

**ORDINANCE NO. \_\_\_\_\_ SUPPLEMENTAL  
PROVIDING FOR THE CREATION OF  
AN AFFORDABLE HOUSING TRUST FUND  
IN THE CITY OF STAMFORD**

**WHEREAS**, the City of Stamford's Master Plan seeks the preservation of existing and the creation of new affordable rental and home ownership housing; and

**WHEREAS**, the Board of Representatives is committed to preserving and expanding the stock of affordable housing in the City; and

**WHEREAS**, Section 8-30g creates an appeals process if State affordable housing goals are not met; and

**WHEREAS**, Section 7.4 of the Stamford Zoning Regulations establish the City's Below Market Rate (BMR) Housing Program for the provision of on- and off-site affordable housing units and alternative methods of compliance; and

**WHEREAS**, Section 7.4.c of the Stamford Zoning Regulations allow, under a Special Exception, for a Fee-In-Lieu payment for meeting the requirements of the City's BMR Program to the City; and

**WHEREAS**, monies created through the Fee-In-Lieu provision and other limited public resources for affordable housing require these monies to be allocated effectively and efficiently to address the affordable housing needs and priorities of the City of Stamford.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY OF STAMFORD THAT:**

Chapter 146, Housing Standards, of the City of Stamford Code of Ordinances be amended as follows:

**ARTICLE V. - COMMERCIAL LINKAGE FOR AFFORDABLE HOUSING**

**Sec. 146-65. – Purpose and Intent.**

It is the purpose of this provision to promote the public health, safety and welfare by encouraging the expansion and upgrading of the City's housing stock while accommodating the expansion of housing and commercial opportunities in the City of Stamford; to provide for a full range of housing choices throughout the City for households of all incomes, ages and sizes in order to meet the City's goal of preserving diversity; to mitigate the impact of commercial development on the availability and cost of housing and particularly housing affordable to low and moderate income households; to increase the production of affordable housing units to meet existing and anticipated housing and employment needs within the City; to provide a mechanism by means of which commercial development can contribute in a direct and meaningful way to increase the supply of affordable housing in light of the influx of new employees in need of affordable housing brought about as a result of such commercial development, and to establish standards and guidelines for the use of such contributions from the application of inclusionary zoning provisions.

**Sec. 146-66. - Definitions.**

For the purpose of this article, the following terms shall have the following meanings:

*Affordable housing* means housing for which persons and families pay thirty per cent or less of their annual gross income, where such income is less than or equal to the area median income for the municipality in which such housing is located, as determined by the United States Department of Housing and Urban Development.

*Affordable unit* shall mean any dwelling unit for which the rent (including utilities) does not exceed thirty (30) per cent of the gross income of the renting household or for which the mortgage payment (including insurance, utilities and real estate taxes) does not exceed thirty (30) per cent of the gross income of the purchasing household or other standards as may be established pursuant to any municipal, state or federal housing program designed to assist low and moderate income households.

*Commercial building* shall mean any building, structure, or portion thereof that is devoted primarily or exclusively to a non-residential business or industrial use for the purpose of generating a financial gain or profit.

*Commercial share* means the portion of building permit fees determined by adding the totals for building permit fees paid on an annual basis for additions, repairs or alterations of commercial buildings in the City of Stamford, and for newly constructed mercantile, business and industrial buildings, divided by the total of the building permit fees collected on an annual basis by the Building Inspection Department of the City of Stamford.

*Developer* shall mean any individual, corporation, business trust, estate trust, limited liability company, partnership or association, or any other entity or combination thereof involved in the development of commercial construction projects.

*Linkage share* means that portion of commercial building permit fees collected annually in excess of a designated annual threshold established by this article.

*Threshold* means the amount of building permit fees collected annually by the City of Stamford Building Inspection Department for additions, repairs or alterations of commercial buildings or structures, and for newly constructed mercantile, business and industrial buildings, beyond which an annual linkage share will be assessed.

#### **Sec. 146-67. - Creation of a commercial linkage affordable housing program.**

To assist in the generation of financial incentives and resources to assist in the creation of affordable housing for persons and families of low and moderate income levels, a Commercial Linkage Affordable Housing Program is hereby created. Said program shall be administered by the City of Stamford Department of Land Use Administration in accordance with the provisions of Connecticut General Statutes, § 8-2i(b) and § C6-40-1 of the Stamford City Charter, as said sections may be amended from time to time.

##### *A. Generation and calculation of commercial linkage fees for inclusion in Stamford Housing Development Fund.*

On an annual basis, a Linkage Share determined to be five (5) per cent of building permit fees collected by the City of Stamford Building Inspection Department for repair, additions, alterations and renovations to commercial buildings and for construction of new mercantile, business and industrial buildings, shall be deposited into the City of Stamford ~~Housing Development Fund, or to such other segregated fund devoted solely for affordable housing purposes as established by the City of Stamford Department of Administration. The fund shall be utilized for site acquisition and development for the construction and/or rehabilitation of affordable housing for low and moderate income persons and families. This fund shall be included in the municipal budget process as described in Section C8-30-1, to Section C8-30-7 of the Stamford City Charter~~Affordable

Housing Trust Fund. All funds generated by the Commercial Linkage Fees and deposited in the Affordable Housing Trust Fund shall be disbursed only in the manner prescribed in the Affordable Housing Trust Fund (Sections 146-70 through 146-75).

B. *Authorized uses of linkage fees.* The Commercial Linkage Fees generated pursuant to this article shall be utilized for the following authorized purposes:

1. *Creation of affordable housing units.* To encourage the development of affordable housing through a variety of means including, but not limited to, the provision of favorable financing terms to developers of affordable housing, or by means of the direct write-down of costs for non-profit developers of affordable housing, or to subsidize the acquisition of sites, existing structures or designated affordable housing units which comprise a portion of a larger development containing housing which is not deemed affordable to persons of low and moderate income.

2. *Multi-family rehabilitation program.* To finance the rehabilitation, repair, renovation or alteration of existing and deteriorated multi-family residential properties in a manner that preserves the affordability of dwelling units within such properties through interest rate subsidies, loan guarantees or the direct write-down of project costs. Multi-family housing owned and operated by nonprofit entities that ensure maximum long-term affordability shall receive priority funding consideration.

3. *Limited Equity Cooperative or Condominium Conversion Properties.* To assist in the acquisition, rehabilitation, repair, alteration or renovation of residential properties deemed appropriate for conversion to a "common interest community" as defined pursuant to Connecticut General Statutes, § 47-202(7).

4. *Home ownership assistance.* To assist persons and families of low and moderate income with the financing of the purchase, repair or renovation of affordable housing through low interest loans or local grants. The administration of such loans or grants will be conducted by the City of Stamford Department of Community Development.

The specific manner in which Commercial Linkage Fees generated by this article and designated for affordable housing purposes are to be utilized, including the amount of any expenditure of Commercial Linkage Fees is to rest within the sole discretion of the Mayor of the City of Stamford in accordance with the municipal appropriations process and after consultation with the Housing/Community Development/Social Services Committee of the Board of Representatives.

C. *Exemptions.*

*Governmental projects.* Any construction projects being developed by, or on behalf of, any federal, state or local governmental entity will be exempt from the calculation of Commercial Linkage Fees as set forth in subsection A above.

## **ARTICLE VI. - STAMFORD AFFORDABLE HOUSING TRUST FUND**

### **Sec. 146-68. Establishment of Stamford Affordable Housing Trust Fund**

Pursuant to the provisions of CGS 7-148(c)(2)(K), the City of Stamford (the "City") does hereby establish a Special Trust Fund to provide affordable housing for Stamford residents. The fund shall be known as the Stamford Affordable Housing Trust Fund ("SAHTF" or the "Trust"). Such Trust shall not lapse at the end of the municipal fiscal year.

**Sec. 146-69. Purpose**

The purpose of the SAHTF is the preservation of existing and the creation of new affordable rental and home ownership housing in the City, pursuant to the City's Master and Affordable Housing plans. "Affordable rental and home ownership units" is defined as housing for households earning incomes of no more than 80 percent of the median family income for the Stamford-Norwalk HUD Metropolitan Fair Market Rent Income Area, adjusted for household size as published annually by the U.S. Department of Housing and Urban Development, or other such equivalent income standard as may be established by a majority vote of the Zoning and Planning boards. The Trustees of the Trust shall determine an affordable rent and home ownership cost which shall not exceed 30 percent of the eligible household income. Preservation and creation of affordable housing shall include but not be limited to programs designed to further housing rehabilitation and/or development opportunities and those that are designed to directly assist homeowners and renters.

**Sec. 146-70. Affordable Housing Trustees.**

There shall be five (5) Trustees on the Board of the Trust, who shall serve ex officio. The Trustees shall be the Land Use Bureau Chief or such Chief's designee, the Chair of the Housing, Community Development and Social Services Committee of the Board of Representatives or such Chair's designee, the Chair of the Board of Finance or such Chair's designee, the Chair of the Stamford Zoning Board or such Chair's designee, and the Director of Social Services for the City of Stamford or such Director's designee. The Land Use Bureau Chief shall serve as the Chair of the Board of Trustees. No Trustee shall receive a salary or other remuneration for serving on the Board.

**Sec. 146-71. Meetings of the Board of Trustees.**

- A. The Board shall meet at least quarterly. All Board meetings and decisions shall be open to the public and duly advertised, pursuant to the requirements of CGS Sections 1-225 to 1-232.
- B. Each member of the Board shall have one vote. All decisions of the board shall be made by simple majority of a quorum of the Board Members.
- C. The presence of at least three (3) Board members constitutes a quorum.

**Sec. 146-72. Declaration of Trust.**

- A. The terms of the SAHTF, which shall be consistent with the provisions of this Article, shall be set forth in a Declaration of Trust, which shall be subject to the approval of the Mayor and the Board of Representatives.
- B. The Declaration of Trust shall be presented to the Board of Representatives by the Mayor within 60 days after the passage of this Ordinance for review and approval.

**Sec. 146-73. Sources of Funding, Investments, and Limitations on Use of Fund.**

- A. In addition to such sums as may be appropriated by the City for deposit into said Fund, the City is authorized to and shall deposit all monies received by it, from whatever source, for the provision of affordable housing, including fees received pursuant to CGS Sec. 8-2i, Stamford Code Secs. 146-65 through Sec. 146-67 Sec. 7.4.C.4. of the Stamford Zoning Regulations, and other fees, monetary gifts, grants and loans, unless otherwise restricted, into said Fund.
- B. Said Fund shall be in the custody of the Office of Policy and Management. All or any part of the monies in said Trust may be invested in any securities in which public funds may be lawfully invested. All income derived from such investment shall

be placed into the Trust and become a part thereof. The monies so invested shall at all times be subject to withdrawal for use as hereinafter set forth.

C. No sums contained in said Trust, including interest and dividends earned, shall be transferred to any other account within the City budget. Any applicant who has paid a fee pursuant to Section 7.4.C. of the Stamford Zoning Regulations shall not be eligible to apply for funds from the Trust for the same project. No expenditures shall be made from said Fund except in accordance with the provisions of this ordinance.

#### **Sec. 146-74 – Affordable Housing Plan**

A. The City of Stamford Land Use Bureau shall prepare the Stamford Affordable Housing Plan (SAHP).

B. The SAHP shall be based upon and specify the Stamford Master Plan with regard to its housing goals and strategies, and shall detail prepared at least every five (5) years. The Affordable Housing Plan shall be completed and adopted no later than twelve 12 months after adoption of this Ordinance.

C. The SAHP shall provide at least include the following information:

1. A survey of the Stamford Housing market both for rental and homeownership units;

2. Trends and developments in the Stamford housing market, in particular with regard to housing cost and affordability;

3. A comprehensive list of the affordable housing supply in Stamford by operator and program and affordability level, and trends in the development of affordable housing options;

4. Identify and prioritize the affordable housing needs in Stamford, taking into consideration, among other factors, affordability levels, demographic characteristics and specific conditions in individual neighborhoods;

5. Identify strategies and programs to address the prioritized needs, including goals and benchmarks for assessing the success in addressing the needs

D. The SAHP shall be adopted by the Stamford Planning Board pursuant to Sec. C6-30-4 of the City of Stamford Charter The Plan shall also be posted on the City of Stamford website for public inspection and shall be available in hardcopy at the City of Stamford Land Use Bureau for review during normal business hours.

#### **Sec. 146-75. Expenditures from Trust.**

A. The continuation of the Fund shall be perpetual, notwithstanding that from time to time said Trust may be unfunded.

B. Expenditures from the Trust as defined in Section 146-75.C shall be considered approved pursuant to Part 8 of the Stamford City Charter.

C. Expenditures shall be made from the Trust only in accordance with the following procedures and requirements:

1. All expenditures listed below shall be based on and prioritized by the Stamford Affordable Housing Plan. Funds from the Trust shall only be used for the following authorized purposes:

a. *Creation of affordable rental or homeownership housing units.* To encourage the development of affordable housing through a variety of means including, but not limited to, the provision of favorable financing terms to developers of affordable housing, or by means of the direct write-down of costs for non-profit developers of affordable housing, or to subsidize the acquisition of sites, existing structures or designated affordable housing units which comprise a portion of a larger development containing housing which is not deemed affordable to persons of low and moderate income.

b. *Multi-family rehabilitation program.* To finance the rehabilitation, repair, renovation or alteration of existing and deteriorated multi-family residential properties in a manner that preserves the affordability of dwelling units within such properties through interest rate subsidies, loan guarantees or the direct write-down of project costs. Multi-family housing owned and operated by nonprofit entities that ensure maximum long-term affordability shall receive priority funding consideration.

c. *Limited Equity Cooperative or Condominium Conversion Properties.* To assist in the acquisition, rehabilitation, repair, alteration or renovation of residential properties deemed appropriate for conversion to a "common interest community" as defined pursuant to CGS 47-202(7).

d. *Home ownership assistance.* To assist persons and families of low and moderate income with the financing of the purchase, repair or renovation of affordable housing through low interest loans or local grants. The administration of such loans or grants will be conducted by the City of Stamford Department of Community Development or third party, as determined by the City.

e. *Studies to determine the affordable housing needs of Stamford residents and for the preparation of the Stamford Affordable Housing Plan.* Selection of vendors for such service shall be pursuant to Stamford Code Sections 23-13 - 23-18.13.

2. No funds shall be disbursed in absence of an approved Stamford Affordable Housing Plan and all expenditures must demonstrate how they meet the goals and priorities established by the SAHP.

3. Expenditures of \$100,000 or less. The Board of Trustees shall accept, on a continuous basis, requests for funds of \$100,000 or less for authorized purposes as outlined in Subsection 146-75.C.2 from eligible parties. Eligible parties include for-profit and not-for-profit housing developers or not for profit organizations with the goal of furthering affordable housing, the Stamford Public Housing Authority (Charter Oak Communities), or the Stamford Department of Community Development. Individuals shall not be considered eligible parties. The Board shall quarterly review and make a determination whether or not to grant such requests. The Board shall disburse no more than 30% of the funds available in the trust at the time it makes such determination.

4. Whenever \$3,000,000 or more are available in the Trust, the Board of Trustees shall issue a Notice of Funds Available (NoFA) to solicit proposals for how to further the City's Affordable Housing Plan, as defined in Section 146-75.C.2. of this Article, and the most current assessment of the City's housing

needs. Such NoFA shall be issued no later than two (2) weeks after the first Board meeting after the monies in the Trust reach the above threshold. No later than seven (7) months after the issuance of the NoFA, the Board of Trustees shall render a decision on whether or not and how to fully or partially disburse the monies of the Fund. The Board shall follow the rules established by Stamford Code Chapter 23, Article II (Purchasing).

D. The Board of Trustees shall, at the end of each Fiscal Year, prepare a Report listing all expenditures and projects supported in said Fiscal Year, how they address affordable housing needs and priorities in accordance with the Stamford Affordable Housing Plan and how they meet the criteria of Sec. 146-75.C. Said report shall be completed and submitted to the Planning Board, the Board of Representatives, the Board of Finance and the Director of Administration by no later than September 15 of the following Fiscal Year. The Report shall also be posted on the City of Stamford website for public inspection and shall be available in hardcopy at the City of Stamford Land Use Bureau for review during normal business hours.

**Sec. 146-76. Interpretation.**

Nothing in this Chapter shall be construed to limit any powers lawfully exercised by the Zoning Board exercising the Powers of such Board pursuant to State Statute or Special Acts.