
Housing for Economic Growth Program

CGS Section 8-13(m-x)

Purpose

To provide incentives to municipalities for creating Incentive Housing Zones that will allow higher densities for mixed income housing.

What does the program offer?

- Program offers three funding incentives:
 - Predevelopment costs (formerly Technical Assistance Grants)
 - Zone Adoption Grants – up to \$50,000
 - Building Permit Grants
 - Up to \$2,000/each multi-family unit or duplex or townhouse
 - Up to \$5,000/each single-family unit
 - Refer to Current HEG Program Implementation Policy for various funding levels and use of funds

What is the catch?

You get the MONEY !!

(It can't get simpler than this in this economy)

What is the application process?

- Eligible applicant – Municipality
- Can RPA/RPO/COG apply? – NO
 - Municipality can enter into contractual arrangement with RPA/RPO/COG
- Application material is online at OPM website
- Complete the application, signed by the authorized individual
- Provide resolutions from the legislative body and planning & zoning commission
- OPM reviews the application, may conduct a site visit
- Approval and release of funds in installments

What are the requirements?

- Eligible Location
- Developable land that will support minimum densities required
- Minimum densities required
 - 6/acre – single family detached
 - 10/acre – townhouses or duplex
 - 20/acre – multi-family housing
- OPM may waive density requirements
- Deed restriction - minimum of 20% of housing for people earning 80% or less of area median income, 30 years
- Area to be consistent with the State C&D Plan
- Minimum density must increase by 25% than underlying zoning
- Mixed uses allowed
- Design standards allowed

Benefits of the project under this program

- Towns don't have to fight developers
- Developers don't have to fight the Towns
- Towns can choose the location and design of the development
- Developers get density
- No use restriction on incentive payments
- Only 20% is restricted to affordable housing, remaining 80% can be sold at market rate
- Various studies have shown that there are no impacts to the school expenditures from the higher density developments

Who is qualified under the program?

CT Occupational Employment & Wages - Statewide 2008			2008 HUD Income Limits		
<i>Source - CT Department of Labor, Office of Research</i>					
Occupations	Entry Level	Average	Metropolitan Area	1 Person	4 Person
Preschool Teachers	\$20,862.00	\$29,821.00			
Elementary School Teachers	\$43,172.00	\$63,097.00	Stamford-Norwalk	\$53,600.00	\$76,550.00
Middle School Teachers	\$45,869.00	\$64,933.00	Danbury	\$47,400.00	\$67,700.00
Home Health Aides	\$22,484.00	\$28,404.00	Bridgeport, Hartford-West Htfd-East Htfd, New Haven-Milford, Norwich-New London, Litchfield County, Windham County	\$43,050.00	\$61,500.00
Nursing Aides and Attendants	\$24,689.00	\$30,157.00			
Occupational Therapist Assistants	\$39,249.00	\$49,728.00	Definitions:		
Fire Fighters	\$35,152.00	\$50,814.00	Entry Level - is equal to the average of the lower third of reported wages for the occupation		
Police and Sheriff's Patrol Officers	\$44,345.00	\$56,768.00	Average Annual - average hourly wage multiplied by 2080 hours (FT employee)		
Janitors and Cleaners	\$18,948.00	\$27,800.00			
Grounds Maintenance Workers	\$22,172.00	\$29,849.00			

Olde Oak Village, Wallingford

School Age Children - Affordable vs. Single-family homes

Various Residential Development Comparison			
Town of Wallingford			
Source - Town of Wallingford, Board of Education			
Development Name	Type	School Age Children	Specs.
		children/dwelling unit	
Olde Oak Village	80 unit Single-family, detached condominium	0.26	1250 sq. ft, 3BR, 1.5Bath, 1-car garage. Affordable unit sold in May 08 for \$155,626, eligible buyer - income of less than \$45,960 per year. MR units sold in 2007 for \$315,900; \$307,500; \$360,000
Mountain Brook	63 unit Single-family detached condominium	0.49	Market rate (MR) similar in size to Olde Oak, sold in 2007 for \$306,500, 2008 for 292,500 and \$340,000
Fairlawn Farms	122 lot single-family	0.76	3-4 BR colonials with 2-car garage, MR, sold in 2007 for \$415,000, \$420,000, \$460,000
Fieldstone Farms	95 unit single-family, detached condominium	0.22	upscale, MR, sold in 2008 for \$504,750, 520,000, \$480,000

HEG (aka HomeCT) Program Status

- OPM approved 5 Incentive Housing Zones – East Lyme, New London, Old Saybrook, Sharon, Torrington
- Old Saybrook completed Ferry Crossing Project – 16 affordable units
- Sharon will be starting construction soon
- OPM released its 1st incentives (\$25,000) to Old Saybrook and Sharon for adopting IHZ
- Program received additional \$2.0 million for Predevelopment costs – application deadline is 1/31/2013

Ferry Crossing Project, Old Saybrook

1st HomeCT Project



Ferry Crossing Project, Old Saybrook

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OPM-HEG December 12, 2012, Lyceum,
Hartford

Ferry Crossing Project, Old Saybrook

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HEG (HomeCT) Program Contact

Dimple Desai

CD Director

Office of Policy and Management

Phone – 860-418-6412

Email – dimple.desai@ct.gov

Website for program related material

http://www.ct.gov/opm/cwp/view.asp?a=2990&q=413526&opmNav_GID=1807

Housing for Economic Growth Program Implementation Policy

CGS Section 8-13(m-x)

OPM will use the following criteria to disperse funding from the Housing for Economic Growth Program (aka HomeCT).

\$1.0 million – On a first come first served basis

\$300,000 – for zone adoption incentives - \$20,000 lump sum to municipalities

\$700,000 – for building permit incentives – based upon the stepped approach as follows with \$15,000 floor and \$50,000 ceiling limits

Category	Number of Units to be Built-MIN	Number of Units to be Built-MAX	\$ per unit	Range of Incentives - MIN	Range of Incentives - MAX
A	10	100	\$115	\$1,150	\$11,500
B	101	150	\$125	\$12,625	\$18,750
C	151	250	\$135	\$20,385	\$33,750
D	251	1000	\$150	\$37,650	\$150,000

\$2.0 million

OPM is offering a new round of applications – **deadline to submit applications - January 31, 2013**

Municipalities are eligible for seeking funds for Phase I and Phase II of the predevelopment costs.

Phase I pre-dev – up to \$20,000 - activities include legal/planning expenses for drafting/adoption of IHZ regulations or design standards, feasibility studies for septic systems, other minor engineering studies.

Phase II pre-dev – up to \$50,000 for mixed income housing project specific activities, OPM may increase the limit on a case by case basis – activities include costs for land purchase options, planning/design costs, certain preliminary engineering costs, appraisals, legal and financial expenses, costs of permits and approvals, and other preliminary project costs as approved by the Secretary.

- This funding will be provided to the municipality for their project use or if there is a developer, to pass through the funds to the project developers.
- This funding is for municipalities for projects (municipal or private) meeting the requirements of CGS Section 8-13 (m-x).

- In case of pass through, municipalities will be required to have an agreement with the private developer or property owner to return the funds to the municipality if the project does not result in construction of a mixed income housing project as described in the application.

Criteria to be used to prioritize applications to receive funds (*Low to High priority for Phase I and High to Low Priority for Phase II*):

1. Towns that have adopted IHZs (these towns cannot ask for funds related to drafting of IHZ regulations and design standards, engineering expenses, feasibility studies as they have already adopted IHZ**)
2. Towns that have identified IHZs and done all preliminary work (regulations for the IHZ, regulations for design, held all requisite hearings) (same restriction as 1, however can ask for activities related to getting the IHZ adopted, provided they have not received Technical Assistance funds from OPM)
3. Towns that have conducted studies, identified potential IHZs and can demonstrate Pre-dev funding will lead within 6 months to adopted IHZ (same restriction as 2)
4. Towns that have not conducted studies or identified potential IHZs or adopted zones but can demonstrate (a) realistic municipal and/or developer interest, and (b) how Pre-dev funding will lead within 6 months to adopted IHZ.

** - It is assumed that these towns have already received OPM funds under Technical Assistance Phase and have prepared these documents or have already spent local funds and cannot seek reimbursement for such costs. However, these municipalities are eligible for Phase II pre-dev costs such as land purchase options, planning/design costs, certain preliminary engineering costs, appraisals, legal and financial expenses, costs of permits and approvals, and other preliminary project costs as approved by the Secretary.

NOTE: Adopted IHZs must meet the statutory requirements in order to be eligible.

Potential Pre-Development uses:

- Legal/planning expenses for drafting of zone or design regulations
- Certain Preliminary Engineering expenses that will permit capital, remediation or financing to move forward toward creation of the zone
- land purchase options
- planning/design costs
- appraisals
- legal and financial expenses
- costs of permits and approvals
- and other preliminary project costs as approved by the Secretary

NOTE: OPM may put an overall funding cap available for each of the Phase I and Phase II Pre-dev costs depending on the interest in the program and available funds at any given time.