



General Assembly

**Amendment**

February Session, 2004

LCO No. 5352

\*SB0019405352HDO\*

Offered by:  
REP. GREEN, 1<sup>st</sup> Dist.

To: Subst. Senate Bill No. 194      File No. 279      Cal. No. 472

**"AN ACT CONCERNING THE PRESERVATION OF FEDERALLY-ASSISTED HOUSING AS LOW AND MODERATE INCOME HOUSING."**

1      Strike everything after the enacting clause and substitute the  
2      following in lieu thereof:

3      "Section 1. (NEW) (*Effective July 1, 2004, and applicable to any*  
4      *termination of subsidy for the development occurring on or after July 1, 2005*)  
5      (a) As used in this section:

6      (1) "Development" means a rental housing development that  
7      receives government assistance under any of the following federal  
8      programs, including any property that is owned or whose mortgage is  
9      held by the United States Department of Housing and Urban  
10     Development and was formerly insured under any of the following  
11     programs:

12     (A) New construction, substantial rehabilitation, moderate  
13     rehabilitation, property disposition and loan management set-aside

14 programs or any other program providing project-based assistance  
15 under Section 8 of the United States Housing Act of 1937, as from time  
16 to time amended;

17 (B) The Below Market Interest Rate Program under Section 221(d)(3)  
18 of the National Housing Act, 12 USC 1715l(d)(3), (5);

19 (C) Section 236 of the National Housing Act, 12 USC 1715z-1;

20 (D) Section 202 of the Housing Act of 1959, 12 USC 1701q;

21 (E) Programs for rent supplement assistance under Section 101 of  
22 the Housing and Urban Development Act of 1965, 12 USC 1701s;

23 (F) Programs under Section 515 of the Housing Act of 1949, 42 USC  
24 1485; or

25 (G) The Low Income Housing Tax Credit program, 26 USC 42; and

26 (2) "Termination of subsidy for the development" or "termination of  
27 subsidy" means: (A) Any sale, transfer of title, lease, prepayment of  
28 loan insured or held by HUD or another federal agency or any other  
29 action with respect to a development, as defined in subdivision (1) of  
30 this section, that would result in the cessation or reduction of the  
31 financial assistance designed to make the rental unit affordable to low  
32 and moderate income households; or (B) an owner's decision not to  
33 extend or renew its participation in a federal project-based subsidy  
34 program, either at or prior to the scheduled date of the expiration of  
35 the contract; or (C) the expiration of rental restrictions for a  
36 development that may result in an increase in tenant rent or a change  
37 in the form of the subsidy from project-based to tenant-based.

38 (b) On and after July 1, 2004, any owner of a development shall, not  
39 later than one year before the termination of subsidy for the  
40 development, provide written notice of the owner's intent to terminate  
41 the subsidy, sent by first class mail or hand-delivered, to (1) each  
42 tenant residing in the development, (2) each tenant association  
43 representing tenants in the development, (3) the executive director of

44 any housing authority of the municipality in which the development is  
45 located, (4) the chief executive officer of the municipality in which the  
46 development is located, (5) the executive director of the Connecticut  
47 Housing Finance Authority, and (6) the Commissioner of Economic  
48 and Community Development. The notice shall be posted in a  
49 conspicuous common area of the development accessible to the  
50 tenants. Said authority and commissioner shall make reasonable efforts  
51 to distribute copies of such notice to nonprofit developers.

52       Sec. 2. (*Effective from passage*) (a) The Connecticut Housing Finance  
53 Authority, in consultation with the Commissioner of Economic and  
54 Community Development and other interested entities and  
55 organizations, shall conduct a study of the loss of low and moderate  
56 income housing units from Connecticut's housing stock which has  
57 resulted, or which may result, from the termination of subsidy for  
58 federally-assisted and federally-insured housing. For the purpose of  
59 assisting in the study, the Connecticut Housing Finance Authority  
60 shall convene an advisory committee whose membership shall include  
61 representatives of appropriate state agencies and a range of interests  
62 involved in the preservation of such housing as low and moderate  
63 income housing, including, but not limited to, financing agencies and  
64 lenders, nonprofit and for-profit developers, and low and moderate  
65 income housing advocates.

66       (b) On or before January 1, 2005, the Connecticut Housing Finance  
67 Authority shall submit to the select committee of the General  
68 Assembly having cognizance of matters relating to housing a report  
69 describing the nature and scope of the loss of low and moderate  
70 income housing units and recommending solutions, which may  
71 include legislation, to maximize the preservation of low and moderate  
72 housing units within Connecticut's housing stock. The report shall  
73 include the comments of the Commissioner of Economic and  
74 Community Development and shall be approved by the board of  
75 directors of said authority."

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This act shall take effect as follows:	
Section 1	<i>July 1, 2004, and applicable to any termination of subsidy for the development occurring on or after July 1, 2005</i>
Sec. 2	<i>from passage</i>