



General Assembly

**Substitute Bill No. 1015**

*January Session, 2001*

**AN ACT CONCERNING THE DISPOSITION OF PROPERTIES IN  
DEFAULT.**

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

1 Section 1. Section 8-37x of the general statutes is repealed and the  
2 following is substituted in lieu thereof:

3 (a) As used in this section, "authority" or "housing authority" means  
4 any of the public corporations created by section 8-40 and the  
5 Connecticut Housing Authority when exercising the rights, powers,  
6 duties or privileges of, or subject to the immunities or limitations of,  
7 housing authorities pursuant to section 8-121, and "housing project"  
8 means a project developed or administered pursuant to chapter 128.

9 (b) Without limiting any other powers of the Commissioner of  
10 Economic and Community Development, [he] the commissioner shall  
11 have power: (1) To collect and correlate information regarding housing  
12 projects of authorities in the state and upon request to furnish the  
13 authorities, in matters of common interest, information, advice and the  
14 services of expert personnel; (2) to study state-wide needs for the  
15 elimination of substandard housing to stimulate state and city  
16 planning involving housing, and otherwise to study housing needs,  
17 both rural and urban, and to formulate proposals for meeting these  
18 needs; (3) to study methods of encouraging investment of private  
19 capital in low rent housing; (4) to study the necessity, feasibility and

20 advantage of the use of state credit by way of loan or subsidy to assist  
21 the financing of housing projects for persons of low income; and (5) to  
22 accept grants-in-aid [of any of his powers] made pursuant to the  
23 provisions of any state or federal law and, for the purpose of  
24 complying with the requirements or recommendations of any such  
25 law, to prepare such plans and specifications and to make such  
26 studies, surveys, reports or recommendations concerning existing or  
27 contemplated housing conditions or projects in the state as may be  
28 necessary or appropriate.

29 (c) Notwithstanding any other provision of the general statutes, the  
30 Commissioner of Economic and Community Development may, after  
31 conducting a public bidding process as provided in section 8-44, enter  
32 into a master contract or contracts with local, regional or state-wide  
33 suppliers of labor, supplies, materials, services or personal property on  
34 behalf of one or more housing authorities operating state-financed  
35 housing programs or projects. The commissioner may also approve the  
36 use by housing authorities, for state-financed programs or projects, of  
37 the federal General Services Administration Standard Purchasing  
38 Catalog, and amendments thereto, or of the consolidated supply  
39 program of the United States Department of Housing and Urban  
40 Development in lieu of purchases under such master contract or  
41 contracts. The commissioner may, in [his] the commissioner's  
42 discretion, with respect to partially completed state-financed programs  
43 or projects or in the event of emergencies affecting human health,  
44 safety, welfare and life or endangering property, waive the bidding  
45 requirement and fiscal limits of said section 8-44.

46 (d) The Commissioner of Economic and Community Development  
47 may designate as [his] the commissioner's agent any deputy  
48 commissioner or any employee to exercise such authority of the  
49 commissioner as [he] the commissioner delegates for the  
50 administration of any applicable statute or regulation.

51 (e) As used in this subsection, "troubled loan" means a loan in which  
52 payments of interest or principal, or both interest and principal, (1) are

53 delinquent under the terms of a loan agreement, or (2) may become  
54 delinquent under conditions which exist which would reasonably lead  
55 the Commissioner of Economic and Community Development to  
56 believe that a borrower would be unable to repay the loan. Said  
57 commissioner may authorize the deferred payments of interest or  
58 principal, or both interest and principal, or a portion thereof, in the  
59 case of a troubled loan made by the commissioner under any provision  
60 of the general statutes or special acts if [he] said commissioner  
61 determines the deferral to be in the best interests of the state. Such  
62 determination shall be in writing and shall include a statement of the  
63 reasons why the deferral is in the best interests of the state. Any  
64 deferral made under the provisions of this section shall be subject to  
65 the approval of the State Bond Commission.

66 (f) The Commissioner of Economic and Community Development  
67 may do any of the following: (1) Upon the lawful dissolution of any  
68 eligible developer of property financed with a loan, grant or any  
69 combination thereof from the state, (A) the commissioner may accept  
70 ownership in the name of the state of such property or to dispose of  
71 such property for such price and upon such terms as the commissioner  
72 deems proper, provided the action taken preserves the property for  
73 housing by very low, low or moderate income persons; or (B) the  
74 commissioner, after agreement by the Secretary of the Office of Policy  
75 and Management, may allow such property to convert to participation  
76 in any other housing programs that the commissioner is authorized to  
77 operate, with the same or a new eligible developer, in order to  
78 preserve the property for housing or for the benefit of very low, low or  
79 moderate income persons; (2) upon an action by the commissioner to  
80 preserve the state's interest in any contract for financial assistance in  
81 any form that results in the state acquiring title to any property, the  
82 commissioner, for the purposes of operating the property, shall be  
83 considered to be an eligible developer for the purpose of receiving  
84 state or federal financial assistance on behalf of the property or its  
85 operation. If state or federal assistance is accepted by the commissioner  
86 on behalf of any such property, and the commissioner subsequently

87 disposes of such property to an eligible developer, the commissioner  
88 may execute all documents, including, but not limited to, an  
89 assignment and discharge. An assignment and discharge may include,  
90 but need not be limited to, any agreements, contractual commitments,  
91 covenants, mortgages, notes, liens or collateral assignments that will  
92 perpetuate the ongoing rights, duties and obligations of existing lawful  
93 agreements; or (3) to do any acts necessary or appropriate to enforce,  
94 on behalf of the state, legislative, regulatory or contractual  
95 requirements.

96 [(f)] (g) The Commissioner of Economic and Community  
97 Development [shall] may adopt regulations, in accordance with the  
98 provisions of chapter 54, [such regulations] as may be necessary to  
99 carry out the purposes of the Department of Economic and  
100 Community Development as established by statute.

101 Sec. 2. This act shall take effect from its passage.

**Statement of Legislative Commissioners:**

In subsection (f), "shall have the power to" and "has the authority to" were changed to "may" for consistency with existing statutes; in subparagraph (A) "to" was changed to "the commissioner may" for internal consistency, "to such property" was changed to "of such property" for accuracy, and "shall preserve" was changed to "preserves" for accuracy; in subparagraph (B), "by" was deleted and "for the" was added in front of "benefit" for clarity; "or" was added in front of "(3)" for clarity; and in subsection (g), "such" was deleted from "such regulations" for consistency with existing statutes.

**HSG**      **JOINT FAVORABLE SUBST. C/R**      **PD**

**PD**      **JOINT FAVORABLE SUBST.**