



AN ACT CONCERNING THE REVITALIZATION AND REDEVELOPMENT OF CERTAIN HOUSING PROJECTS.

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

1 Section 1. (*Effective from passage*) As used in this section and sections
2 2 and 3 of this act:

3 (1) "Commissioner" means the Commissioner of Economic and
4 Community Development.

5 (2) "Disposition plan" means a plan developed to address the
6 disposition of the state-assisted housing development or a portion of a
7 development.

8 (3) "Sponsor" means a local housing authority, the municipality in
9 which the subject development is located, a partnership comprised of
10 either public or private entities or other entity that is an eligible
11 developer under any state-assisted housing program.

12 (4) "Development" means the state-assisted housing developments
13 in the city of New Britain known as Corbin Heights, Corbin Heights
14 Extension, Pinnacle Heights and Pinnacle Heights Extension.

15 (5) "Project area" means the area within the city of New Britain in
16 which the development is located.

17 (6) "Local planning committee" means a committee appointed by the

18 chief elected official of the city of New Britain for the purpose of
19 developing a disposition plan and that is comprised of residents of the
20 development and their representatives, representatives of the
21 municipality in which the development is located, local community
22 leaders, including representatives of business, labor, education and
23 social services organizations, representatives of the Department of
24 Economic and Community Development and the Connecticut Housing
25 Finance Authority, representatives of the local housing authority and
26 any other persons the chief elected official deems necessary.

27 (7) "Housing authority" means the housing authority of the city of
28 New Britain.

29 (8) "Housing costs" means the portion of rent, mortgage principal
30 and interest payments, estimated heat and utilities costs, home owner's
31 insurance and taxes paid by the renter or home owner.

32 Sec. 2. (*Effective from passage*) (a) The housing authority of the city of
33 New Britain, in cooperation with the Commissioner of Economic and
34 Community Development, may revitalize or redevelop the Corbin
35 Heights, Corbin Heights Extension, Pinnacle Heights and Pinnacle
36 Heights Extension developments only pursuant to a disposition plan
37 and in accordance with sections 1 to 3, inclusive, of this act. A
38 disposition plan created on or after January 1, 2002, by a local planning
39 committee, that provides for the rehabilitation, reconstruction or
40 reconfiguration of a development and includes the demolition of some
41 or all of the existing buildings in a development and replaces them
42 with fewer units of newly constructed or rehabilitated housing within
43 the project area, but which provides for replacement pursuant to
44 subsection (c) of this section, and shall not be subject to the
45 requirements of subdivision (1) of subsection (b) of section 8-371l of the
46 general statutes provided the disposition plan complies with all other
47 applicable requirements of the general statutes concerning the
48 demolition and disposition of public housing, including, but not
49 limited to, section 8-64a of the general statutes and chapter 135 of the
50 general statutes.

51 (b) No disposition plan described in subsection (a) of this section
52 shall be implemented unless (A) the sponsor permits the tenants of the
53 existing buildings in the development to fully participate in the
54 planning, review and implementation process including the process
55 for the construction and lease or sale of replacement units, (B) the plan
56 provides reasonable funding with which the tenants can obtain the
57 services of professionals with expertise in tenant outreach, training,
58 housing policy and law and organizing to achieve such participation
59 and to protect the interests of such tenants during the implementation
60 of the plan, and (C) a committee chosen by the residents of the
61 development has been created. The committee established in
62 subparagraph (C) of this subsection shall select the professional staff
63 referred to in this subsection, have access to all information concerning
64 the redevelopment process and be permitted to participate in all
65 meetings concerning such process.

66 (c) The sponsor, the Department of Economic and Community
67 Development, the municipality in which the development is located or
68 the housing authority shall assure that the number of replacement
69 units of assisted housing for low and moderate income households,
70 upon completion of the development under the disposition plan, shall
71 be not less than six hundred thirty-five units. The replacement units
72 may be in the form of new construction, rehabilitation, renovation, or
73 housing pursuant to Section 8 of the United States Housing Act of
74 1937, as from time to time amended, or state rental assistance program
75 rent subsidies, or any other assisted housing program provided no rent
76 subsidy shall constitute a replacement unit unless it is a newly
77 authorized voucher from Section 8 of the United States Housing Act of
78 1937 or a certificate issued pursuant to section 17b-812 of the general
79 statutes, in addition to the number of such vouchers or certificates
80 authorized for the administering authority on the effective date of this
81 section. No rehabilitated or renovated unit shall constitute a
82 replacement unit, pursuant to this subsection, unless it has been vacant
83 for at least one year prior to said rehabilitation or renovation. Unit
84 replacement requirements shall be completed within the time frames

85 established in the disposition plan and shall include all qualifying
86 units constructed from the inception of the local planning committee.
87 Upon completion of the development under the disposition plan:

88 (1) Not less than two hundred seventy replacement units shall be
89 within the project area. Such units shall be rehabilitated or constructed
90 over a period of five years from the commencement of the
91 development under the disposition plan.

92 (2) Not less than one hundred fifty replacement units within the
93 project area shall be rented or sold to persons whose incomes are
94 below sixty per cent of the median area income for the appropriate
95 family size. Housing costs for such units shall not exceed eighteen per
96 cent of the median area income for the appropriate family size.

97 (3) Not less than one hundred twenty replacement units within the
98 project area shall be rented or sold to persons whose incomes are
99 below the federal poverty level for the appropriate family size. Such
100 persons may receive certificates from the program established
101 pursuant to Section 8 of the United States Housing Act of 1937.
102 Housing costs for such units shall not exceed thirty per cent of the
103 federal poverty level for the appropriate family size, provided that if a
104 person is receiving said certificate the reimbursement for such housing
105 costs may be assessed at the current market rate.

106 (4) A number of replacement units may be outside the project area,
107 which number shall not be less than the difference between six
108 hundred thirty-five and the number of replacement units to be within
109 the project area pursuant to the disposition for the appropriate family
110 size.

111 (5) Not less than fifty per cent of the replacement units required
112 pursuant to subdivision (4) of this subsection shall be rented or sold to
113 persons whose incomes are below the federal poverty level for the
114 program established pursuant to Section 8 of the United States
115 Housing Act of 1937. Housing costs for such units shall not exceed
116 thirty per cent of the federal poverty level for the appropriate family

117 size, provided that if a person is receiving said certificate the
118 reimbursement for such housing costs may be assessed at the current
119 market rate. The disposition plan shall provide that the Commissioner
120 of Economic and Community Development, the executive director of
121 the Connecticut Housing Finance Authority or the housing authority
122 of the city of New Britain require that no fewer than ten replacement
123 units be constructed every year that the disposition plan is in force and
124 each year thereafter until the requirements of this section are fulfilled.

125 (6) A number of the replacement units required pursuant to
126 subdivision (4) of this subsection shall be rented or sold to persons
127 whose incomes are below sixty per cent of the median area income for
128 the appropriate family size, which number shall not be less than the
129 difference between the number of replacement units required pursuant
130 to subdivision (4) of this subsection and the number of replacement
131 units provided in the disposition plan pursuant to subdivision (5) of
132 this subsection. Housing costs for such units shall not exceed eighteen
133 per cent of the median area income for the appropriate family size.
134 Housing costs for such units shall not exceed thirty per cent of the
135 federal poverty level for the appropriate family size, provided that if a
136 person is receiving said certificate the reimbursement for such housing
137 costs may be assessed at the current market rate. The disposition plan
138 shall provide that the Commissioner of Economic and Community
139 Development, the executive director of the Connecticut Housing
140 Finance Authority or the housing authority of the city of New Britain
141 require that no fewer than ten replacement units be constructed every
142 year that the disposition plan is in force and each year thereafter until
143 the requirements of this section are fulfilled.

144 (d) The housing authority shall hold a public hearing on the
145 housing disposition plan. At least thirty days prior to the public
146 hearing, the housing authority shall provide a written notice to each
147 household in the development of the date, time, and place of the public
148 hearing. Such notice shall inform each household that the housing
149 disposition plan is on file and available for inspection at the housing
150 authority's office.

151 (e) The commissioner may adopt regulations, in accordance with
152 chapter 54 of the general statutes, for the purpose of implementing this
153 section.

154 (f) The commissioner may provide funds, for the purpose of this
155 section, from bond funds authorized prior to the effective date of this
156 section, but not yet allocated.

157 Sec. 3. (*Effective from passage*) (a) (1) In compliance with the
158 provisions of this act, the housing authority may, pursuant to the final
159 disposition plan and with the approval of the commissioner, sell, lease
160 or transfer, or take any combination of such actions, to a selected
161 sponsor all or part of the premises and buildings comprising the
162 Corbin Heights, Corbin Heights Extension, Pinnacle Heights and
163 Pinnacle Heights Extension housing developments, for a housing use,
164 or (2) the housing authority may, pursuant to the final disposition
165 plan, sell or transfer, or take any combination of such actions with
166 regard to a portion of the premises and buildings comprising said
167 housing developments, "as is" to the city of New Britain, with the
168 approval of the commissioner, or to an entity or entities designated
169 and approved by the city of New Britain and the commissioner, for
170 such alternative nonhousing uses as may be appropriate. As
171 consideration for any such sale, lease or transfer, or combination of
172 such actions, the state may cancel the outstanding notes and
173 mortgages, including principal, interest and late charges, owed by the
174 housing authority to the state with respect to said housing
175 developments. The commissioner may also extend, renegotiate or
176 modify, in whole or in part, the outstanding notes and mortgages and
177 grants which are owed or provided to the housing authority with
178 respect to said housing developments and assign or transfer such
179 notes, mortgages and grants, in whole or in part, to another sponsor, if
180 such action by the commissioner will assist in the redevelopment of
181 housing on all or part of said housing developments. The selection of a
182 sponsor by the commissioner and the housing authority under
183 subdivision (1) of this subsection to carry out all or a portion of the
184 provisions of this section for a housing use shall be made on a

185 competitive basis, from proposals solicited and submitted before or
186 after the effective date of this section. Any proceeds from the sale of a
187 housing development for a nonhousing use under this subdivision
188 shall be used for the planning, administration, revitalization or
189 redevelopment of the housing planned at said development and shall
190 be deemed to be part of the state's contribution to the implementation
191 of the disposition plan.

192 (b) The housing authority may participate as a partner with the
193 designated sponsor in any disposition plan approved by the
194 commissioner and may, if agreed to by the sponsor and the housing
195 authority, provide such functions as maintenance, tenant selection,
196 billing, payroll and other related services. When the housing authority
197 enters into such an agreement with a sponsor, such services shall be
198 provided by employees of the housing authority.

199 (c) Eligible residents of the development shall have priority over
200 other families for the purchase or rental of available housing units. If
201 the number of eligible residents desiring to purchase or rent a housing
202 unit is greater than the number of housing units available, the
203 commissioner and the housing authority may devise an equitable
204 system, by lottery or otherwise, for determining which prior residents
205 shall be permitted to purchase or rent. Any eligible resident that
206 chooses no to exercise their right to occupy a unit developed under this
207 section may request a housing voucher pursuant to Section 8 of the
208 United States Housing Act of 1937, as from to time amended. The
209 eligible resident shall receive such voucher, if available. For purposes
210 of this section "eligible resident" means a family residing in a housing
211 development on or after January 1, 2002.

212 (d) The sale or rental of housing units under subsection (c) of this
213 section and subsection (c) of section 2 of this act to families of low and
214 moderate income shall be subject to deed restrictions approved by the
215 commissioner which shall require that, for thirty years:

216 (1) At the time of any subsequent purchase or rental of any such

217 housing units by new owners or tenant families, the owners or families
218 shall be families of low and moderate income;

219 (2) The resale price of each housing unit shall be limited to its
220 original purchase price, adjusted for inflation and improvements to the
221 housing unit, as determined by the commissioner; and

222 (3) The rental price for each rental housing unit shall not exceed the
223 current fair market rents for the area established by the United States
224 Department of Housing and Urban Development.

225 (e) The Departments of Economic and Community Development
226 and Social Services, the Connecticut Housing Finance Authority, the
227 housing authority and the sponsor shall reasonably assist eligible
228 residents to meet all qualifying conditions for the purchase or rental of
229 housing units under subsection (c) of this section, including, but not
230 limited to:

231 (1) Linking eligible residents to public or private mortgage and
232 down payment assistance programs;

233 (2) Adjusting interest rates and minimum payment requirements in
234 programs operated by such entities so as to make installment
235 payments affordable to eligible residents who wish to rent or purchase;

236 (3) Providing direct mortgage assistance, including assistance
237 through Section 8 of the United States Housing Act of 1937, as from
238 time to time amended;

239 (4) Providing eligible residents with or linking eligible residents to
240 state or federal rental assistance; and

241 (5) Engaging in other reasonable actions to make it possible for
242 eligible residents to purchase or rent such housing units.

243 (f) Notwithstanding the provisions of chapters 59 and 60 of the
244 general statutes, the commissioner may, from the proceeds of any sale,
245 lease or transfer, or any combination of such actions, under subsection

246 (b) of this section, within available appropriations or within available
247 bond authorizations and bond fund consolidations, as provided in
248 section 29 of special act 95-20, as amended by this act, section 9 of
249 special act 97-1 of the June 5 special session, as amended by this act,
250 section 28 of special act 97-1 of the June 5 special session, as amended
251 by section 76 of special act 98-9 and this act, and section 9 of public act
252 99-242, as amended by this act, do all things necessary to carry out the
253 provisions of this section, including, but not limited to:

254 (1) Entering into contracts and agreements for the provision of
255 services, including, but not limited to, the services obtained pursuant
256 to subsection (b) of section 2 of this act;

257 (2) Securing federal funds or program participation;

258 (3) Providing for relocation assistance in accordance with the
259 Uniform Relocation Assistance Act and other applicable laws
260 regarding the displacement of tenants;

261 (4) Providing for the payment or reimbursement to the Department
262 of Economic and Community Development for the administrative
263 expenses of said department in carrying out the purposes of this
264 section; and

265 (5) Acting as an eligible developer, as defined in section 8-39 of the
266 general statutes, if necessary, in the event of a default.

267 Sec. 4. Section 29 of special act 95-20 is amended to read as follows
268 (*Effective from passage*):

269 The proceeds of the sale of said bonds shall be used by the
270 Department of Housing for the purposes hereinafter stated:

271 Housing development and rehabilitation, including moderate cost
272 housing, moderate rental, congregate and elderly housing, urban
273 homesteading, community housing development corporations,
274 housing purchase and rehabilitation (no more than \$10,000,000 of the
275 total), housing for the homeless, housing for low income persons,

276 limited equity cooperatives and mutual housing projects, removal and
277 abatement of hazardous material, including asbestos and lead-based
278 paint in residential structures, emergency repair assistance for senior
279 citizens, housing land bank and land trust, housing and community
280 development, predevelopment grants and loans, reimbursement for
281 state and federal surplus property, private rental investment mortgage
282 and equity program, housing infrastructure, septic system repair loan
283 program, acquisition and related rehabilitation, the purposes of
284 sections 1 to 3, inclusive, of this act, and participation in federal
285 programs, including administrative expenses associated with those
286 programs eligible under the general statutes, not exceeding
287 \$40,000,000.

288 Sec. 5. Section 9 of special act 97-1 of the June 5 special session is
289 amended to read as follows (*Effective from passage*):

290 The proceeds of the sale of said bonds shall be used by the
291 Department of Economic and Community Development for the
292 purposes hereinafter stated:

293 Housing development and rehabilitation, including moderate cost
294 housing, moderate rental, congregate and elderly housing, urban
295 homesteading, community housing development corporations,
296 housing purchase and rehabilitation (no more than \$10,000,000 of the
297 total), housing for the homeless, housing for low income persons,
298 limited equity cooperatives and mutual housing projects, removal and
299 abatement of hazardous material including asbestos and lead-based
300 paint in residential structures (no more than \$2,500,000 of the total),
301 emergency repair assistance for senior citizens, housing land bank and
302 land trust, housing and community development, predevelopment
303 grants and loans, reimbursement for state and federal surplus
304 property, private rental investment mortgage and equity program,
305 housing infrastructure, septic system repair loan program, acquisition
306 and related rehabilitation, the purposes of sections 1 to 3, inclusive, of
307 this act, and participation in federal programs, including
308 administrative expenses associated with those programs eligible under

309 the general statutes, not exceeding \$18,000,000.

310 Sec. 6. Section 28 of special act 97-1 of the June 5 special session, as
311 amended by section 76 of special act 98-9, is amended to read as
312 follows (*Effective from passage*):

313 The proceeds of the sale of said bond shall be used by the
314 Department of Economic and Community Development for the
315 purposes hereinafter stated:

316 Housing development and rehabilitation, including moderate cost
317 housing, moderate rental, congregate and elderly housing, urban
318 homesteading, community housing development corporations,
319 housing purchase and rehabilitation (no more than \$10,000,000 of the
320 total), housing for the homeless, housing for low income persons,
321 limited equity cooperatives and mutual housing projects, removal and
322 abatement of hazardous material including asbestos and lead-based
323 paint in residential structures (no more than \$2,500,000 of the total),
324 emergency repair assistance for senior citizens, housing land bank and
325 land trust, housing and community development, predevelopment
326 grants and loans, reimbursement for state and federal surplus
327 property, private rental investment mortgage and equity program,
328 housing infrastructure, septic system repair loan program, acquisition
329 and related rehabilitation, the purposes of sections 1 to 3, inclusive, of
330 this act, and participation in federal programs, including
331 administrative expenses associated with those programs eligible under
332 the general statutes, not exceeding \$20,000,000.

333 Sec. 7. Section 9 of public act 99-242 is amended to read as follows
334 (*Effective from passage*):

335 The proceeds of the sale of said bonds shall be used by the
336 Department of Economic and Community Development for the
337 purposes hereinafter stated:

338 Housing development and rehabilitation, including moderate cost
339 housing, moderate rental, congregate and elderly housing, urban

340 homesteading, community housing development corporations,
341 housing purchase and rehabilitation, housing for the homeless,
342 housing for low income persons, limited equity cooperatives and
343 mutual housing projects, abatement of hazardous material including
344 asbestos and lead-based paint in residential structures, emergency
345 repair assistance for senior citizens, housing land bank and land trust,
346 housing and community development, predevelopment grants and
347 loans, reimbursement for state and federal surplus property, private
348 rental investment mortgage and equity program, housing
349 infrastructure, septic system repair loan program, acquisition and
350 related rehabilitation, loan guarantees for private developers of rental
351 housing for the elderly, the purposes of sections 1 to 3, inclusive, of
352 this act, and participation in federal programs, including
353 administrative expenses associated with those programs eligible under
354 the general statutes, not exceeding \$5,000,000.

355 Sec. 8. (*Effective July 1, 2003*) (a) For the purposes described in
356 subsection (b) of this section, the State Bond Commission shall have
357 the power, from time to time, to authorize the issuance of bonds of the
358 state in one or more series and in principal amounts not exceeding in
359 the aggregate fifteen million dollars.

360 (b) The proceeds of the sale of said bonds, to the extent of the
361 amount stated in subsection (a) of this section, shall be used by the
362 Department of Economic and Community Development for the
363 purpose of funding the housing authority of the city of New Britain for
364 the redevelopment and revitalization of Corbin Heights, Corbin
365 Heights Extension, Pinnacle Heights and Pinnacle Heights Extension.

366 (c) All provisions of section 3-20 of the general statutes, or the
367 exercise of any right or power granted thereby, which are not
368 inconsistent with the provisions of this section are hereby adopted and
369 shall apply to all bonds authorized by the State Bond Commission
370 pursuant to this section, and temporary notes in anticipation of the
371 money to be derived from the sale of any such bonds so authorized
372 may be issued in accordance with said section 3-20 and from time to

373 time renewed. Such bonds shall mature at such time or times not
374 exceeding twenty years from their respective dates as may be provided
375 in or pursuant to the resolution or resolutions of the State Bond
376 Commission authorizing such bonds. None of said bonds shall be
377 authorized except upon a finding by the State Bond Commission that
378 there has been filed with it a request for such authorization which is
379 signed by or on behalf of the Secretary of the Office of Policy and
380 Management and states such terms and conditions as said commission,
381 in its discretion, may require. Said bonds issued pursuant to this
382 section shall be general obligations of the state and the full faith and
383 credit of the state of Connecticut are pledged for the payment of the
384 principal of and interest on said bonds as the same become due, and
385 accordingly and as part of the contract of the state with the holders of
386 said bonds, appropriation of all amounts necessary for punctual
387 payment of such principal and interest is hereby made, and the State
388 Treasurer shall pay such principal and interest as the same become
389 due.

390 Sec. 9. (*Effective July 1, 2003*) (a) For the purposes described in
391 subsection (b) of this section, the State Bond Commission shall have
392 the power, from time to time, to authorize the issuance of bonds of the
393 state in one or more series and in principal amounts not exceeding in
394 the aggregate fifteen million dollars.

395 (b) The proceeds of the sale of said bonds, to the extent of the
396 amount stated in subsection (a) of this section, shall be used by the
397 Department of Economic and Community Development for the
398 purpose of funding the housing authority of the city of Stamford for
399 the redevelopment of revitalization of Vidal Court.

400 (c) All provisions of section 3-20 of the general statutes, or the
401 exercise of any right or power granted thereby, which are not
402 inconsistent with the provisions of this section are hereby adopted and
403 shall apply to all bonds authorized by the State Bond Commission
404 pursuant to this section, and temporary notes in anticipation of the
405 money to be derived from the sale of any such bonds so authorized

406 may be issued in accordance with said section 3-20 and from time to
 407 time renewed. Such bonds shall mature at such time or times not
 408 exceeding twenty years from their respective dates as may be provided
 409 in or pursuant to the resolution or resolutions of the State Bond
 410 Commission authorizing such bonds. None of said bonds shall be
 411 authorized except upon a finding by the State Bond Commission that
 412 there has been filed with it a request for such authorization which is
 413 signed by or on behalf of the Secretary of the Office of Policy and
 414 Management and states such terms and conditions as said commission,
 415 in its discretion, may require. Said bonds issued pursuant to this
 416 section shall be general obligations of the state and the full faith and
 417 credit of the state of Connecticut are pledged for the payment of the
 418 principal of and interest on said bonds as the same become due, and
 419 accordingly and as part of the contract of the state with the holders of
 420 said bonds, appropriation of all amounts necessary for punctual
 421 payment of such principal and interest is hereby made, and the State
 422 Treasurer shall pay such principal and interest as the same become
 423 due.

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| This act shall take effect as follows: | |
| Section 1 | <i>from passage</i> |
| Sec. 2 | <i>from passage</i> |
| Sec. 3 | <i>from passage</i> |
| Sec. 4 | <i>from passage</i> |
| Sec. 5 | <i>from passage</i> |
| Sec. 6 | <i>from passage</i> |
| Sec. 7 | <i>from passage</i> |
| Sec. 8 | <i>July 1, 2003</i> |
| Sec. 9 | <i>July 1, 2003</i> |

HSG

Joint Favorable Subst. C/R

PD