

§ 1-1. Preamble; Purpose of the Affordable Housing Account.

- A. The City of Norwalk (“City”) recognizes the wide-ranging benefits of adequate housing for all those seeking permanent shelter. Housing stability has been linked to positive life outcomes for children, greater neighborhood and community resilience, and better individual and community health.
- B. There is a nationwide housing crisis – one that is even more acute here in Fairfield County – as the growth in housing units has not kept pace with population growth, making housing harder to find and more expensive. That burden falls hardest on individuals and families whose annual income are less than sixty percent of the statewide median.
- C. Further, home ownership is widely recognized as an important mechanism by which individuals and families build wealth. It is not, however, a mechanism that has historically been equitably available and accessible to everyone. City residents are still impacted by the historical legacy of explicitly racist housing private practices and public policies of past centuries, as well as the subtler forms of discrimination on the basis of race and income that persist today. Therefore, the City is committed to being a city where everyone who wants to can affordably live here.
- D. Moreover, how housing is designed, built, and renovated can have significant positive or negative effects on our environment, climate change, and flooding. Housing for a coastal city that will be significantly impacted by climate change must seek to limit its environmental impact and be built with climate resilience in mind.
- E. The purpose and intent of this Chapter is as follows: (1) to create the “Affordable Housing Account”; and (2) to establish policies, procedures and application criteria of the Affordable Housing Account. In addition to such sums as may be directly appropriated by the Common Council for deposit into the Affordable Housing Account, this account shall be funded by fees received under the City Workforce Housing Regulations. This account shall only be used for Qualified Expenditures (as defined below) for low-and-moderate-income individuals and families and fostering the building of climate resilient Affordable Housing for rent and for purchase throughout the City.

§ 1-2. Definitions.

For purposes of this Chapter, the following terms have the meanings indicated:

Affordable Housing

Housing whose annual cost for (a) rent and utilities or (b) the sum of mortgage payments, required insurance payments, utilities, and property taxes shall not exceed thirty (30%) percent of the gross annual income of a household with a gross income which does not exceed sixty (60%) percent of the state of Connecticut Median Income, as adjusted for family size, as published by the United States Census Bureau and periodically updated by the U.S. Department of Housing and Urban Development (HUD).

Entity

A company, corporation, limited liability company, partnership, association, syndicate, trust, joint venture, or other legal entity of any kind.

Individual

A natural person.

Majority Vote

The affirmative vote of at least a majority of the members of the Common Council, present and voting, at a duly held meeting of the Common Council at which a quorum is present.

Qualified Expenditures

Funds used for the physical act of construction, rehabilitation, improvement, maintenance, or repair of an Affordable Housing building or structure. These include, but are not limited to, labor and materials.

§ 1-3. Establishment of the Norwalk Affordable Housing Account.

- A. Pursuant to C.G.S. § 7-148(c)(2)(K), as amended, the City does hereby create the Affordable Housing Account. This account shall only be used for Qualified Expenditures.
- B. The continuation of the Affordable Housing Account shall be perpetual notwithstanding that from time to time said account may be unfunded. Funds in the Affordable Housing Account shall not lapse at the end of the City's fiscal year.

§ 1-4. Affordable Housing Account Committee; Committee Meetings.

- A. There shall be a Committee known as the "Affordable Housing Committee" ("Committee"). The Committee shall consist of seven members, two of whom shall be members of the Common Council. The members of the Committee who are members of the Common Council shall be appointed by a Majority Vote of the Common Council. The Common Council members that serve on this Committee cannot reside in the same Council district. No Common Council member can serve on this Committee after the expiration of their term of office. The third member of the Committee shall be the Director of Planning and Zoning ("P&Z Director"), or their designee. The fourth member of the Committee shall be the Chief of Community Services, or their designee. The remaining three members shall be appointed by the Mayor, with the approval of a Majority Vote of the Common Council. These three members shall be City residents who either own or live in Affordable Housing. At least one of these three members shall be an owner of said Affordable Housing and at least one of these three members shall be residing in an Affordable Housing rental unit. Members appointed by the Mayor shall serve terms of three years each, and the terms shall be staggered. The terms of the initial members shall be as follows: one member with a term to expire June 30, 2024; one member with a term to expire June 30, 2025; and one member with a term to expire June 30, 2026. After the initial appointments, members appointed by the Mayor shall serve a term of three years. Each member of the Committee shall have one vote.

All actions taken by the Committee shall be made at a duly held meeting of the Committee by a simple majority of the Committee members present.

- B. The Committee shall meet monthly. Notwithstanding the foregoing, the Committee may suspend the monthly meeting during periods when no applications for expenditure from Affordable Housing Account funds are pending. All Committee meetings and decisions shall be open to the public and duly advertised, pursuant to the requirements of Connecticut General Statute Sections 1-225 to 1-232, as amended.
- C. The Common Council shall have the power to remove a member of this Committee for neglect of duty or malfeasance, after an investigation, notice, and public hearing.

§ 1-5. Sources of funding; investments; limitations on use of fund.

- A. In addition to such sums as may be directly appropriated by the Common Council for deposit into said Affordable Housing Account, if any, the City is authorized to and shall deposit into said Affordable Housing Account all fees received heretofore and hereafter pursuant to the City Workforce Housing Regulations of the City Zoning Regulations, Section 118-1050, as amended.
- B. The Affordable Housing Account shall be in the sole custody of the City. All or any part of the monies in said fund may be invested in any securities with appropriate liquidity in which public funds may be lawfully invested. All income derived from such investment shall be returned to the Affordable Housing Account 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 the Affordable Housing Account, including interest and dividends earned, shall be transferred to any other account within the City's budget. All funds expended from the Affordable Housing Account shall be subject to the deed restrictions imposed by the City Workforce Housing Regulations of the City Zoning Regulations, Section 118-1050, as amended, whatever the source of the funds.

§ 1-6. Expenditures from Affordable Housing Account.

- A. The P&Z Director shall prepare Application Criteria, establishing the process, procedures, criteria, goals, rules, and requirements for application submission, review, and awards pursuant to subparagraph C of Section 1-6, and the mode, manner and means by which Affordable Housing Account funds may be used by any applicant. The Application Criteria shall be subject to a 30-day public comment period and hearing by the Committee. Following this 30-day public comment period and hearing, the Committee shall vote on the Application Criteria. If approved by the Committee, the Application Criteria shall be forwarded to the Common Council which shall approve or amend by Majority Vote the Application Criteria within 30 days after such referral. The Application Criteria, as approved, will become effective immediately thereafter. After the Common Council approves the Application Criteria, it shall be published on the City's website. The Application Criteria shall be reviewed and reapproved or amended, from time to time and, in

any event, no less frequently than once every three (3) years by the Committee and the Common Council. No application for Affordable Housing Account funds shall be accepted or funds held in the Affordable Housing Account be designated for a particular use or expenditure until the Application Criteria have been so adopted and published.

- B. Pursuant to the Application Criteria, the P&Z Director shall, subject to the approval of the Common Council and the availability of funds in the Affordable Housing Account, periodically, and at least annually, solicit applications for such funds from an interested Individual or Entity. Provided that the applications received in connection with such solicitation conform to the Application Criteria and this chapter, the P&Z Director shall forward a summary of such applications to the Common Council. The Common Council shall have the discretion to deny, in whole but not in part, such recommendation.
- C. Pursuant to the Application Criteria, the Director shall, subject to the availability of funds in the Affordable Housing Account, at least annually solicit applications for such funds from any Individual or Entity interested in constructing, rehabilitating, maintaining, improving, or repairing Affordable Housing. These funds may only be used for Qualified Expenditures in accordance with this Chapter and the Application Criteria. Provided the applications received in connection with such solicitation conform with this Chapter and the Application Criteria, the Director shall forward the applications to the Committee for its review and recommendation(s) to the Common Council, originating in the Finance and Claims Committee thereof, for final action. Use of funds from the Affordable Housing Account to pay for Qualified Expenditures shall be in accordance with this Chapter and the Application Criteria. The Common Council shall have the discretion to deny, in whole but not in part, any application made pursuant to this ordinance.
- D. Funds held in the Affordable Housing Account shall be used exclusively for Qualified Expenditures.
- E. No expenditure of funds from the Affordable Housing Account shall be approved except in accordance with the Application Criteria and the provisions of this Chapter.
- F. No expenditure of funds from the Affordable Housing Account shall be in excess of the available balance in the fund.

§ 1-7. Affordable Housing Account Reporting.

The Committee shall, on an annual basis or as otherwise requested by the Common Council, prepare and deliver a written report to the Common Council of the amount in the City's Affordable Housing Account, the deposits and expenditures therefrom, and the status of each project awarded funds and not yet complete when the immediately prior annual report was issued.

§ 1-8. Conflict of Interest.

No Officer or Employee of the City, or any member of their immediate family, may receive a financial benefit from or have a direct or indirect personal or financial conflict of interest in any Person that receives funds from the Affordable Housing Account. Terms used in this Section, not otherwise defined in this Chapter, shall have the meanings given in Section 32-3 of the City Code, as the same may be amended.