

STATUS UPDATE:

2014 Interagency Council on Affordable Housing Recommendations to Address Barriers to Effective Housing Delivery Systems

Local Barriers

- Local zoning barriers
- Local regulatory barriers
- Local infrastructure limitations
- Local opposition/ “NIMBY”

1) Develop model zoning ordinances/regulations that satisfy the requirements of CGS §8-2¹ for use by municipalities.

PENDING. The Department of Housing (DOH) is determining what resources it would need to develop model zoning ordinances. They are actively researching potential funding options and partnerships with other state agencies, such as the Intergovernmental Policy Division at the Office of Policy and Management.

2) Build on existing incentives to promote as-of-right² multifamily developments, including incentives for establishing zoning allowing increased density.

ONGOING. DOH continuously promotes the establishment of increased density zoning in Connecticut’s municipalities. One of the major vehicles that has helped accomplish this is the state’s Incentive Housing Zone program. Since 2008, \$2,359,060 in funding has been used to assist 69 towns in planning for or creating these zones.

3) Research, within available resources, the extent to which local infrastructure constraints inhibit affordable housing development.

PENDING. DOH is determining the availability of resources to conduct this research. DOH has engaged with DEEP to help resolve the specific issues related to water and sewer infrastructure

4) Reach out to municipal elected officials and zoning boards to educate about current laws and incentives for the production of affordable housing.

ONGOING. DOH recognizes the importance of engaging in municipal outreach and has prioritized conducting face-to-face visits across the state. Since the creation of the

¹ CGS §8-2 currently states that zoning regulations of every Connecticut municipality: “shall also encourage the development of housing opportunities, including opportunities for multifamily dwellings [...]. Such regulations shall also promote housing choice and economic diversity in housing, including housing for both low- and moderate-income households [...]”

² In zoning regulations, “as-of-right” means development can occur without requiring additional special permits or other discretionary action from the municipality.

department, the Commissioner has traveled to almost half of the state's towns and cultivated relationships with relevant elected officials in order to promote the production of affordable housing.

5) Disseminate available resources regarding the net positive effect on municipalities from the development of affordable housing.

ONGOING. DOH discusses these issues when it meets with municipal leaders. In addition, the Partnership for Strong Communities (PSC) routinely coordinates meetings with town officials or local groups throughout the state to discuss the benefits of affordable housing. PSC has also created various fact sheets which counter negative misconceptions about affordable housing and its impact on communities, including: declining school enrollments; drivers of school costs; effects of affordable housing on property values; jobs and incomes; showing sample of occupations that people could have and still qualify for affordable housing; and community impact and crime. Recent outreach efforts include: (1) holding two IForums this spring that addressed different aspects of affordable housing and its positive impact on municipalities; (2) held a "Multifamily Speed Dating" event which brought town officials, developers and consultants together to network and learn more about the benefits of affordable, multifamily development; (3) creating videos about how affordable housing benefits communities utilizing local residents as a vehicle to spark community conversations about housing needs; and (4) developing and disseminating Housing Data Profiles for each municipality in Connecticut to assist towns in better understanding their current housing conditions.

Financing Barriers

- Alignment and clarity of funding priorities
- Access to predevelopment and risk capital
- Need for rental subsidies
- Reduction and instability of federal support
- Insufficient operating subsidies available to be project based

6) Conduct a review of predevelopment and other funding resources to identify gaps (DOH, CHFA, LISC, CHIF, CSH, and other sources).

PENDING. DOH expects to conduct this review within the next six months.

7) Expand predevelopment funding opportunities (within available resources).

ONGOING. The state, in conjunction with the Connecticut Housing Finance Authority (CHFA) and Local Initiatives Support Corporation (LISC), has created a \$15 million Transit Oriented Development (TOD) Pre-Development Fund to provide financing that will encourage developers to carry out TOD in communities with station stops along the CTfastrak and New Haven-Hartford-Springfield transit corridors. Eligible projects will be required to have an affordable housing component.

8) Reform the State Historic Structures Rehabilitation Tax Credit program requirements in order to bring them in line with other states in the region to maximize the efficacy of state subsidies and simplify and streamline transactions.

COMPLETE. Public Act 14-217, sections 165-168, expands the applicability of the Historic Structure Rehabilitation Tax Credit program to residential activity occurring without a mixed-use component. Previously, the tax credit was only available for use in buildings which are proposed to have a mixed residential/nonresidential use or those with solely a nonresidential use. This change will provide an additional source of leveraged funds for the preservation of these properties and the concurrent production of affordable housing.

9) Make additional RAP certificates available to the extent feasible.

ONGOING. Through the Governor's leadership, the following housing initiatives were included in the adopted FY 2015 budget: \$2.2 million in funding for 110 new scattered site supportive housing RAPs and related wrap-around services; and carry forward funding of \$1 million to fund RAPs. Additional funding of \$200,000 to support 20 RAPs dedicated to clients from the Department of Children and Families was also included in the adopted budget.

10) Open intake to the Rebate for Elderly/Disabled Renters Tax Relief program to the extent feasible.

COMPLETE. The Governor's budget and the adopted FY 2015 budget provide \$6.5 million in FY 2015 to restore the Tax Relief for Elderly Renters (Renters Rebate) program.

11) Target funding for veterans and very-low income households in future DOH funding rounds.

COMPLETE. In April 2014, DOH released a Notice of Funding Availability (NOFA) for Competitive Housing Assistance for Multifamily Properties 5 (CHAMP 5) for approximately \$25 million, with about thirty RAPs available in connection with the

funding. The RAPs were targeted to units restricted to households earning 30% of AMI or less. Applications were due June 16, 2014. In addition, DOH held a Special Priority Projects and Programs round in early 2014 that targeted both veterans and households with incomes up to 30% of the applicable AMI. Twenty RAPs were made available for in connection with that NOFA.

In addition, the Governor has proposed, and the General Assembly has adopted, several funding initiatives specifically for veterans:

- \$50,000 to increase the availability of security deposit assistance for homeless veterans and establishment of a priority for veterans under the program;
- \$500,000 to begin work on additional housing for veterans on the DVA Rocky Hill campus;
- Almost \$300,000 to provide supportive services for 74 units of housing dedicated to veterans in Victory Gardens in Newington; and
- \$600,000 for a Veteran's Opportunity Pilot for grants to housing agencies to support employment specialists and job developers to seek job opportunities for veterans.

12) Make additional resources for rapid re-housing available to the extent feasible.

ONGOING. The Governor's proposed budget and the adopted FY 2015 budget included \$650,000 for rapid rehousing initiatives in DOH through carry forward funding from FY 2014.

Systems/Administrative Barriers

- Increased efficiency and continued flexibility in processes
- Fragmentation of programs and resources
- Access to information

13) Increase flexibility by implementing mechanisms to make funding available on a non-competitive, first-come, first-serve basis to programs and projects that achieve the goals of the Department.

COMPLETE. DOH and CHFA recently released the FY 2015 schedule of competitive funding rounds, which included approximately \$5 million of "Just in Time Funding" for fully funded, fully approved market-rate projects seeking assistance to add affordable units. DOH anticipates that they will be able to accept applications beginning October 15, 2014 on a rolling basis until funding is exhausted. More information about the application will be released in August 2014.

14) Identify and eliminate redundancies in DOH and CHFA processes for the purposes of streamlining where possible.

ONGOING. DOH and CHFA continue to coordinate to streamline processes between the two agencies where possible. Most recently, DOH and CHFA have collaborated to further revise the consolidated application used for CHFA and most of DOH housing financing programs, and it is anticipated this application will be available online for late fall applications.

15) Ensure sufficient capacity exists at the Department of Housing to perform its required duties.

ONGOING. The Governor's proposed budget and the adopted FY 2015 budget fund two new positions at DOH to engage in housing authority capacity building.

Industry Capacity Barriers

- Housing Authority capacity
- Development community capacity
- Access to technical assistance

16) Offer robust and coordinated training programs for housing authorities, non-profit developers, and others (e.g. create a tool kit for housing authorities on mixed finance and development).

ONGOING. The Governor's proposed budget and the adopted FY 2015 budget funds two positions in the Department of Housing (DOH) to provide individualized technical assistance to housing authorities statewide so they may develop and enhance their ability to address housing needs in their communities. In addition, DOH recently put out an RFP seeking technical assistance and development consultant assistance to the owners of various limited equity cooperatives in the State-Sponsored Housing Portfolio and is currently reviewing the responses. CHFA is also contracting with the Connecticut Housing Coalition to conduct another round of the successful Affordable Housing Training Academy specifically for housing portfolio properties. Finally, the adopted budget included \$150,000 in funding for the Public Housing Resident Network (PHRN), to provide information, training, and technical assistance to housing authority residents.

17) Reach out to developers and lenders for the purpose of encouraging them to increase affordable development activity in the state and investigate any barriers they perceive.

ONGOING. As part of the continual effort of DOH and CHFA to encourage developers and lenders to increase development activity in the state and address any perceived barriers, the FY 2015 schedule of competitive funding rounds included "Just-in-Time" Funding for fully funded, fully approved market-rate projects seeking assistance to add affordable units.

18) Reach out to tax credit syndicators to streamline the closing process for tax credit-financed projects, including, for example, conducting more of their underwriting in advance of bond commission approvals.

PENDING. DOH anticipates that they will conduct this outreach in the fall.

Individual and Family Economic Security Barriers

- Lack of credit
- Utility and personal debt
- Prior history of evictions
- Criminal background
- Lack of financial literacy
- Domestic violence issues

19) Improve coordination between housing authorities and local mental health authorities to improve the quality of life for residents.

ONGOING. The Governor's proposed budget and the adopted FY 2015 budget funds two positions in the Department of Housing (DOH) to provide individualized technical assistance to housing authorities statewide so they may develop and enhance their ability to address housing needs in their communities. Part of the scope of these two new positions would be to address issues such as resident quality of life and improving coordination between housing authorities and other entities. In addition, DOH plans on facilitating a series of strategy sessions to address issues raised regarding the combining of elderly and young disabled residents in age-restricted developments. DOH is also working seamlessly with the Department of Mental Health and Addiction Services (DMHAS) to implement the supportive housing component of the Governor's Mental Health Initiative, which includes an annualized \$2.2 million for 110 scattered site supportive housing RAPs and related wrap-around supportive services.

20) Promote opportunities for school students to receive instruction in personal finance or financial literacy before graduation.

ONGOING. Legislation passed during the 2014 session initiates the development of a plan to provide students with financial literacy instruction. Section 199 of Public Act 14-217 requires that the Department of Education (SDE), the Board of Regents for Higher Education (BOR), and the UConn Board of Trustees, and the Department of Banking (DOB), report by January 1, 2015 to the Banks Committee at the General Assembly on the status of a plan to provide students in public high schools and state higher education institutions financial literacy instruction, including the impact of using credit and debit cards. The legislation specifies that upon the development of this plan, the instruction may occur during a student's final year of high school, and, for a student of a constituent unit, not later than the completion of that student's second semester.

21) Educate landlords about federal and state laws and regulations regarding housing and the rights and responsibilities of tenants.

PENDING. DOH is researching the feasibility of doing this type of education through existing resources or in collaboration with the Connecticut Fair Housing Center. Notably, on June 24, 2014, the Legislative Regulation Review Committee approved DOH regulations regarding tenants' right and grievance procedures. In the absence of these regulations, tenants in state assisted housing had no other avenue to pursue grievances other than judicial proceedings, which can be costly and time consuming.

22) Expand the Frequent Users Systems Engagement (FUSE) program to the extent feasible.

PENDING. The Partnership for Strong Communities (PSC) and the Lieutenant Governor's Office are exploring the feasibility of creating a memorandum of understanding between the Department of Correction, Court Support Services Division, and Department of Mental Health and Addiction Services to expand the FUSE program.

23) Continue efforts to collaborate with Connecticut's federal delegation and others to promote and encourage the restoration of federal funding to assistance programs such as Section 8 and SNAP.

ONGOING. All five members of Connecticut's House delegation, along with Senators Blumenthal and Murphy, opposed the cuts in funding to the Supplemental Nutrition Assistance Program (SNAP) in the 2014 Farm Bill and voted against the bill. This bill, signed into law in February 2014, increases the direct cash benefit required under the federal Low-Income Energy Assistance Program (LIHEAP) from \$0.01 to \$20.01 per

household in order to be eligible for the standard utility allowance. Under the direction of Governor Malloy, Connecticut became the first state to raise state heating aid by expending \$1.4 million in available energy assistance funding to preserve approximately \$66.6 million annually in SNAP benefits for Connecticut households.

24) Increase awareness of the homeless youth population and continue to evaluate the extent of this problem in the state.

ONGOING. The adopted FY 2015 budget provides \$1 million for the Department of Children and Families (DCF) to establish a program that provides one or more of the following services for youth experiencing homelessness: public outreach, respite housing, and transitional living services. The Connecticut Coalition to End Homelessness is also proposing, in addition to the annual Point-In-Time count, to conduct a separate count of the homeless youth population using a new methodology based on best practices. Connecticut will be the first state to engage in such a statewide effort. It is anticipated that the count to indicate the patterns and characteristics of the homeless youth population, such as how long episodes of youth homelessness last, number of episodes of homelessness, social networks, family relationships, and whether it is possible for a youth to return home. Better data on youth homelessness will strengthen the ability of agencies to advocate for resources to address this issue and for a better framework to allocate those resources. Finally, representatives from DOH, DMHAS, CHFA, DCF, and OPM, as well as other housing providers and advocates, have been engaging with the Corporation for Supportive Housing (CSH) to learn about other states' effective models to combat youth homelessness and determine the feasibility of replication in Connecticut.

25) Support the use of the Individual Development Account (IDA) Initiative to facilitate self-sufficiency and economic stability through financial education and asset development.

ONGOING. The Department of Labor issued an RFP for the 2014 CT IDA initiative in January. Successful bidders were announced in May, and the new program is effective from July 1, 2014 to June 30, 2019. A total of 65 new IDAs are anticipated to be funded during this time period. Two other previous grants will also continue funding IDAs through December 31, 2014 and June 30, 2016, supporting an additional 78 and 85 accounts, respectively.