

To:

From: State Consolidated Housing Plan Working Group

Re: Recommendations for State Consolidated Housing Plan

Date:

Working Group Charge

Pursuant to [Public Act 21-29](#) Section 13(f)(2) the Commission on Connecticut's Development and Future has tasked this working group with identifying "*statutory changes concerning the process for developing and adopting the state's consolidated plan for housing and community development prepared pursuant to section 8-37t of the general statutes.*" The working group has prepared these recommendations after review of relevant statutes, Code of Federal Regulations as it relates to the Consolidated Housing Plan requirements ([24 CFR Part 91](#)), the now-discontinued Connecticut Department of Economic and Community Development 2010 [State Long-Range Housing Plan](#), the existing 2020-2024 [State Consolidated Plan for Housing and Community Development](#) (the "Consolidated Plan") and its process for development. The working group consulted with representatives from the Connecticut Department of Housing and engaged in extensive conversation over a period of six months.

State Consolidated Plan for Housing and Community Development

Pursuant to 24 CFR Part 91, each state is required to produce a plan every five years demonstrating how it plans to allocate federal formula grant funding. The grant programs covered by the Consolidated Plan includes: Community Development Block Grant Program-Small Cities (CDBG-SC), HOME Investment Partnership Program (HOME), Emergency Solutions Grant (ESG), Housing Opportunities for Persons With AIDS (HOPWA), and the National Housing Trust Program (NHTF). The plan is submitted to the US Department of Housing and Urban Development for review. The plan should describe the methods for the intended distribution of state resources to address the housing and community development needs of extremely low-, low- and moderate-income households and persons experiencing homelessness in the state over the ensuing five years. Connecticut General Statutes Section 8-37t simply codifies this federal plan requirement in state law and requires the Commissioner of the Department of Housing to work with the Connecticut Housing Finance Authority in producing the Consolidated Plan.

Connecticut General Statutes section 8-37u further instructs the Commissioner of Housing broadly to coordinate housing policy and housing activities with regional councils of governments, municipalities and municipal agencies, housing authorities and other appropriate agencies. This statute was the basis for the creation of the State Long Range Housing Plan. CGS 8-37u also directs CHFA to produce an annual operating plan that is consistent with the Consolidated Plan. The CHFA plan must include production targets under each multifamily program of the authority, including targets for rental housing production for both elderly and nonelderly families in a proportion consistent with housing needs estimated pursuant to the

Consolidated Plan; proposed new and expanded programs; proposed outreach activities to help serve areas of the state or segments of the population whose housing needs have been particularly underserved, and estimated level of subsidy needed to support the proposed level of production.

Problem Identification

[This section will include data and information regarding the current state of housing insecurity in Connecticut and the role of various housing finance streams and programs in addressing that. This section may also include some best practices around the Consolidated Plan from other areas of the country.]

Working Group Recommendations

The working group recommends incorporating the following elements as part of the Consolidated Plan beginning with the 2025 plan. Alternatively, these elements could be incorporated into a broader guiding state housing plan document like the former State Long Range Housing Plan produced by DECD last in 2010. Regardless, the working group emphasizes the need for broader, more comprehensive guiding state housing policy doctrine that applies to all housing and community development funding – state and federal. Such guidance should include more specific location-based elements, actionable steps for implementing such guidance, measurable goals based on needs assessments and a regular plan for assessing progress on those goals. *[Note for purpose of working group discussion that some of these goals are already required under CGS 8-37u.]*

1. Require Biennial Housing Needs Assessments and Incorporate Findings

Recent housing needs assessments have been performed by both state government (CHFA) and outside organizations like the Urban Institute. These needs assessments incorporate US census data, state housing data, and other market indicators. As we have seen in the past two years, market conditions can shift quickly, resulting in changes to who needs housing and where. Thus, the state should invest in a thorough housing needs assessment every two years. Particular attention should be paid to racial and income segregation and track these and other metrics from year to year to identify trends and successes.

The Consolidated Plan should include a thorough review of recent housing needs assessments (both the proposed state biennial version and those from reputable outside organizations) and set clear, realistic, measurable targets, strategies and funding dissemination priorities aimed at meeting the most critical needs identified in those assessments. These should be incorporated with appropriate action steps in the Strategic Plan section.

2. Tailor Plan to Communities

As it is a required federal funding spending plan, the Consolidated Plan is not currently required to address the varied housing landscape of our 169 Connecticut municipalities. The Consolidated Plan (or other state guiding housing policy plan) should create clear guidance and measurable targets for affordable housing preservation and development in rural, suburban and urban communities that reflects the attributes unique to each that make housing development ideal or more challenging. This includes the following:

- historic success or failure to permit or facilitate affordable housing development
- local fiscal capacity
- environmental concerns (including decreasing vehicle miles traveled and facilitating potential to provide necessary infrastructure and transportation)
- concentrations of existing affordable housing
- racial and economic segregation
- the current Opportunity Map utilized by the Department of Housing and Connecticut Housing Finance Authority

3. Identify Opportunities and Incentives for Rehabilitation and Preservation

The Consolidated Plan should include specific incentives and/or targets for the rehabilitation and preservation of existing homes and buildings. Where certain funding streams (like HOME) can be used for rehabilitation and preservation, identifying types of locations and housing types ideal for such projects will aid in helping to fold affordable housing resources into existing communities and the assets they already hold.

Additionally, the Consolidated Plan (or guiding housing policy plan) should incorporate preservation targets for those existing deed restricted units reaching the end of their affordability term. According to PAHRC, nearly 5,000 units per year over the next 5-10 years fit this category. Not addressing this risk with existing resources in a focused way could result in significant attrition of our existing affordable housing stock. This will make growing our stock to reach the needs identified in assessments difficult if not impossible. Targeting preservation resources at those units most at risk of becoming market-rate should be an ongoing priority of the Consolidated Plan for Connecticut.

4. Address Housing Quality and Health Homes

Many Connecticut residents live in affordable housing that fails to meet local housing, building or health code standards. The Consolidated Plan should include incentives and identification of places where designated funding streams that support rehabilitation can be used to address these challenges. Broader state housing policy guidance should also identify state and local funding resources for this purpose.

5. Expand Evaluation of Prior Performance

The current “past performance” section of the Consolidated Plan discusses the five federal programs administered. We recommend that the Consolidated plan expand the “past performance section” to include a detailed evaluation of performance on the affordable housing goals, actions and metrics identified in the Strategic Plan section (see section one above). This should include an evaluation of expenditures of state housing funding and whether these and the federal expenditures advanced those goals and metrics and ultimately reduced housing insecurity in Connecticut and expanded our affordable housing stock in a manner consistent with the needs demonstrated in the most recent housing needs assessments. *[Potential here to highlight best practices around needs assessments in other places.]*

6. Non-Funding Housing Strategies

The Consolidated Plan could and should go beyond funding implementation goals and be a better vehicle for housing planning in the state. This includes taking into account the items identified in sections one through four of these recommendations. By creating a better plan for housing in a way that is responsive to supply and demand and takes into account more actors outside of DOH and HUD, the state would have a better opportunity to truly address housing needs in a comprehensive, collective way that meets the needs of residents and municipalities. *[Potential to include more detail about specific strategic attributes that this could include.]*

Currently, there are many actors in the affordable housing space including DOH, CHFA, municipalities, public housing authorities, private developers, philanthropic foundations, CDFIs and lenders, nonprofit and community development groups and many more. For the most part, they operate independently of one another, or in small groups driven by the varied funding mechanisms and priorities of a multitude of different programs – state, federal, local, private, philanthropic, etc. Creating a strategic state plan for housing action (or including this within the Consolidated Plan) that incorporates these varied resources and actors and attempts to create a more unified, organized, specific and goal-oriented direction for that spending and development will help Connecticut achieve its housing goals and meet the needs of the hundreds of thousands of households currently experiencing housing insecurity.