



House of Representatives

File No. 626

General Assembly

February Session, 2002

(Reprint of File No. 255)

House Bill No. 5103
As Amended by House
Amendment Schedules
"A" and "B"

Approved by the Legislative Commissioner
May 4, 2002

**AN ACT CONCERNING THE DISPOSITION OF STATE-ASSISTED
HOUSING 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 Section 8-37x of the general statutes is repealed and the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 (*Effective July 1, 2002*):

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 shall have power: (1) To
11 collect and correlate information regarding housing projects of
12 authorities in the state and upon request to furnish the authorities, in
13 matters of common interest, information, advice and the services of

14 expert personnel; (2) to study state-wide needs for the elimination of
15 substandard housing to stimulate state and city planning involving
16 housing, and otherwise to study housing needs, both rural and urban,
17 and to formulate proposals for meeting these needs; (3) to study
18 methods of encouraging investment of private capital in low rent
19 housing; (4) to study the necessity, feasibility and advantage of the use
20 of state credit by way of loan or subsidy to assist the financing of
21 housing projects for persons of low income; and (5) to accept grants-in-
22 aid of any of his powers made pursuant to the provisions of any state
23 or federal law and, for the purpose of complying with the
24 requirements or recommendations of any such law, to prepare such
25 plans and specifications and to make such studies, surveys, reports or
26 recommendations concerning existing or contemplated housing
27 conditions or projects in the state as may be necessary or appropriate.

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

45 (d) The Commissioner of Economic and Community Development
46 may designate as his agent any deputy commissioner or any employee
47 to exercise such authority of the commissioner as he delegates for the

48 administration of any applicable statute or regulation.

49 (e) As used in this subsection, "troubled loan" means a loan in which
50 payments of interest or principal, or both interest and principal, (1) are
51 delinquent under the terms of a loan agreement, or (2) may become
52 delinquent under conditions which exist which would reasonably lead
53 the Commissioner of Economic and Community Development to
54 believe that a borrower would be unable to repay the loan. Said
55 commissioner may authorize the deferred payments of interest or
56 principal, or both interest and principal, or a portion thereof, in the
57 case of a troubled loan made by the commissioner under any provision
58 of the general statutes or special acts if he determines the deferral to be
59 in the best interests of the state. Such determination shall be in writing
60 and shall include a statement of the reasons why the deferral is in the
61 best interests of the state. Any deferral made under the provisions of
62 this section shall be subject to the approval of the State Bond
63 Commission.

64 (f) Upon an action by the Commissioner of Economic and
65 Community Development to preserve the state's interest in any
66 contract for financial assistance that results in the state acquiring title
67 to any housing property, the commissioner shall be deemed to be an
68 eligible developer, as defined in section 8-39, for the purposes of
69 operating the property and receiving state or federal financial
70 assistance on behalf of the property or the operation of the property.

71 [(f)] (g) The Commissioner of Economic and Community
72 Development [shall] may adopt regulations, in accordance with the
73 provisions of chapter 54, [such regulations as may be necessary] to
74 carry out the purposes of the Department of Economic and
75 Community Development as established by statute.

76 Sec. 2. (*Effective from passage*) Notwithstanding the provisions of
77 subsection (b) of section 8-42 of the general statutes, a commissioner of
78 a housing authority that was awarded Moving to Work status on
79 January 19, 2001, by the United States Department of Housing and

80 Urban Development pursuant to authorization granted by Section 204
81 of the Omnibus Consolidated Rescissions and Appropriations Act of
82 1996 (P.L. 104-134, 110 Stat. 1321), may serve as the executive director
83 of said housing authority until October 1, 2003.

84 Sec. 3. (*Effective from passage*) (a) Not later than July 1, 2002, the
85 Commissioner of Economic and Community Development shall
86 submit a report to the General Assembly, in accordance with the
87 provisions of section 11-4a of the general statutes, setting forth (1) the
88 total cost of constructing new housing units at the site of the former
89 Rice Heights housing development in Hartford, including, but not
90 limited to, infrastructure improvements necessary for such housing
91 units and mortgage and other financial assistance for families
92 purchasing such housing units, if an educational facility is not
93 constructed at said site, and (2) the total cost of constructing new
94 housing units at said Rice Heights site, including, but not limited to,
95 infrastructure improvements necessary for such housing units and
96 mortgage and other financial assistance for families purchasing such
97 housing units, if an educational facility is constructed at said site.

98 (b) If the number of housing units to be developed at the site of the
99 former Rice Heights housing development in Hartford is reduced as a
100 result of the construction of an educational facility at said site, the
101 Commissioner of Economic and Community Development shall use an
102 amount of funds equal to the difference between the total cost reported
103 in subdivision (1) of subsection (a) of this section and the total cost
104 reported in subdivision (2) of subsection (a) of this section, for the
105 construction or renovation of housing development projects located in
106 the immediate area of the site of the former Rice Heights housing
107 development, including, but not limited to, mortgage and other
108 financial assistance for families purchasing housing units in such
109 projects. The average amount of mortgage and other financial
110 assistance provided per family for housing units in such projects shall
111 be not less than the average amount of the mortgage and other
112 financial assistance provided per family for new housing units
113 constructed at the site of the former Rice Heights housing

114 development.

115 (c) If the number of families who (1) lived at the former Rice Heights
116 housing development prior to the demolition, renovation or sale of
117 said development pursuant to section 3 of public act 98-176, and (2)
118 apply and qualify to purchase or rent housing units developed at the
119 site of the former Rice Heights housing development, exceeds the
120 number of housing units developed at said site, such families who
121 apply and qualify and are unable to purchase or rent such housing
122 units because of the number of such available housing units shall have
123 priority for the purchase or rental of housing units in housing
124 development projects that are located in the immediate area of the site
125 of the former Rice Heights housing development and constructed or
126 renovated with funds used under subsection (b) of this section.

This act shall take effect as follows:	
Section 1	<i>July 1, 2002</i>
Sec. 2	<i>from passage</i>
Sec. 3	<i>from passage</i>

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Fund-Type	Agency Affected	FY 03 \$	FY 04 \$
GF - Cost	Econ. & Com. Development, Dept.	None	None
GO Bond and GF Debt Service - See Below	Econ. & Com. Development, Dept.	See Below	See Below

Note: GF=General Fund

Municipal Impact:

Effect	Municipalities	FY 03 \$	FY 04 \$
Cost	Housing Authorities	None	None

Explanation

This bill gives the Commissioner of the Department of Economic and Community Development (DECD) the authority to act as a developer on non-performing properties taken over by the state so that subsidies, services and funding are not interrupted. The bill also allows, rather than requires, the commissioner of DECD to adopt regulations to implement the department’s statutory purposes. This provision has no fiscal impact on DECD.

The bill also permits a housing authority commissioner to serve as said housing authority’s executive director until October 1, 2003.

Additionally, the bill requires DECD to submit a report to the General Assembly on the total cost of constructing new housing units at the former Rice Heights site, whether or not an educational facility is built. DECD can issue this report within current budgetary resources.

The bill stipulates that if the number of housing units at the former

Rice Heights site is reduced as a result of construction of an educational facility, DECD is required to construct or renovate housing units in the immediate area of the former Rice Heights site. The amendment redirects funds for the Rice Heights site to offsite housing developments if the planned housing units at Rice Heights are reduced.

The bill also gives former Rice Heights residents priority in purchasing or renting housing units in the immediate area of the Rice Heights site if sufficient housing units are not available at the Rice Heights site.

House Amendment "A" permits a housing authority commissioner to serve as said housing authority's executive director until October 1, 2003. This has no fiscal impact to the state or municipalities.

House Amendment "B" adds provisions regarding the former Rice Heights site, the associated fiscal impact is discussed above.

OLR Amended Bill Analysis

HB 5103 (as amended by House "A" and "B")*

AN ACT CONCERNING THE DISPOSITION OF STATE-ASSISTED HOUSING PROPERTIES IN DEFAULT**SUMMARY:**

This bill allows the economic and community development commissioner to operate a housing project and receive state and federal funds on its behalf after he acquired the project to preserve the state's interest under the contract that initially funded it. It also allows, rather than requires, him to adopt regulations implementing the department's statutory purposes.

The bill requires the commissioner to construct or renovate housing near the former Rice Heights public housing project in Hartford. The 388-unit project was demolished to make way for about 80 new homes, most of which are to be sold to project's former tenants. The commissioner must develop the housing if the proposed number of new units at the site is reduced to make way for a new school. Former Rice Heights tenants must get priority for the housing.

The bill sets very narrow conditions under which a public housing authority commissioner can serve as its executive director. Current law requires someone who served as a commissioner to wait at least two years before the authority can hire him for any position. The bill allows a current commissioner to serve as the authority's director if the authority was awarded "moving to work" status on January 19, 2001 under a federally funded program designed to help families living in government-funded housing secure better paying jobs. He can serve as director only until October 1, 2003.

*House Amendment "A" adds the provision allowing a current public housing authority commissioner to serve as the authority's director.

*House Amendment "B" adds the provision on Rice Heights.

EFFECTIVE DATE: July 1, 2002; upon passage for the provisions

regarding housing authority director and Rice Heights.

RICE HEIGHTS

The bill requires the commissioner to develop additional housing in the immediate area of the site of the former Rice Heights if the proposed number of new units to be constructed there is reduced to make way for a new school. He must determine the cost of developing the additional units and report it to the legislature by July 1, 2002. The report must identify the cost of building the original number of new units and the number that would be built if the school is built on the site. It must include the cost of the supporting infrastructure and the financial assistance provided to the homebuyers and renters.

The commissioner must develop the additional housing if the school reduces the number of units to be constructed there. He must allocate an amount for this purpose that equals the cost of these foregone units, as identified in the study. The average amount of mortgage and financial assistance given to the families buying or renting these units must at least equal the average amount of assistance provided to families buying or renting units at the former Rice Heights site.

Former residents of Rice Heights must get priority for the additional housing. This requirement applies to families who applied and qualified for units at the former site but could not obtain one because none were available.

BACKGROUND

Moving to Work Program

The 1996 federal Omnibus Consolidated Rescissions and Appropriations Act (P.L. 104-134) authorized a national demonstration program giving local public housing authorities the means to help low-income families find better paying jobs and, consequently, become less dependent on government subsidies.

COMMITTEE ACTION

Select Committee on Housing

Joint Favorable Change of Reference

Yea 9 Nay 0

Planning and Development Committee

Joint Favorable Report
Yea 17 Nay 0