



CONNECTICUT HOUSING COALITION

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HOUSING HIGHLIGHTS ***2006 LEGISLATIVE SESSION***

- ✓ ***Housing Tax Credits Expanded to \$10 Million***
- ✓ ***Rental Assistance Program Increased by \$1.8 Million***
- ✓ ***Security Deposit Guarantees Increased by \$250,000***
- ✓ ***Preservation Early-warning Notices Improved***
- ✓ ***Affordable Housing Appeals Procedure Protected***

■ ***HOUSING TAX CREDIT CONTRIBUTION PROGRAM***

The legislature expanded the Housing Tax Credit Contribution Program from \$5 million to \$10 million annually (P.A. 06-186, Section 65). The Connecticut Housing Finance Authority operates this popular, effective program of tax incentives to businesses that contribute to nonprofit-sponsored affordable housing. The supportive housing set-aside will increase from \$1 million to \$2 million. A new “workforce housing” set-aside of \$1 million will be available for housing located in the municipality in which the employee works. Further, the maximum award per project increases from \$400,000 to \$500,000. CHFA opened applications for the increased tax credits with a deadline of July 3.

■ ***RENTAL ASSISTANCE***

The state Rental Assistance Program (RAP) will assist over 200 additional families in the state fiscal year '07, above the program's appropriated level in the current fiscal year. The budget (P.A. 06-186, Section 47) provides that \$1.8 million that the legislature added to the RAP program last session, but which was not spent, shall not “lapse” and continue to be available. In effect, this doubles last year's increase: the RAP appropriation was approximately \$12.3 million in FY '05, was increased to \$14.1 million in FY '06, and will be \$15.9 million in FY '07. The Department of Social Services indicates that administrative issues have been resolved (including a hold on new RAP certificates while the state was awaiting its federal Section 8 voucher allocation) and that the new RAP appropriation should be fully expended.

■ ***SECURITY DEPOSIT GUARANTEE PROGRAM***

The legislature increased the appropriation for the Security Deposit Guarantee Program by \$250,000, sufficient to guarantee approximately \$1 million in additional security deposits. Because of inadequate funding, the Department of Social Services had limited program eligibility to families at imminent risk of homelessness. The new funding will allow the program to be expanded to households receiving RAP or Section 8 assistance.

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■ **PRESERVATION**

Public Act 06-48 expands the early-warning system for federally-subsidized, multi-family housing when affordability is at-risk. The legislation builds upon the existing one-year notification requirement of C.G.S. Sec. 8-68c, covering more federal programs and requiring notice when expiring federal subsidies are not renewed in addition to pre-payment situations. Notices will be sent to the tenants, the municipality and the Department of Economic and Community Development. DECD will post the notices on its website and distribute them electronically to those who request to receive them.

■ **PROPERTY TAX ASSESSMENTS**

The Planning & Development Committee approved S.B. 387, which subsequently died without action in the Finance, Revenue and Bonding Committee, to clarify assessment methods for income-restricted housing. The legislation sought to assure fair and consistent assessments by requiring that (a) valuation should be based upon actual net operating income, and should not include subsidized financing, grants or tax credits used for the development of the housing, and (b) the capitalization rate should be the same as used for market rate rental housing.

■ **PUBLIC HOUSING REVITALIZATION**

The Finance, Revenue and Bonding Committee adopted a bond package (S.B. 52, Section 45) with provisions for public housing revitalization planning, but the bill died without action before the legislature adjourned. The legislation would have set standards for the redevelopment of state-financed, family public housing (“the moderate rental program”). It would have required meaningful resident participation in planning, but allowed replacement of only 80% of the existing units.

■ **AFFORDABLE HOUSING APPEALS PROCEDURE**

Once again, as in years past, the legislature rejected efforts to weaken the Affordable Housing Appeals Procedure (C.G.S. Sec. 8-30g), our strongest legal tool to overcome exclusionary zoning. The Judiciary Committee raised S.B. 672, to broadly expand the reasons upon which a local land use board could reject an affordable housing application, but the bill died when time ran out at the committee’s final meeting to report bills. Subsequently, the Senate rejected a floor amendment for total repeal of the affordable housing statute by a vote of 14-17. The House defeated two floor amendments to weaken the housing appeals law by votes of 52-93 and 54-88.

■ **TENANTS’ POSSESSIONS AFTER EVICTION**

Under current law, a town will store an evicted tenant’s possessions for 15 days to give the tenant an opportunity to reclaim them. The Judiciary Committee raised S.B. 361, to remove this municipal obligation and allow the landlord to keep or discard any property that the tenant could not remove before the eviction. The bill died when the Judiciary Committee did not put it on the agenda of its final meeting to report bills.

*For further information:
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