



PA 24-86—sHB 5153

Housing Committee

AN ACT CONCERNING ELIGIBILITY FOR WORKFORCE HOUSING DEVELOPMENT PROJECTS

SUMMARY: PA 23-207, § 30, expressly makes investments in “workforce housing development projects” eligible for tax credits under the Connecticut Housing Finance Authority’s (CHFA) Housing Tax Credit Contribution (HTCC) program. This act modifies the set-aside requirements for these projects. Specifically, the act:

1. increases, from 40% to 50%, the share of units that must be rented to a designated workforce population (e.g., teachers and police officers) and
2. correspondingly decreases, from 50% to 40%, the share of units that must be rented at market rate.

As under existing law, the remaining 10% of units must be affordable housing.

Under the HTCC program, CHFA administers tax credit vouchers for businesses that make cash contributions of at least \$250 to nonprofits that develop, sponsor, or manage housing programs benefitting low- and moderate-income households (e.g., affordable housing developments). The credits apply against various business taxes.

The act generally aligns the HTCC program’s workforce population and market rate set-aside requirements for workforce housing development projects with those for a similar type of development project under a Department of Housing (DOH) tax credit program (see BACKGROUND).

The act also makes technical changes.

EFFECTIVE DATE: June 1, 2024

BACKGROUND

Workforce Housing Developments

Among other things, PA 23-207 established a new DOH-administered tax credit for individuals or entities making cash contributions to eligible developers building or rehabilitating “workforce housing opportunity development projects” in federally designated opportunity zones. By law, completed workforce housing opportunity development projects must generally be rented as follows: (1) 40% of the units at market rate, (2) 50% of the units to members of a designated workforce population meeting certain income requirements, and (3) 10% of the units to very low-income households.