



CONNECTICUT
Department of Housing

Report of the
2018 Connecticut Legislative Session

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SPECIAL ACT 18-12

AN ACT REQUIRING THE COMMISSIONER OF HOUSING TO MAKE RECOMMENDATIONS REGARDING CERTAIN STATE-FUNDED PUBLIC HOUSING PROJECTS

Effective: *From Passage*

This legislation ensures that any personally identifying information held by the Department of Housing, concerning individuals participating in any DOH program (Section 8, RAP, Security Deposit Guarantee, etc.), cannot be disclosed by any state employee. This protection is applicable to information disseminated through a Freedom of Information Act (FOIA) request or other means. Specific exemptions to this statute allow information to be shared for purposes directly connected with the administration of programs administered by DOH.

SPECIAL ACT 18-14

AN ACT CREATING A WORKING GROUP TO STUDY HOUSING OPTIONS FOR PERSONS REENTERING THE COMMUNITY AFTER INCARCERATION

Effective: *From Passage*

This legislation makes various technical changes to the Connecticut General Statutes, including Chapter 126, which contains most statutes which are directly applicable to or govern programs administered by the Department of Housing. The technical changes reflect updated references to persons with disabilities.

PUBLIC ACT 18-160

AN ACT IMPOSING A SURCHARGE ON CERTAIN INSURANCE POLICIES AND ESTABLISHING THE HEALTHY HOMES FUND

Effective: *Various*

This bill makes several changes to the affordable housing land use appeals procedure). The bill makes it easier for municipalities to qualify for a moratorium from the procedure by:

1. expanding the unit types that count toward the moratorium;
2. establishing “bonus” housing unit-equivalent (HUE) points for certain unit types;
3. lowering the minimum number of HUE points smaller municipalities need for a moratorium; and
4. lowering the minimum number of HUE points municipalities with at least 20,000 dwelling units need for a moratorium, if the municipality previously qualified for a moratorium and adopts an affordable housing plan.

The bill also:

1. requires municipalities to adopt an affordable housing plan every five years;
2. makes an additional type of mobile manufactured homes count toward the 10% exemption threshold
3. extends, from four years to five, the length of second and subsequent moratoria for municipalities with at least 20,000 dwelling units;
4. changes the definition of “median income” applicable to the incentive housing zone (IHZ) statutes, conforming it to the affordable housing land use appeals procedure statutes; and
5. makes technical and conforming changes.

MUNICIPAL PLANNING REQUIREMENT

The bill requires each municipality, at least once every five years, to prepare or amend and adopt an affordable housing plan. The plan must specify how the municipality will increase

the number of affordable housing developments in its jurisdiction. The bill does not specify which municipal body must adopt the plan.

In preparing their plans, municipalities may hold informational meetings or organize other activities to keep residents informed. If a municipality holds a public hearing on a plan's adoption, at least 35 days before the hearing, it must (1) file a copy of the draft plan and any amendments thereto in the town clerk's office and (2) post the draft on the municipality's website, if one exists. Similarly, after a municipality adopts its plan, it must file it in the town clerk's office and post the plan on its website, if one exists.

Municipalities must regularly review and maintain their plans, making geographical, functional, or other amendments as needed. If a municipality does not update its plan at least once every five years, its chief elected official must submit a letter to the DOH commissioner explaining why. The bill does not establish any penalties for failure to comply with its affordable housing plan requirements.

RESIDENT-OWNED MOBILE MANUFACTURED HOME PARKS

The bill defines “resident-owned mobile manufactured home parks” and (1) requires DOH to count homes in them as part of a municipality's affordable housing stock (i.e., toward the 10% exemption threshold) and (2) makes such homes eligible for HUE points toward a moratorium.

Under the bill, “resident-owned mobile manufactured home parks” are parks with homes located on land that at the time a loan for the purchase of the land is issued, is subject to deed restrictions requiring 75% of the units (presumably, parcels of land) to be leased to households earning 80% or less of the median income and of these income-restricted units, either:

1. 40% to be leased to households earning 60% or less of the median income or
2. 20% to be leased to households earning 50% or less of the median income.

The bill specifies how many HUE points homes in these parks are eligible for (see Table 1 below). It does not specify how long the required deed restrictions must last.

By law, unchanged by the bill, mobile manufactured homes with deed restrictions restricting the sale or rental of such homes to low- or moderate-income people (1) are counted by DOH toward a municipality's affordable housing stock if deed restricted for at least 10 years and (2) qualify for HUE points toward a moratorium if deed restricted in accordance with the law (generally, a 40 year restriction).

Five Year Moratoria

Under current law, a moratorium lasts for four years. The bill lengthens the duration of a moratorium for municipalities with at least 20,000 dwelling units, as of the last decennial census, and that previously obtained a moratorium under CGS § 8-30g. Under the bill, in these municipalities, second and subsequent moratoria last five, rather than four, years. This applies to Milford, Fairfield, Greenwich, Stratford, West Hartford, and Hamden.

Lower HUE Points Requirement

Under current law, a municipality is eligible for a moratorium if it shows it has added affordable housing units, measured in HUE points, equaling the greater of (1) 2% of the housing stock, as of the last decennial census, or (2) 75 HUE points.

The bill lowers the 2% standard to 1.5% for municipalities that have adopted an affordable housing plan and have at least 20,000 dwelling units, if the municipality is applying for its second or subsequent moratorium under CGS § 8-30g.

Effective upon passage and through September 30, 2022, the bill lowers, from 75 to 50, the minimum number of HUE points municipalities need to qualify for a moratorium. (In practice, this affects smaller municipalities.)

Calculating HUE Points Toward a Moratorium

Homes in Resident-Owned Mobile Manufactured Home Parks. The bill establishes a schedule of base points specifically for homes in resident-owned mobile manufactured home parks, based on the occupants' income, as shown in Table 1. (Under the bill, it is unclear whether the points are allocated based on occupancy on the day the municipality applies for a moratorium, or at another point in time.)

Table 1: Points for Homes in Resident-Owned Mobile Home Parks

| Unit Type | Base HUE Point Value (per unit) |
|---|--|
| Owned or rented homes occupied by households earning 80% or less of the median income | 1.5 |
| Owned or rented homes occupied by households earning 60% or less of the median income | 2.0 |
| Owned or rented homes not otherwise eligible for points | 0.25 |

Under existing law, unchanged by the bill, mobile manufactured homes that meet the statutory requirements are eligible for base HUE points, which vary depending on home affordability, population served, and ownership type.

Incentive Housing Development (IHD) Units. Effective upon passage and through September 30, 2022, the bill allows income-restricted units in an IHD to count toward a moratorium and applies existing law's base points schedule to them. An IHD is a residential or mixed-use development located within an IHZ in which at least 20% of the units are restricted.

By law, IHD units must be deed-restricted for at least 30 years, which is 10 years fewer than the minimum 40 year period that units, other than assisted housing developments, must generally be deed restricted for to qualify for HUE points under the law. (In practice, however, most assisted housing developments are also deed restricted for at least 40 years.)

Bonus HUE Points. By law, certain rental family units in set-aside developments are eligible for bonus HUE points. Bonus points are awarded on top of the base HUE points a unit receives.

Effective upon passage and through September 30, 2022, the bill makes three additional categories of units eligible for bonus HUE points. The bill establishes a quarter-point bonus for restricted family units (1) with at least three bedrooms or (2) in an IHD. Restricted elderly units receive a half-point bonus, if at least 60% of the restricted units counted toward the moratorium are family units (i.e., elderly units do not receive a half-point bonus if they make up more than 40% of the restricted units counted toward the moratorium). Table 2 shows the bonus HUE points under current law and the bill.

Table 2: Bonus HUE Points

| Unit Type | Bonus HUE Point Value (per unit) | |
|---|--|------------|
| | Current Law | Bill |
| Owned or rented restricted family units in an IHD | No bonus | 0.25 bonus |
| Owned or rented restricted family units with at least 3 bedrooms | No bonus | 0.25 bonus |
| Owned or rented restricted elderly units, if at least 60% of restricted units used toward the moratorium are family units | No bonus | 0.50 bonus |
| Rental family units in a set-aside development, if the developer applied for local approval before 07/16/1995 | Bonus equal to 22% of the total points awarded to such development | No change |

IHZ: DEFINITION OF MEDIAN INCOME

The bill conforms the definition of “median income” applicable to IHDs to the definition applicable to the affordable housing land use appeals procedure statutes. Under current law, restricted units in an IHD must be affordable to individuals earning 80% or less than the area median income (AMI). The bill instead requires restricted units in an IHD to be affordable to individuals earning 80% or less of the AMI or state median income (SMI), whichever is less. The new definition of “median income” does not apply to IHDs in IHZs that DOH approves, or approves grants for, before the bill's passage.

An IHZ is an overlay zone allowing developers to build, as a matter of right, high-density housing close to existing or planned infrastructure. By law, DOH may make grants to municipalities that adopt, or are working to adopt, IHZ regulations (CGS § 8-13m et seq.).

PUBLIC ACT 18-47

AN ACT CONCERNING BENEFITS FOR CERTAIN VETERANS WHO HAVE BEEN DIAGNOSED WITH POST-TRAUMATIC STRESS DISORDER OR TRAUMATIC BRAIN INJURY OR WHO HAVE HAD AN EXPERIENCE OF MILITARY SEXUAL TRAUMA

Effective: *October 1, 2018*

This legislation requires the Department of Housing, in consultation with the Department of Mental Health and Addiction Services, the Department of Aging, the Department of Developmental Services, and Disability Rights Connecticut, Inc. to conduct a study of state-funded housing projects. Specific criteria are outlined in the legislation for what data should be collected. The legislation also requires the above named state departments to convene meetings of stakeholders to receive information related to the study and any other relevant information about each state-funded housing project designated under this bill. The legislation specifically names, at a minimum, what stakeholders must be included. The state-funded housing projects selected to be studied under this proposal shall be selected by the DOH Commissioner, in consultation with the Co-Chairs of the Housing Committee. The final report mandated under this section is due to be submitted back to the Housing Committee by March 1, 2018. The provisions of this legislation are all subject to be conducted “within available appropriations.”

PUBLIC ACT 18-179

AN ACT CONCERNING THE WRITTEN RESIDENTIAL DISCLOSURE REPORT, THE CAPTIVE INSURANCE COMPANY ESTABLISHED FOR ASSISTING WITH CRUMBLING FOUNDATIONS AND FUNDING FOR LEAD REMOVAL, REMEDIATION AND ABATEMENT

Effective: *Various*

This bill allows the Commissioner to enter into a new contract for financial assistance with a nonprofit corporation to acquire a parcel under Sec. 8-214d of the general statutes, and to then allow them to be able to either transfer the property outright, or transfer their interests (such as through a long term lease), to another nonprofit corporation, condominium, or other corporation who would then be responsible for developing mixed income housing—some affordable, some market rate—on the site. This could be either multifamily or single family housing, as long as a portion of the units developed are affordable. Before the adoption of this legislation, such a transfer of interests would have been more difficult, if even possible. Further, without this new language, the site would have to be used exclusively for very low, low, and moderate income housing, and would preclude the development of any market rate housing on the site. These changes would affect new activity under this program, and would not affect existing parcels.

PUBLIC ACT 18-52

AN ACT CONCERNING FUNDING FOR LEAD ABATEMENT AND ENVIRONMENTAL HEALTH AND SAFETY CONCERNS

Effective: *October 1, 2017*

Establishes an 18-member Transportation Policy Advisory Council, of which the DOH Commissioner is a permanent member. It charges the council with various responsibilities relates to transportation policy, including reviewing the five-year transportation capital plan development by the Department of Transportation each year. The panel will have cognizance over major transportation projects in Connecticut.

PUBLIC ACT 18-82

AN ACT CONCERNING CLIMATE CHANGE PLANNING AND RESILIENCY

Effective: *From Passage*

This legislation, requires the Department of Housing and the Department of Banking, in consultation with the banking community to conduct a study concerning the development of a lead abatement interest rate reduction program that provides interest rate subsidies to owners who experience difficulty obtaining financing for the abatement of lead. The DOH and DOB Commissioners are required to submit a report to the Housing, Banking, and Planning & Development committees no later than January 1, 2018. The provisions of this legislation are “within available appropriations.”

PUBLIC ACT 18-154

AN ACT CONCERNING THE CONVEYANCE OF CERTAIN PARCELS OF STATE LAND

Effective: *October 1, 2017*

Requires Bella Vista, an age-restricted housing development in New Haven—which is privately managed by The Carabetta Companies—to install and maintain one or more emergency power generator(s) capable of providing a minimum of four to twelve hours of sufficient electrical power to (1) each unit for heating, water, lighting and critical medical equipment, and (2) each passenger elevator. As the development is privately managed, and the only subsidy that is utilized at this site is from the federal government, there does not appear to be legal standing to enforce this legislation on the state level.

PUBLIC ACT 18-93

AN ACT CONCERNING EMPLOYEE NOTIFICATION OF REQUESTS MADE UNDER THE FREEDOM OF INFORMATION ACT

Effective: *July 1, 2017*

Authorizes an “unaccompanied youth” as defined in federal law to have access to all of their educational and medical records, which are maintained by a local or regional board of education.

PUBLIC ACT 18-64

AN ACT REQUIRING THE REPORTING OF CERTAIN GIFTS TO THE STATE UNDER THE CODE OF ETHICS FOR PUBLIC OFFICIALS

PUBLIC ACT 18-178 (BONDING BILL)

AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES, CONCERNING THE BOND CAPS, ESTABLISHING THE APPRENTICESHIP CONNECTICUT INITIATIVE AND CONCERNING THE FUNCTIONS OF CTNEXT AND CONNECTICUT INNOVATIONS, INCORPORATED

Effective: *July 1, 2016*

DOH BUDGET AUTHORIZATIONS

| DEPARTMENT OF HOUSING | | <u>Previous Allocation</u> | <u>Reduction</u> | <u>New Allocation</u> |
|-----------------------|---|----------------------------|------------------|-----------------------|
| | Personal Services | \$2,242,842 | (\$239,829) | \$2,003,013 |
| | Other Expenses | \$194,266 | (\$14,214) | \$180,052 |
| | Elderly Rental Registry and Counselors | \$1,196,144 | (\$150,255) | \$1,045,889 |
| | Subsidized Assisted Living Demonstration | \$2,332,250 | (\$151,199) | \$2,181,051 |
| | Congregate Facilities Operation Costs | \$8,054,279 | (\$694,948) | \$7,359,331 |
| | Housing Assistance and Counseling Program | \$416,575 | (\$50,072) | \$366,503 |

| | | | | |
|--------------------------------------|--|---------------------|----------------------|---------------------|
| | Elderly Congregate Rent Subsidy | \$2,162,504 | (\$160,419) | \$2,002,085 |
| | Housing/Homeless Services | \$75,227,013 | (\$8,231,510) | \$66,995,503 |
| | Tax Abatement | \$1,153,793 | (\$74,800) | \$1,078,993 |
| | Housing/Homeless Services - Municipality | \$640,398 | (\$47,505) | \$592,893 |
| | AGENCY TOTAL: | \$93,620,064 | (\$9,814,751) | \$83,805,313 |
| | | | | |
| DEPARTMENT OF HOUSING (Banking Fund) | | | | |
| | Fair Housing | \$670,000 | (\$0) | \$670,000 |
| | AGENCY TOTAL: | \$670,000 | (\$0) | \$670,000 |

Special Notes

- For the duration of the biennium, the Community Investment Account has been reduced, proportionality, by \$1 million. With a likely impact of \$250,000 to the DOH line item.

SENATE BILL NO. ###

AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES AND AUTHORIZING STATE GRANT COMMITMENTS FOR SCHOOL BUILDING PROJECTS

Effective: *July 1, 2017*

DOH NEW GENERAL OBLIGATION BOND AUTHORIZATIONS

| GRANTS | | | |
|--------|-----------------------------|---|-----------------------|
| | | | <u>New Allocation</u> |
| 9(d) | Department of Housing (DOH) | Grants to private nonprofit organizations for supportive housing for individuals with intellectual disability, autism spectrum disorder, or both (§ 227 cancels an identical bond authorization for the Department of Developmental Services) | \$20,000,000 |

Effective: *July 1, 2017*

DOH GENERAL BOND OBLIGATIONS AND REDUCTIONS

| | | <u>Previous Allocation</u> | <u>Bond Reduction</u> | <u>New Allocation</u> |
|-----|--|----------------------------|-----------------------|-----------------------|
| DOH | Grants to nursing homes for alterations, renovations, and improvements to convert to other uses in support of right-sizing | \$10,000,000 | (\$10,000,000) | \$0 |
| DOH | Shoreline Resiliency Fund | \$25,000,000 | (\$17,000,000) | \$8,000,000 |
| DOH | Housing development and rehabilitation, including improvements to various kinds of state-assisted affordable housing and housing-related financial assistance programs | \$135,000,000 | (\$15,000,000) | \$120,000,000 |
| DOH | Main Street Investment Fund | \$5,000,000 | (\$2,000,000) | \$3,000,000 |

| | | | | |
|-----|--|--------------|---------------|--------------|
| DOH | Homelessness prevention and response fund | \$15,000,000 | (\$4,000,000) | \$11,000,000 |
| DOH | Grant to Connecticut Housing Finance Authority for the Emergency Mortgage Assistance Program | \$40,000,000 | (\$2,000,000) | \$38,000,000 |

Effective: *July 1, 2016*

ADDITIONAL HOUSING RELATED GENERAL BOND AUTHORIZATIONS

| | | <u>Previous Allocation</u> | <u>Bond Reduction</u> | <u>Bond Increase</u> | <u>New Allocation</u> |
|-----|---|----------------------------|-----------------------|----------------------|-----------------------|
| DOC | Alterations, renovations, and improvements to existing state-owned buildings for inmate housing, programming, staff training space, and additional inmate capacity; support facilities; and off-site improvements | \$15,000,000 | (\$2,000,000) | \$0 | \$13,000,000 |
| DDS | Grants-in-aid to private nonprofit organizations for supportive housing (transfer to DOH) | \$20,000,000 | (\$20,000,000) | \$0 | \$0 |
| OPM | Transit-oriented development and predevelopment activities | \$0 | (\$0) | \$8,000,000 | \$8,000,000 |
| OPM | Urban Act | \$50,000,000 | (\$0) | \$25,000,000 | \$75,000,000 |