by the municipality
116 related to the tax increment district; (C) the establishment of permanent
117 economic development revolving loan funds, investment funds and
118 grants; and (D) services and equipment necessary for employment skills
119 development and training, including scholarships to in-state
120 educational institutions for jobs created or retained in the tax increment
121 district.

122 (4) Costs of improvements that are made outside the tax increment
123 district for the renovation or rehabilitation of a housing development
124 that is a set-aside development, as defined in subsection (a) of section 8-
125 30g, as amended by this act, for which development the deed covenants
126 or restrictions that preserve such development as a set-aside
127 development will expire in not greater than three years, provided the
128 costs of such improvements are paid pursuant to an agreement between
129 the municipality and the owner of such development in which the
130 owner agrees to renew such deed covenants or restrictions for not less
131 than forty years.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2024	8-30g(a)
Sec. 2	October 1, 2024	New section
Sec. 3	October 1, 2024	7-339hh

Statement of Purpose:

To (1) require a surety bond from any developer who submits an affordable housing application to a zoning commission, and (2) allow a municipality to award funds from a tax increment district master plan fund for improvements to certain affordable housing if pursuant to an agreement with the owner to renew the affordable deed covenants or restrictions concerning such affordable housing.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]