



General Assembly

**Substitute Bill No. 5388**

*January Session, 2001*

**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 families;

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, community housing development  
19 corporations, housing authorities, local governments and for-profit  
20 developers;

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

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

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

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

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

37 (b) (1) There is established the Connecticut Housing Partnership  
38 Investment. The state, acting by and in the discretion of the  
39 Commissioner of Economic and Community Development, may (A)  
40 enter into contracts to make extensions of credit, grants, guarantees,  
41 equity investments, loans or deferred loans to eligible applicants for  
42 the acquisition, construction, rehabilitation, repair and maintenance of  
43 affordable housing and related community development activities, (B)  
44 provide funding for activities that support eligible applicants in  
45 providing affordable housing, including, but not limited to, technical  
46 assistance and predevelopment costs, subject to the provisions of  
47 subdivision (2) of subsection (d) of this section, or (C) enter into  
48 contracts with the Connecticut Housing Finance Authority, nonprofit

49 corporations or community housing development corporations to  
50 carry out any functions pursuant to this section.

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

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

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

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

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

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

144 (3) All appointments to the council shall be made no later than  
145 thirty days after the effective date of this act. Any vacancy shall be  
146 filled by the appointing authority. Appointments to the council made  
147 by the Governor, the president pro tempore, the majority leader or the  
148 minority leader of the Senate shall be for a term of four years, and  
149 appointments to the council made by the speaker, majority leader or

150 minority leader of the House of Representatives shall be for a term of  
151 three years. Any member of the council shall be eligible for  
152 reappointment. Any member of the council may be removed by the  
153 Governor for misfeasance, malfeasance or wilful neglect of duty.

154 (4) The members of the council shall select, by simple majority, two  
155 chairpersons of the council from among the membership of the  
156 council.

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

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

172 (2) (A) All interest earned from fund assets shall be credited to the  
173 fund. Such interest and earnings may be used to provide funding for  
174 activities which will support eligible developers in providing  
175 affordable housing, including, but not limited to, technical assistance  
176 and predevelopment costs.

177 (B) Notwithstanding any provision of the general statutes to the  
178 contrary, the commissioner may recover costs incurred by the state in  
179 the administration of the program established under this section. Such  
180 administrative costs may be paid from the interest earned from fund  
181 assets, provided payments for administrative costs shall not exceed ten

182 per cent of the amount of financial assistance provided pursuant to this  
183 section, and no additional fees for administrative costs or other  
184 purposes shall be collected from eligible applicants.

185 (3) (A) In approving projects for funding, the council and the  
186 commissioner shall provide for an annual distribution as follows: Up  
187 to forty-five per cent of money from the fund shall be distributed for  
188 projects providing housing for very low income families; up to forty-  
189 five per cent of money from the fund shall be distributed for projects  
190 providing housing for very low, low and moderate income families;  
191 and up to ten per cent of money from the fund shall be distributed for  
192 community development activities that do not have income  
193 requirements.

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

197 (e) On or before December 31, 2001, and annually thereafter, the  
198 commissioner and the council shall submit a report to the joint  
199 standing committee of the General Assembly having cognizance of  
200 matters relating to appropriations and to the select committee of the  
201 General Assembly having cognizance of matters relating to housing,  
202 which report shall include a description of each project funded under  
203 this program, the other sources of financing for each affordable  
204 housing project, and the relevant factors considered by the  
205 commissioner in determining to provide such funding.

206 Sec. 2. The sum of fifty million dollars is appropriated to the  
207 Department of Economic and Community Development, from the  
208 General Fund, for the fiscal year ending June 30, 2001, for capitalizing  
209 the Connecticut Housing Partnership Investment Fund established  
210 pursuant to section 1 of this act.

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

***HSG***

*JOINT FAVORABLE SUBST. C/R*

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