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## **OLR Bill Analysis**

**sHB 6632 (as amended by House “A”)\***

### ***AN ACT CONCERNING AFFORDABLE HOMEOWNERSHIP OPPORTUNITIES.***

#### **SUMMARY**

Existing law generally prohibits housing authorities that receive or have received state assistance from selling, leasing, transferring, or destroying a housing project if the project would no longer be available for, or replaced by, low- or moderate-income rental housing. However, the housing commissioner may approve the action if she finds, after a public hearing, that four specified conditions are met.

This bill modifies two of the four conditions. Under current law, one of these conditions requires a finding that the housing authority (1) developed a plan to lease, sell, transfer, or destroy the project in consultation with its residents and municipal representatives and (2) made adequate provision for the residents and representatives to participate in the plan. The bill allows the plan to include constructing certain types of housing to replace existing units at a ratio of at least one-to-one. Specifically, the housing must be subject to an affordable housing deed restriction (see BACKGROUND) for at least 20 years and be owner-occupied single-family or multifamily housing.

A second condition under current law requires a finding by the commissioner that anyone displaced by the action will receive assistance under the Uniform Relocation Assistance Act and will either be relocated to a comparable public or subsidized housing dwelling unit in the municipality or be given a tenant-based rental subsidy. The bill additionally allows her to find that someone displaced by the action will be relocated to a housing unit within a single-family or multifamily residence in the same municipality that is subject to an affordable housing deed restriction for at least 20 years.

Under existing law, the other two findings that the commissioner must make before approving the action are that (1) an adequate supply of low- or moderate-income rental housing exists in the municipality where the project is located and (2) the action is in the state's and municipality's best interests.

\*House Amendment "A" adds the requirement that the affordable housing be subject to a deed restriction for at least 20 years.

EFFECTIVE DATE: October 1, 2023

## **BACKGROUND**

### ***Affordable Housing Deed Restrictions***

By law, an "affordable housing deed restriction" is a restriction filed on a municipality's land records requiring that a dwelling be sold or rented only to households (1) with annual incomes of no more than the lesser of 80% of the area median income or the state median income and (2) that will pay no more than 30% of their income for the housing (CGS §§ 12-81bb).

## **COMMITTEE ACTION**

Housing Committee

Joint Favorable Substitute

Yea 15    Nay 0    (03/02/2023)