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Housing Development Zone Regulations

Sec. 8-381-1. Definitions

- (a) “Commissioner” means the Commissioner of Housing.
 - (b) “Department” means the Connecticut Department of Housing.
 - (c) “Distressed Municipality” means a municipality which, as of 10/1/87, met the definition set forth in subsection (b) of Section 32-9p of the Connecticut General Statutes.
 - (d) “Eligible Developer” means eligible developer as defined in Section 8-39 of the Connecticut General Statutes.
 - (e) “Family” means a household consisting of one or more persons.
 - (f) “Housing Development Zone” means an area in a distressed municipality, which: shall consist of one or two contiguous United States census tracts or a portion of an individual census tract; shall have at least twenty-five percent (25%) of its area zoned or allow for multi-family residential dwellings; and has been approved as a housing development zone by the Commissioner in accordance with the requirements of Public Act 87-378 and these regulations.
 - (g) “Multi-family Residential Dwelling” means any house or building or portion thereof which is capable of being occupied as the home or residence of two or more families living independently of each other.
 - (h) “Municipality” means any city, town or borough.
- (Effective March 28, 1989)

Sec. 8-381-2. Program description

- (a) The Commissioner is authorized to designate a maximum of three areas within distressed municipalities in the State as housing development zones, provided that no more than one zone shall be in any one such municipality.
 - (b) The purpose of this program is to encourage the development, preservation and revitalization of housing for low and moderate income families in distressed municipalities.
 - (c) A housing development zone program shall include the following:
 - (1) A high priority to receive State financial assistance shall be accorded to proposals from eligible developers for financial assistance for programs or projects authorized by Chapters 128, 130, 133 or 138 of the Connecticut General Statutes;
 - (2) For community development activities undertaken in the zone, the Commissioner may waive the limitations on the amount of State financial assistance to be provided pursuant to Section 8-169k of the General Statutes, as amended; and
 - (3) The municipality which includes the zone shall provide, by ordinance, for fixing assessments on commercial and residential property within the zone which is improved, and for deferring any increase in assessments attributable to such property improvement, as provided for in Public Act 87-378.
 - (d) Municipalities shall be required to comply with all rules and orders promulgated from time to time by the Commissioner and consistent with the Connecticut General Statutes and these regulations.
- (Effective March 28, 1989)

Sec. 8-381-3. Program requirements

For an area to qualify as a housing development zone, the distressed municipality shall select an area which:

- (a) Consists of one or two contiguous United States census tracts or a portion of an individual census tract as determined by the most recent U.S. census; and

(b) Has or will allow at least 25% of such area zoned to permit multi-family residential dwellings.

(Effective March 28, 1989)

Sec. 8-381-4. Application and selection process

(a) The Commissioner may solicit and/or accept applications from distressed municipalities for designation of an area as a housing development zone.

(b) As part of the application and designation approval process, the municipality shall be required to furnish the following:

(1) Evidence that the municipality meets the definition of a distressed municipality in Section 1 above;

(2) A census tract map which clearly shows the census tract(s) being proposed for designation as a zone;

(3) Certification that at least 25% of the designated census tract(s) is zoned or may be zoned for multi-family residential dwellings;

(4) A resolution by the legislative body of the municipality that, should the area be designated by the Commissioner, the municipality shall pass an ordinance for the fixing of assessments on all commercial and residential property in the zone which is improved during the period of designation and, in the case of residential properties, is occupied by families whose income is less than 150% of the median family income of the municipality. Any increase in assessments shall be deferred in accordance with the schedule established by Public Act 87-378; and

(5) A plan for the development and rehabilitation of housing within the zone which addresses and identifies the following:

(A) proposed housing and commercial construction or rehabilitation;

(B) municipal improvements such as the construction or rehabilitation of community facilities;

(C) public utilities and infrastructure improvements;

(D) evidence of financial commitment from all sources; and

(E) A statement listing the housing programs under which the municipality or developer(s) will be seeking financial assistance, the amount of financial assistance to be requested and an indication of the status of all required local approvals.

(c) The Commissioner may, from time to time, request additional information from the municipality.

(d) Proposals shall be approved or disapproved by the Commissioner based on the factors listed in Section 4 (b) above and factors which shall include but are not limited to:

(1) Any needs outlined in the five year Housing Advisory Plan;

(2) Housing assistance plans, if in existence;

(3) Any other statistical data on housing need and marketability;

(4) Suitability of the proposed site for this designation;

(5) The apparent capability of the municipality to plan and manage a housing development zone;

(6) Local community support; and

(7) The completeness and feasibility of the municipality's proposed plan for the development and rehabilitation of housing, as submitted pursuant to Section 4(b) above.

(e) If a proposal is disapproved, the municipality shall be notified in writing of the reason(s) for the rejection.

(f) If a proposal is approved, the Commissioner shall so notify the municipality in writing, and inform the municipality of the contents and terms of the Designation Agreement for a housing development zone. Before such agreement is signed, the municipality shall pass an ordinance for fixing assessments and deferring increases in assessments on properties within the zone, as required by Public Act 87-378, and shall, if necessary, finalize any zoning changes needed to meet the requirement that 25% of the housing development zone be zoned to permit multi-family residential dwellings.

(Effective March 28, 1989)

Sec. 8-381-5. Designation agreement

(a) Upon approval of a zone by the Commissioner, the Commissioner and the municipality will enter into a Designation Agreement which will outline the rights and responsibilities of the Commissioner and the municipality for the term of the designation.

(b) An area which has been designated as a housing development zone shall remain a zone for at least ten years from the date of execution of the Designation Agreement.

(c) The plan for the development and rehabilitation of housing within the zone filed by the municipality pursuant to Public Act 87-378 and Section 4(b) of these regulations shall be updated and filed with the Department at least once a year or as otherwise required by the Commissioner.

(Effective March 28, 1989)

Sec. 8-381-6. Priority for financial assistance

(a) The Commissioner shall grant a high priority to applications received from eligible developers for financial assistance under programs authorized by Chapters 128, 130, 133 or 138 of the Connecticut General Statutes. Such high priority will take into consideration the present level of authorized funding for a program and the number of proposals already under consideration by the Commissioner.

(b) The Commissioner may, at his discretion, waive the limitations on the amount of state financial assistance provided pursuant to Section 8-169k of the Connecticut General Statutes, as amended, for housing and community development projects undertaken in a housing development zone. A decision to approve such waiver will take into consideration the project's part in the plan for the development and rehabilitation of housing within the zone, as filed annually by the municipality pursuant to Section 5 (c) above.

(c) To receive priority status or a waiver, the applicant, if a municipality, must certify that their proposal is for a project within the designated zone. If the applicant is other than the municipality, the applicant must submit a municipal certification that the proposed project is within the designated zone.

(Effective March 28, 1989)

Sec. 8-381-7. Removal of designation

Ten years after the date of execution of the Designation Agreement, the Commissioner may remove the designation of a zone if:

(a) the zone no longer meets the requirements of Section 3 of these regulations;

(b) the Commissioner finds that there has been consistent underutilization of the priorities for financial assistance available under this program;

(c) the municipality has shown little or no progress in carrying out its plan for development and rehabilitation within the zone; or

(d) the municipality fails to abide by the requirements of Public Act 87-378 and these regulations.

(Effective March 28, 1989)