**Housing for Economic Growth Program Implementation Policy**

CGS Section 8-13(m-x)

DOH will use the following criteria to disperse funding from the Housing for Economic Growth Program (aka HomeCT).

**$1.0 million –** On a first come first served basis

**$300,000** – for zone adoption incentives - $20,000 lump sum to municipalities

**$700,000** – for building permit incentives – based upon the stepped approach as follows with $15,000 floor and $50,000 ceiling limits

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Category** | **Number of Units to be Built-MIN** | **Number of Units to be Built-MAX** | **$ per unit** | **Range of Incentives- MIN** | **Range of Incentives- MAX** |
| A | 10 | 100 | $115 | $1,150 | $11,500 |
| B | 101 | 150 | $125 | $12,625 | $18,750 |
| C | 151 | 250 | $135 | $20,385 | $33,750 |
| D | 251 | 1000 | $150 | $37,650 | $150,000 |

**$2.0 million**

DOH will be offering a second round of applications – in the near future

Municipalities are eligible for seeking funds for Phase I and Phase II of the predevelopment costs.

Phase I pre-dev – up to $20,000 - activities include legal/planning expenses for drafting/adoption of IHZ regulations or design standards, feasibility studies for septic systems, other minor engineering studies.

Phase II pre-dev – up to $50,000 for mixed income housing project specific activities, DOH may increase the limit on a case by case basis – activities include costs for land purchase options, planning/design costs, certain preliminary engineering costs, appraisals, legal and financial expenses, costs of permits and approvals, and other preliminary project costs as approved by the Secretary.

* This funding will be provided to the municipality for their project use or if there is a developer, to pass through the funds to the project developers.
* This funding is for municipalities for projects (municipal or private) meeting the requirements of CGS Section 8-13 (m-x).
* In case of pass through, municipalities will be required to have an agreement with the private developer or property owner to return the funds to the municipality if the project does not result in construction of a mixed income housing project as described in the application.

**Criteria to be used to prioritize applications to receive funds** *(Low to High priority for Phase I and High to Low Priority for Phase II)***:**

1. Towns that have adopted IHZs (these towns cannot ask for funds related to drafting of IHZ regulations and design standards, engineering expenses, feasibility studies as they have already adopted IHZ\*\*)
2. Towns that have identified IHZs and done all preliminary work (regulations for the IHZ, regulations for design, held all requisite hearings) (same restriction as 1, however can ask for activities related to getting the IHZ adopted, provided they have not received Technical Assistance funds from OPM)
3. Towns that have conducted studies, identified potential IHZs and can demonstrate Pre-dev funding will lead within 6 months to adopted IHZ (same restriction as 2)

4.  Towns that have not conducted studies or identified potential IHZs or adopted zones but can demonstrate (a) realistic municipal and/or developer interest, and (b) how Pre-dev funding will lead within 6 months to adopted IHZ.

\*\* - It is assumed that these towns have already received DOH funds under Technical Assistance Phase and have prepared these documents or have already spent local funds and cannot seek reimbursement for such costs. However, these municipalities are eligible for Phase II pre-dev costs such as land purchase options, planning/design costs, certain preliminary engineering costs, appraisals, legal and financial expenses, costs of permits and approvals, and other preliminary project costs as approved by the Commissioner.

NOTE: Adopted IHZs must meet the statutory requirements in order to be eligible.

**Potential Pre-Development uses:**

* Legal/planning expenses for drafting of zone or design regulations
* Certain Preliminary Engineering expenses that will permit capital, remediation or financing to move forward toward creation of the zone
* land purchase options
* planning/design costs
* appraisals
* legal and financial expenses
* costs of permits and approvals
* and other preliminary project costs as approved by the Commissioner

NOTE: DOH may put an overall funding cap available for each of the Phase I and Phase II Pre-dev costs depending on the interest in the program and available funds at any given time.