



Connecticut

Low Income Housing Preservation in 2010

Low Income Housing Tax Credits (9% Tax Credits)

Connecticut's 2010 QAP designates as a priority the development of housing which "preserves the existing stock of Federally assisted low-income housing, where loss of low-income service is possible upon prepayment of a mortgage or expiration of housing assistance contracts." All applicants that meet the state's threshold eligibility criteria are classified into one of three possible Allocation Priority Classes according to the characteristics of the proposed developments. General Class II includes applications for assistance necessary to preserve federally assisted apartments that will be lost due to mortgage prepayment, subsidy contract opt-out or subsidy contract termination. LIHTCs will be allocated first to nonprofit set-aside applicants, then to applications from General Class I (which can include acquisition and/or rehabilitation properties if they meet the Class I requirements, such as being part of Urban Regional Centers or Neighborhood Revitalization Zones), then to the extent available to applications from General Class II, and then to General Class III applications. Special Class I allows for qualified new construction or rehabilitation that is part of a comprehensive plan to replace and/or rehabilitate public housing units.

The 2010 QAP also awards up to 10 points for new construction or rehabilitation proposals that provide additional apartments and 5 points for adaptive reuse of historic buildings, effectively acting as small preservation disincentives. 10 additional points are available for the preservation of units as long as the proposed application does not result in a net loss of units after revitalization.

The QAP also awards up to 20 points for per-unit cost effectiveness, a key characteristic of preservation.

Allocations (2003-2009)

Properties Preserved: 34

Apartments Preserved: 2,145

State Low Income Housing Tax Credits

In 2011, Connecticut allocated \$10,000,000 toward its state tax credit program. The state credits are administered separately from the federal LIHTC program.

Private Activity Bonds with 4% Tax Credits

Allocations (2003-2007)

Properties Preserved: 5

Apartments Preserved: 829

Additional Info: Connecticut historically allocates 4% tax credit towards the preservation of affordable housing, with 100% of their 4% tax credits going towards preservation projects in 2007.

Housing Trust Funds

Administered by the Department of Economic and Community Development, the Connecticut Housing Trust Fund for Growth and Opportunity was founded in 2005 with committed funding of \$20 million per year for 5 years and is backed by a bond offering. The Trust promotes "the rehabilitation, preservation, and production" of affordable housing. The Trust Fund provides deferred payment loans, low or no interest amortizing loans, credit enhancements, bridge loans to non-profit applicants, and grants when difficult projects cannot support deferred payments. Loans and grants are leveraged 4.5-to-1 with non-Trust Fund dollars.

The Community Investment Act directs proceeds from a land record documentation fee to affordable housing, historic preservation, open space, and environmental programs. Up to \$5 million is expected to be provided to the Housing Finance Agency to support a number of efforts including the creation of a predevelopment loan program for non-profit developers and a pilot program to provide technical assistance to suburban and rural affordable housing projects.

PLEASE NOTE: *Some of the information on housing trust funds included in this report was generously provided by the Center for Community Change (Housing Trust Fund Project).*

Green Multifamily Preservation Initiatives

Green Incentives in State Tax Credit Allocation Plan

Connecticut's 2010 QAP provides a 2 points for each of the following energy efficiency measures: CRI Green label, low-VOC carpeting, pad and adhesives; high efficiency toilets in each living unit; energy star ceiling fans in all bedrooms and living rooms; high-performance triple-glazed windows; rooftop, building-integrated or landscape-integrated photovoltaic electrical generation system(s); Energy Star qualified geothermal HVAC system; and sites designed to retain, infiltrate and/or treat the first ½-inch of rainfall in a 24-hour period. One point is awarded for each of the following: non-smoking buildings or portions of buildings; universal design features in at least one-half of the proposed living units. These incentives do not distinguish between rehab and new construction projects.

In addition, meeting criteria to ensure energy efficient operation and maintenance is identified as part of the threshold requirements for new and substantially rehabilitated projects. Green Design and Construction Standards require low-impact sites, green building materials, and specify energy efficient designs.

Other Green Incentives Relevant to Preservation

The State Department of Social Services coordinates Connecticut's Weatherization Assistance Program. Connecticut sets aside a portion of their WAP funding for the weatherization of state public housing projects. For complete information on CT's weatherization program see: <http://www.waptac.org/grantee-contacts.aspx>.

Other incentives include a property tax exemption for renewable energy systems (local option), loans for energy conservation developments, solar rebate programs, utility rebate program, and a sales tax exemption for energy efficient products.

For additional information on green initiatives, visit www.aceee.org for more on policies related to energy efficiency or www.dsireusa.org for programs that may be available to developers to incentivize renewable energy or energy efficiency.

Sustainable Communities & Transit-Oriented Development Incentives

Connecticut's 2010 QAP awards 4 points for projects located in a Neighborhood Revitalization Zone and 10 additional points for being in a qualified census tract.

Housing production policies, goals, and objectives include encouraging "pedestrian and bicycle friendly features, including safe and attractive lighting, sidewalks and crosswalks, bikeways, urban tree planting, outdoor dining and entertainment, and traffic calming measures, where appropriate." The QAP also supports the "integration of location, density and design with existing or planned public transportation systems," encouraging "fuller use of already developed placed with existing infrastructure, particularly deteriorated areas where site abandonment or neglect are responsible for lack of investment, job loss, or neighborhood flight."

The Responsible Growth section of the 2010 QAP includes 10 points for transit-oriented development and 2 additional points for being within: ½-mile from a grocery store, ¼-mile of a park or community recreation center, or 1 mile of a rural community center.