



General Assembly

January Session, 2001

Committee Bill No. 5388

LCO No. 3763

Referred to Committee on Select Committee on Housing

Introduced by:
(HSG)

AN ACT CREATING THE CONNECTICUT HOUSING PARTNERSHIP INVESTMENT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (a) As used in this section, the following terms
2 shall have the following meanings unless the context clearly indicates
3 another meaning or intent:

4 (1) "Affordable housing" means housing that is affordable to very
5 low income, low income and moderate income households;

6 (2) "Council" means the Connecticut Housing Partnership
7 Investment Council established under this section, as appointed and
8 designated from time to time pursuant to the provisions of this section;

9 (3) "Commissioner" means the Commissioner of Economic and
10 Community Development;

11 (4) "Community development activities" means infrastructure,
12 facilities and amenities incidental and pertinent to the provision of
13 affordable housing and intended to serve primarily the residents of the
14 affordable housing project, that may include, but not be limited to, a

15 community room, laundry, day care space, computer center,
16 management office or playground;

17 (5) "Eligible applicant" means the Connecticut Housing Finance
18 Authority, nonprofit corporations, housing development corporations,
19 housing authorities, local governments and for-profit developers;

20 (6) "Fund" means the Connecticut Housing Partnership Investment
21 Fund established pursuant to this section;

22 (7) "Low income" means households whose annual gross income is
23 between fifty and eighty per cent of the area median income as
24 determined by the United States Department of Housing and Urban
25 Development, with appropriate adjustments for family size;

26 (8) "Moderate income" means households whose annual gross
27 income is between eighty and one hundred per cent of the area median
28 income as determined by the United States Department of Housing
29 and Urban Development, with appropriate adjustments for family size;

30 (9) "Program" means the Connecticut Housing Partnership
31 Investment established pursuant to this section;

32 (10) "Very low income" means households whose annual gross
33 income is at or below fifty per cent of the area median income as
34 determined by the United States Department of Housing and Urban
35 Development, with appropriate adjustments for family size.

36 (b) (1) There is established the Connecticut Housing Partnership
37 Investment. The state, acting by and in the discretion of the
38 Commissioner of Economic and Community Development, may (A)
39 enter into contracts to make extensions of credit, grants, guarantees,
40 equity investments, loans or deferred loans to eligible applicants for
41 the acquisition, construction, rehabilitation, repair and maintenance of
42 affordable housing and related community development activities, (B)
43 enter into contracts with eligible applicants to administer financial
44 assistance provided pursuant to this section, or (C) provide funding for

45 activities that support eligible applicants in providing affordable
46 housing, including, but not limited to, technical assistance and
47 predevelopment costs, subject to the provisions of subdivision (2) of
48 subsection (d) of this section.

49 (2) In determining whether and to what extent to fund an
50 application received from an eligible applicant, the commissioner, in
51 consultation with the Connecticut Housing Partnership Investment
52 Council established pursuant to subsection (c) of this section, shall
53 implement a ranking system of relevant factors, including, but not
54 limited to, the following: (A) The ability of the project to affirmatively
55 further racial and economic integration, including expanding
56 multifamily rental housing opportunities in suburban and rural
57 communities; (B) the ability of the project to meet the housing needs of
58 the lowest income populations; (C) the ability of the project to
59 revitalize urban neighborhoods, including expanding homeownership
60 and increasing multifamily rehabilitation in the central cities; (D) the
61 ability of the project to provide supportive housing options for people
62 with special needs or who are at risk of becoming homeless; (E) impact
63 of the project on the local neighborhood, region and the state; (F) short-
64 term and long-term benefits of the project; (G) impact on affordable
65 housing needs of the neighborhood, community, municipality and
66 region; (H) project feasibility; (I) for projects providing housing to
67 moderate or low income families, potential for leveraging other public
68 and private investments; (J) eligible applicant's ability to implement
69 the project in a timely manner; (K) the relative need for the project; (L)
70 the eligible applicant's financial commitment to the project, except in
71 the case of a nonprofit entity or a housing authority; and (M) the extent
72 to which the project will advance the public purposes set forth in this
73 subdivision.

74 (3) The commissioner may adopt regulations, pursuant to chapter 54
75 of the general statutes, to implement the ranking system in subdivision
76 (2) of this subsection.

77 (4) The commissioner shall be responsible for the Connecticut
78 Housing Partnership Investment Fund established pursuant to
79 subsection (d) of this section, under the direction of the Connecticut
80 Investment in Housing Council. The commissioner, as directed by the
81 council, (1) shall use the fund to encourage the leveraging of private
82 resources, (2) may establish within the fund different accounts or
83 programs, especially to serve the spectrum of affordable housing needs
84 and choices, (3) where necessary and appropriate, may solicit
85 investments from the private and public sector to leverage the public
86 funds invested in the fund, (4) may accept, where appropriate,
87 investments from the private sector and may invest those funds in the
88 appropriate accounts or programs within the fund, and (5) may accept
89 contributions, gifts or grants for deposit within the fund and may
90 direct such contributions to the appropriate account or program within
91 the fund.

92 (c) (1) There is established a Connecticut Housing Partnership
93 Investment Council, whose powers and responsibilities shall be to (A)
94 establish, in consultation with the commissioner, priorities for the
95 program, including criteria by which financial assistance will be
96 awarded through a competitive application system based upon
97 ranking of applications, as provided in subdivision (2) of subsection
98 (b) of this section, (B) establish, in consultation with the commissioner,
99 performance measures, timelines and goals for the activities financed
100 under the program, (C) direct the commissioner in the management of
101 the fund, (D) establish, in consultation with the commissioner,
102 underwriting guidelines, rates of interest and other terms and
103 conditions of any financial assistance under any program or account
104 within the fund, (E) establish, in consultation with the commissioner, a
105 system for funding activities that will support eligible applicants in
106 providing affordable housing, including, but not limited to, technical
107 assistance and predevelopment costs, pursuant to the provisions of
108 subdivision (2) of subsection (d) of this section, (F) monitor the
109 activities of the program with respect to the established performance
110 measures, timelines and goals, (G) contract for an independent audit of

111 the fund and evaluation of the program every two years, beginning
112 July 1, 2003, and (H) take all actions necessary to carry out the
113 purposes of this section.

114 (2) The council shall consist of the following members: (A) Two
115 appointed by the Governor, one of whom shall be a private real estate
116 developer and one of whom shall be a representative of a public
117 housing authority; (B) two appointed by the president pro tempore of
118 the Senate, one of whom shall be a nonprofit housing developer and
119 one of whom shall be a representative of a fair housing or civil rights
120 organization; (C) one appointed by the majority leader of the Senate,
121 who shall be a representative of persons with disabilities; (D) one
122 appointed by the minority leader of the Senate, who shall be a
123 representative of a municipal development agency; (E) two appointed
124 by the speaker of the House of Representatives, one of whom shall be a
125 technical assistance provider or development consultant in the field of
126 affordable housing and one of whom shall be a representative of
127 residents of public housing; (F) one appointed by the majority leader of
128 the House of Representatives, who shall be a representative of a state-
129 wide housing coalition; (G) one appointed by the minority leader of
130 the House of Representatives, who shall be a real estate attorney; and
131 (H) the Executive Director of the Connecticut Housing Finance
132 Authority, the State Treasurer and the State Comptroller, or their
133 designees. The chairpersons and ranking members of the joint
134 standing committee of the General Assembly having cognizance of
135 matters relating to appropriations, and the chairpersons and ranking
136 members of the select committee of the General Assembly having
137 cognizance of matters relating to housing shall be ex officio members
138 without voting power.

139 (3) All appointments to the council shall be made no later than
140 thirty days after the effective date of this section. Any vacancy shall be
141 filled by the appointing authority. Appointments to the council made
142 by the Governor, the president pro tempore, the majority leader or the
143 minority leader of the Senate shall be for a term of four years, and

144 appointments to the council made by the speaker, majority leader or
145 minority leader of the House of Representatives shall be for a term of
146 three years. Any member of the council shall be eligible for
147 reappointment. Any member of the council may be removed by the
148 Governor for misfeasance, malfeasance or wilful neglect of duty.

149 (4) The members of the council shall select, by simple majority, two
150 chairpersons of the council from among the membership of the
151 council.

152 (5) The Department of Economic and Community Development
153 shall provide administrative staff for the council, and any
154 administrative expenses or other costs incurred by the council,
155 including the cost for the biennial audit and evaluation, may be paid
156 from interest and earnings generated by the fund and by contributions,
157 gifts and grants deposited into the fund.

158 (d) (1) There is established a fund to be known as the Connecticut
159 Housing Partnership Investment Fund. All moneys received in
160 consideration of financial assistance, including payments of principal
161 and interest on any loans, shall be credited to the fund. Investments
162 from the private sector, contributions, gifts and grants may also be
163 accepted and shall become part of the assets of the fund. The fund
164 may include separate accounts or programs. Any balance remaining
165 in such fund at the end of any fiscal year shall be carried forward in
166 the fund for the fiscal year next succeeding.

167 (2) All interest earned from fund assets shall be credited to the fund.
168 Such interest and earnings may be used to pay administrative costs of
169 the council, and to provide funding for activities which will support
170 eligible developers in providing affordable housing, including, but not
171 limited to, technical assistance and predevelopment costs.

172 (3) (A) In approving projects for funding, the council and the
173 commissioner shall provide for an annual distribution as follows: Up
174 to forty-five per cent of money from the fund shall be distributed for

175 projects providing housing for very low income families; up to forty-
176 five per cent of money from the fund shall be distributed for projects
177 providing housing for very low, low and moderate income families;
178 and up to ten per cent of money from the fund shall be distributed for
179 community development activities that do not have income
180 requirements.

181 (B) The fund may provide up to eighty-five per cent of the total
182 development costs for projects in which the majority of units provide
183 housing for very low income families.

184 (e) On or before December 31, 2001, and annually thereafter, the
185 commissioner and the council shall submit a report to the joint
186 standing committee of the General Assembly having cognizance of
187 matters relating to appropriations and to the select committee of the
188 General Assembly having cognizance of matters relating to housing,
189 which report shall include a description of each project funded under
190 this program, the other sources of financing for each project, and the
191 relevant factors considered by the commissioner in determining to
192 provide such funding.

193 Sec. 2. The sum of one hundred million dollars is appropriated to the
194 Department of Economic and Community Development, from the
195 General Fund, for the fiscal year ending June 30, 2001, for capitalizing
196 the Connecticut Housing Partnership Investment Fund established
197 pursuant to section 1 of this act.

198 Sec. 3. This act shall take effect from its passage.

Statement of Purpose:

To provide an efficient source of flexible financing to expand the inventory of affordable housing and to promote housing choice, economic integration and community development through affordable housing developments.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: REP. TRUGLIA, 145th Dist.; REP. BEALS, 88th Dist.