



## Agency Legislative Proposal - 2017 Session

**Document Name** (e.g. OPM0916Budget.doc; OTG0916Policy.doc): **DOH092616TechnicalChanges**

(If submitting electronically, please label with date, agency, and title of proposal – 092611\_SDE\_TechRevisions)

State Agency: Department of Housing

**Liaison:** Dan Arsenault

**Phone:** (860) 270-8103

**E-mail:** Dan.Arsenault@ct.gov

Lead agency division requesting this proposal: Commissioner’s office

Agency Analyst/Drafter of Proposal: Dan Arsenault

**Title of Proposal:** An Act Making Technical Changes for the Department of Housing

**Statutory Reference:** 8-37qq(2); 8-37mm

**Proposal Summary:**

The Department proposes to make technical changes to existing statutes governing the Homelessness Prevention & Respond fund to clarify funding use. The Department also proposes making changes to the revolving loan fund to clarify uses of administrative expenses.

### PROPOSAL BACKGROUND

◇ **Reason for Proposal**

Please consider the following, if applicable:

- (1) Have there been changes in federal/state/local laws and regulations that make this legislation necessary?
- (2) Has this proposal or something similar been implemented in other states? If yes, what is the outcome(s)?
- (3) Have certain constituencies called for this action?
- (4) What would happen if this was not enacted in law this session?

This proposal will help to clarify and update existing statutes that govern the administration of Department of Housing programs.

◇ **Origin of Proposal**       **New Proposal**       **Resubmission**

If this is a resubmission, please share:

- (1) What was the reason this proposal did not pass, or if applicable, was not included in the Administration’s package?
- (2) Have there been negotiations/discussions during or after the previous legislative session to improve this proposal?
- (3) Who were the major stakeholders/advocates/legislators involved in the previous work on this legislation?
- (4) What was the last action taken during the past legislative session?

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## PROPOSAL IMPACT

◇ **AGENCIES AFFECTED** *(please list for each affected agency)*

<b>Agency Name:</b> Only DOH <b>Agency Contact (name, title, phone):</b> N/A <b>Date Contacted:</b> N/A
Approve of Proposal <input checked="" type="checkbox"/> <b>YES</b> <input type="checkbox"/> <b>NO</b> <input type="checkbox"/> <b>Talks Ongoing</b>
<b>Summary of Affected Agency's Comments</b> N/A
Will there need to be further negotiation? <input type="checkbox"/> <b>YES</b> <input checked="" type="checkbox"/> <b>NO</b>

◇ **FISCAL IMPACT** *(please include the proposal section that causes the fiscal impact and the anticipated impact)*

<b>Municipal</b> <i>(please include any municipal mandate that can be found within legislation)</i> N/A
<b>State</b> N/A
<b>Federal</b> N/A
<b>Additional notes on fiscal impact</b> N/A

◇ **POLICY and PROGRAMMATIC IMPACTS** *(Please specify the proposal section associated with the impact)*

The proposed changes would allow the Department of Housing to more effectively operate their programs by clarifying the intended use of funding in statute for both 8-37q(a)(2) and 8-37mm.
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**Insert fully drafted bill here**

**AN ACT MAKING TECHNICAL CHANGES FOR THE DEPARTMENT OF HOUSING**

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

Section 1. Section 8-37qq(a)(2) of the general statutes is repealed and the following is substituted in lieu thereof (*Effective Upon Passage*):

(a) “Administrative expense” means any administrative or other cost or expense incurred by the state in carrying out the provisions of any of the following bond-financed state housing programs, including the hiring of necessary employees and the entering of necessary contracts: Housing authority programs for social and supplementary services, project rehabilitation and improvement, and energy conservation pursuant to section 8-44a, moderate rental housing pursuant to section 8-70, moderate cost housing pursuant to section 8-82, housing for elderly persons pursuant to section 8-114a, congregate housing for the elderly pursuant to section 8-119h, housing for low-income persons pursuant to section 8-119dd, urban homesteading pursuant to subsection (a) of section 8-169w, financial assistance for development of limited equity cooperatives and mutual housing pursuant to section 8-214f, financial assistance to elderly homeowners for emergency repairs or rehabilitation pursuant to section 8-219b, home ownership loans pursuant to subsection (a) of section 8-286, housing programs for homeless persons pursuant to sections 8-356 and 8-357, private rental investment mortgage and equity program pursuant to sections 8-401 and 8-403, assistance for housing predevelopment costs pursuant to sections 8-410 and 8-411, residential subsurface sewage disposal system repair pursuant to section 8-420, [affordable housing pursuant to 8-37pp, financial assistance for the development of quality rental housing and homeownership pursuant to 8-336p](#) and energy conservation loans pursuant to section 16a-40b.

Section 2. Section 8-37mm of the general statutes is repealed and the following is substituted in lieu thereof (*Effective Upon Passage*):

(a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power, from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate thirty million dollars, provided fifteen million dollars of said authorization shall be effective July 1, 2016.

(b) The proceeds of the sale of said bonds, to the extent of the amount stated in subsection (a) of this section shall be used by the Department of Housing for the purposes of a homelessness prevention and response fund to provide forgivable loans or grants to (1) landlords to renovate multifamily homes, including performing building code compliance work and other major improvements, [fund ongoing maintenance and repair, and/or capitalize operating and replacement reserves](#) in exchange for the landlord’s participation in a rapid rehousing program[. A], [in which a](#) landlord’s participation in such program would include, but not be limited to, waiving security deposits and abatement of rent for a designated period; and (2) landlords to renovate multifamily homes, including performing building code compliance work and other major improvements, fund ongoing maintenance and repair, [and/or](#)



capitalize operating and replacement reserves in exchange for [the waiver of security deposits and](#) the abatement of rent by a landlord for [\[scattered site\]](#) supportive housing units.

(c) The Department of Housing may use not more than five per cent of the total allocation for administrative purposes.

(d) All provisions of section 3-20, or the exercise of any right or power granted thereby, which are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section, and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of said bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization which is signed by or on behalf of the Secretary of the Office of Policy and Management and states such terms and conditions as said commission, in its discretion, may require. Said bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on said bonds as the same become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the State Treasurer shall pay such principal and interest as the same become due.



## Agency Legislative Proposal - 2017 Session

**Document Name** (e.g. OPM1015Budget.doc; OTG1015Policy.doc): **092616\_DOH\_DisclosureInformation**

(If submitting electronically, please label with date, agency, and title of proposal – 092611\_SDE\_TechRevisions)

State Agency: Department of Housing (DOH)

**Liaison:** Dan Arsenault

**Phone:** (860) 270-8103

**E-mail:** Dan.Arsenault@ct.gov

Lead agency division requesting this proposal: *Commissioner's Office*

Agency Analyst/Drafter of Proposal: *Dan Arsenault*

**Title of Proposal:** An Act Concerning the Disclosure of Information of Rental Housing Program Participants

**Statutory Reference:** NEW legislation that will ideally be placed in C.G.S. Sections 8-37ttt and 8-37uuu, but uses the similar language as DSS's statute governing the disclosure of information concerning program applicants and participants, C.G.S. Section 17b-90 with minor changes and C.G.S. 17b-16a with no changes except the agency name

**Proposal Summary:**

To apply the law regarding the disclosure of information concerning program applicants and participants to DOH as it relates to applicants and participants in programs transferred to DOH from the Department of Social Services (DSS) under Public Act No. 13-234.

### PROPOSAL BACKGROUND

#### ◇ Reason for Proposal

Please consider the following, if applicable:

- (1) Have there been changes in federal/state/local laws and regulations that make this legislation necessary?
- (2) Has this proposal or something similar been implemented in other states? If yes, what is the outcome(s)?
- (3) Have certain constituencies called for this action?
- (4) What would happen if this was not enacted in law this session?

In accordance with Public Act No. 13-234 DOH received several housing programs from the Department of Social Services (DSS) including the Security Deposit Guarantee Program (SDGP), the state Rental Assistance Program (RAP) and the federal Section 8 Housing Choice Voucher (HCV) Program. Mirroring DSS' statute governing the disclosure of information concerning program applicants and participants (Conn. Gen. Statutes Section 17b-90) with minor alterations and Conn. Gen. Statutes Section 17b-16a (with no alterations except for agency name), this legislation will apply the same guidelines and limitations concerning the disclosure



of such information to DOH as they relate to applicants and participants in the programs transferred to DOH. It was an oversight that similar legislation was not included in P.A. 13-234 when these programs were transferred to DOH. Since this is a resubmission, we also included changes from the 2015 session because of a proposed amendment introduced at the request of the Senate Democratic caucus that DOH viewed as friendly. It made technical changes to clarify the definition of “person” in the legislation to specifically reference an employee of a public agency as defined in section 1-200 of the general statutes. We also removed a significant portion of language as a result of negotiations with the Department of Social Services (DSS) and the Judicial Branch in the 2016 legislative session. This programmatic change was recommended as part of the Auditors of Public Accounts report, submitted to the legislature in 2016. If this proposal were not enacted, then individual participant information can be disclosed under the Freedom of Information Act.

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**Origin of Proposal**       **New Proposal**       **Resubmission**

*If this is a resubmission, please share:*

- (1) *What was the reason this proposal did not pass, or if applicable, was not included in the Administration’s package?*  
**The proposal was never called in the Senate.**
- (2) *Have there been negotiations/discussions during or after the previous legislative session to improve this proposal?*  
**There was negotiations with the Department of Social Services (DSS) and the Judicial Branch during the last legislative session. We removed several provisions from the original proposal that were deemed unnecessary. It is still technical in nature.**
- (3) *Who were the major stakeholders/advocates/legislators involved in the previous work on this legislation?*  
**The major advocate was the Department of Housing.**
- (4) *What was the last action taken during the past legislative session?*  
**The bill passed unanimously out of the house, with no controversial questions arising, but it did not get called for a vote in the Senate.**

**PROPOSAL IMPACT**

**AGENCIES AFFECTED** *(please list for each affected agency)*

**Agency Name:** Just DOH  
**Agency Contact (name, title, phone):** N/A  
**Date Contacted:** N/A

Approve of Proposal     **YES**     **NO**     **Talks Ongoing**

**Summary of Affected Agency’s Comments**  
 N/A

Will there need to be further negotiation?     **YES**     **NO**



◇ **FISCAL IMPACT** (please include the proposal section that causes the fiscal impact and the anticipated impact)

<b>Municipal</b> (please include any municipal mandate that can be found within legislation) N/A
<b>State</b> N/A
<b>Federal</b> N/A
<b>Additional notes on fiscal impact</b> N/A

◇ **POLICY and PROGRAMMATIC IMPACTS** (Please specify the proposal section associated with the impact)

This legislation does not affect any policy or programmatic changes. It simply applies the law concerning the disclosure of information to DOH in a similar manner as it applies to DSS in connection with the programs transferred to DOH from DSS as a result of Public Act 13-234.

**Insert fully drafted bill here**

**AN ACT CONCERNING THE DISCLOSURE OF INFORMATION OF RENTAL HOUSING PROGRAM PARTICIPANTS.**

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

Section 1. (NEW) (*Effective upon Passage*) (a) For the purposes of this section, "person" means (1) any employee of a public agency, as defined in section 1-200 of the general statutes, or (2) any contractor that has entered into a state contract with any such public agency. Except as provided in subsection (b) of this section, no person shall solicit, disclose, receive or make use of, or authorize, knowingly permit, participate in or acquiesce in the use of, any list of the names of, or any information (A) concerning individuals applying for or receiving assistance from the Department of Housing or individuals participating in a program administered by said department, and (B) directly or indirectly derived from the records, papers, files or communications of the state or any political subdivision or agency of the state, or acquired in the course of the performance of official duties of any such agency or political subdivision. The prohibition set forth in this subsection shall not apply to any solicitation, disclosure,



receipt or use of, or authorization for use of, such list or information for purposes directly connected with the administration of programs of the Department of Housing and made in accordance with any regulations adopted by the Commissioner of Housing.

(b) The Commissioner of Housing may, pursuant to a court order, disclose information concerning individuals applying for or receiving assistance from the Department of Housing to a federal, state or local law enforcement officer who is requesting the information in the performance of the law enforcement officer's official duties.





## Agency Legislative Proposal - 2017 Session

**Document Name** (e.g. OPM0916Budget.doc; OTG0916Policy.doc): **110416\_DOH\_InclusionaryZoning**

(If submitting electronically, please label with date, agency, and title of proposal – 092611\_SDE\_TechRevisions)

State Agency: Department of Housing

**Liaison:** Dan Arsenault

**Phone:** (860) 270-8103

**E-mail:** Dan.Arsenault@ct.gov

Lead agency division requesting this proposal: Commissioner's office

Agency Analyst/Drafter of Proposal: Dan Arsenault

**Title of Proposal:** An Act Concerning Inclusionary Zoning

**Statutory Reference:** C.G.S. 8-2i

**Proposal Summary:**

The purpose of this proposal is to create statewide inclusionary zoning in Connecticut. This zoning will increase affordable housing development across the state by changing the existing statute, which authorizes municipalities to enact inclusionary zoning (C.G.S. 8-2i). This proposal does not affect how developments are approved at the local zoning level. It ensures that when multifamily housing developments are approved, each development will include affordable units. To that end, we propose to require that such zoning be applicable to all multifamily developments, except in cases where a development will have four or fewer units. This proposal offers three choices for determining how many affordable units will need to be included in a development and is based on several factors, including an Area Median Income (AMI) tiering system. If the affordability restriction is set at a lower percentage of the AMI, then fewer units will need to be restricted. If the affordability restriction is set at a higher percentage of AMI, then more units will need to be restricted. This proposal also includes design standards, which will ensure that by creating affordable units, the lower income individuals who reside in them will not be restricted to undesirable locations in a development. This proposal includes a similar reporting requirement to that found under C.G.S. 8-30g. Municipalities would be required to report the creation of such units to the Department of Housing, annually.



## PROPOSAL BACKGROUND

### ◇ Reason for Proposal

Please consider the following, if applicable:

- (1) Have there been changes in federal/state/local laws and regulations that make this legislation necessary?
- (2) Has this proposal or something similar been implemented in other states? If yes, what is the outcome(s)?
- (3) Have certain constituencies called for this action?
- (4) What would happen if this was not enacted in law this session?

There are 28 municipalities in Connecticut who have enacted local inclusionary zoning ordinances and these ordinances are all inconsistent. In addition, there have not been any recent changes in federal or state law that directly address exclusionary zoning in Connecticut. Exclusionary zoning continues to be a serious problem in Connecticut, making this proposal necessary. Statewide inclusionary zoning is a tool to help municipalities grow their affordable housing stock, which will enable them to qualify for a moratorium or an exemption from the Affordable Housing Land Use Appeals Procedure (C.G.S. 8-30g). This proposal will diminish the likelihood of a developer using C.G.S. 8-30g for anything other than its intended purpose, which is to combat exclusionary zoning practices and housing discrimination. Inclusionary zoning requires all multifamily housing development proposals to include affordable units. Inclusionary zoning has been publically supported by housing advocates and many state legislators across Connecticut as a way of increasing access to affordable housing and promoting economic growth. In many jurisdictions across the country, inclusionary zoning has been adopted. However, it has only been enacted on the municipal or county level. Connecticut is one of only two states without county government, therefore this kind of zoning can only be enacted on the state or municipal level. The introduction of this proposal will demonstrate that the Department of Housing is serious about working with municipalities to combat “predatory developers” by removing the likelihood that they will abuse C.G.S. 8-30g. Since proposed developments will be required to have affordable units from the early planning stages, there will be fewer instances of that kind of statutory abuse. That being said, this proposal would not replace C.G.S. 8-30g. That statute must remain as a mechanism to prevent housing discrimination. Even though a development will be required to have affordable units under this proposal, it does not compel a municipal Planning and Zoning (P&Z) board to approve any specific development. Zoning approval power will remain with the municipality.

### ◇ Origin of Proposal

New Proposal

Resubmission

If this is a resubmission, please share:

- (1) What was the reason this proposal did not pass, or if applicable, was not included in the Administration’s package?
- (2) Have there been negotiations/discussions during or after the previous legislative session to improve this proposal?
- (3) Who were the major stakeholders/advocates/legislators involved in the previous work on this legislation?
- (4) What was the last action taken during the past legislative session?

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## PROPOSAL IMPACT

### ◇ **AGENCIES AFFECTED** *(please list for each affected agency)*

<b>Agency Name:</b> DOH <b>Agency Contact (name, title, phone):</b> N/A <b>Date Contacted:</b> N/A  Approve of Proposal <input checked="" type="checkbox"/> <b>YES</b> <input type="checkbox"/> <b>NO</b> <input type="checkbox"/> <b>Talks Ongoing</b>
<b>Summary of Affected Agency's Comments</b> N/A
Will there need to be further negotiation? <input type="checkbox"/> <b>YES</b> <input checked="" type="checkbox"/> <b>NO</b>

### ◇ **FISCAL IMPACT** *(please include the proposal section that causes the fiscal impact and the anticipated impact)*

<b>Municipal</b> <i>(please include any municipal mandate that can be found within legislation)</i> N/A
<b>State</b> Subject to the availability of funds, DOH will set aside a portion of the funding from its bond authorizations to assist in the financing of affordable units created as a result of this proposal.
<b>Federal</b> N/A
<b>Additional notes on fiscal impact</b> N/A

### ◇ **POLICY and PROGRAMMATIC IMPACTS** *(Please specify the proposal section associated with the impact)*

Subject to the availability of funds, DOH will set aside a portion of the funding from its bond authorizations to assist in the financing of affordable units created as a result of this proposal.
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**Insert fully drafted bill here**

## **AN ACT CONCERNING INCLUSIONARY ZONING**

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

Section 1. Section 8-2i of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2018*):

(a) As used in this section, "inclusionary zoning" means any zoning regulation, requirement or condition of development imposed by ordinance, regulation or pursuant to any special permit, special exception or subdivision plan which promotes the development of housing affordable to persons and families of low and moderate income, including, but not limited to, (1) the setting aside of a reasonable number of housing units for **[long term] not less than a thirty year** period as affordable housing through deed restrictions or other means; (2) the use of density bonuses; or (3) **[in lieu of or in addition to such other requirements or conditions,]** the making of payments into a housing trust fund to be used for constructing, rehabilitating or repairing housing affordable to persons and families of low and moderate income.

(b) As used in this section, "area median income" means the term as defined by the United States Department of Housing and Urban Development.

(c) As used in this section, "affordable housing" means housing for which persons and families pay 30% or less of their annual income, where such income is less than or equal to a percentage of the area median income.

(d) As used in this section, "supportive housing" means housing where at least 10% of housing units are affordable to residents who have an income at or below the area median income and where such residents receive intensive and flexible support services. Supportive housing is designed for residents with a qualifying disability and provides housing based case management, assistance with reintegration into a community setting, basic skills of tenancy, referrals to community-based service providers, or other support services.

(e) As used in this section, "assisted living facility" means the same as "managed residential community" as defined in section 19a-693.

**[(b)] (f)** Notwithstanding the provisions of any special act, any municipality having zoning authority pursuant to this chapter or any special act or having planning authority pursuant to chapter 126 **[may] shall**, **[by regulation of the body exercising such zoning authority,]** implement inclusionary zoning consistent with this section [regulations, requirements or conditions]. Such inclusionary zoning shall apply to the creation of rental housing consisting of five or more housing units and require, at a minimum, that a percentage of the total development be restricted pursuant to subsection (1) of this section. The provisions of this section shall not apply to supportive housing or any assisted living



facility. Developments consisting of four or fewer rental housing units may opt to make payments into a municipal housing trust fund in lieu of restricting housing units consistent with this section. Payments made into such housing trust fund shall not be less than 3% of the total cost of the development.

(1) A percentage of the housing units in each development shall be restricted as affordable to persons of low and moderate incomes in accordance with one of the following subsections: (A) 15% of the total development shall have affordable housing units restricted to residents whose income does not exceed 30% of the area median income. (B) 20% of the total development shall have affordable housing units restricted to residents whose income, as a weighted average, does not exceed 60% of the area median income, provided that no resident's income in any income-restricted housing unit shall exceed 80% of the area median income. (C) 30% of the total development shall have affordable housing units restricted to residents whose income does not exceed 80% of the area median income.

(2) A developer may also meet the affordability requirements of section (1) with a blend of income-restricted housing units at different affordability levels, provided the housing units subject to affordability restrictions satisfy subsection (A), (B), or (C).

(3) All affordable housing units created under this section shall be situated within the development so as not to be in less desirable locations than the non-restricted housing units in the development and shall be no less accessible to public amenities as the non-restricted housing units.

(4) Affordable housing units created under this section shall be integrated within the development and shall be comparable in design, appearance, construction, and quality of materials with the non-restricted housing units. Interior features and mechanical systems of affordable housing units shall conform to the same specifications as apply to non-restricted housing units.

(g) In addition to the provisions of subsection (f), any municipality having zoning authority pursuant to this chapter or any special act or having planning authority pursuant to chapter 126 may adopt and implement additional inclusionary zoning provisions.

(h) The Department of Housing may establish a program for the purpose of providing financial assistance for the creation of affordable housing units in accordance with this section.

(i) On or before June 30, 2019, and annually thereafter, municipalities shall provide documentation of affordable housing unit completion to the Commissioner of Housing for inclusion in the inventory of affordable housing.