

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

HB-5474

AN ACT REQUIRING MUNICIPAL REPORTS CONCERNING
RESIDENTIAL CONSTRUCTION APPROVAL TO THE OFFICE OF
RESPONSIBLE GROWTH.

AMENDMENT

LCO No.: 5551

File Copy No.: 418

House Calendar No.: 274

OFA Fiscal Note

See Fiscal Note Details

The amendment creates an exception under which a municipality is not subject to the affordable housing appeals procedure for certain affordable housing applications. Under this exception, municipalities have the option to purchase certain real property identified as an affordable housing development from an applicant at 102 percent of the value of the property.

This results in a potential cost to municipalities beginning in FY 25 to the extent property is purchased by a municipality pursuant to this affordable housing appeals procedure exception. There is also a potential savings associated with legal and administrative costs to the extent that municipalities are not subject to the affordable housing appeals procedure for this property.

To the extent municipalities: (1) elect to purchase a proposed affordable housing development, as permitted by the amendment, and (2) fail to issue certificates of occupancy for at least 75 percent of the planned units within eight years of acquiring the property, the amendment results in a potential revenue gain to the Housing Trust Fund (HTF) and corresponding cost to the municipality beginning in FY 33.1 In that scenario, the municipality would have to pay, for deposit

Primary Analyst: LG
Contributing Analyst(s): MP
Reviewer: RW

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into the HTF, an amount equal to five percent of the purchase price the municipality paid to the applying developer.

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