



# House of Representatives

General Assembly

**File No. 362**

*January Session, 2005*

House Bill No. 6431

*House of Representatives, April 14, 2005*

The Committee on Planning and Development reported through REP. WALLACE of the 109th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## ***AN ACT CONCERNING THE DISPOSAL OF HOUSING PROJECTS BY HOUSING AUTHORITIES.***

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

1 Section 1. Section 8-64a of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2005*):

3 (a) No housing authority which receives or has received any state  
4 financial assistance may sell, lease, transfer or destroy, or contract to  
5 sell, lease, transfer or destroy, any housing project or portion thereof in  
6 any case where such project or portion thereof would no longer be  
7 available for the purpose of low or moderate income rental housing as  
8 a result of such sale, lease, transfer or destruction, except the  
9 Commissioner of Economic and Community Development may grant  
10 written approval for the sale, lease, transfer or destruction of a housing  
11 project if the commissioner finds, after a public hearing, that (1) the  
12 sale, lease, transfer or destruction is in the best interest of the state and  
13 the municipality in which the project is located, (2) an adequate supply

14 of low or moderate income rental housing exists in the municipality in  
15 which the project is located, (3) the housing authority has developed a  
16 plan for the sale, lease, transfer or destruction of such project in  
17 consultation with the residents of such project and representatives of  
18 the municipality in which such project is situated and has made  
19 adequate provision for said residents' and representatives'  
20 participation in such plan, and (4) any person who is displaced as a  
21 result of the sale, lease, transfer or destruction will be relocated to a  
22 comparable dwelling unit of public or subsidized housing in the same  
23 municipality or will receive a tenant-based rental subsidy and will  
24 receive relocation assistance under chapter 135. The commissioner  
25 shall consider the extent to which the housing units which are to be  
26 sold, leased, transferred or destroyed will be replaced in ways which  
27 may include, but need not be limited to, newly constructed housing,  
28 rehabilitation of housing which is abandoned or has been vacant for at  
29 least one year, or new federal, state or local tenant-based or project-  
30 based rental subsidies. The commissioner shall give the residents of the  
31 housing project or portion thereof which is to be sold, leased,  
32 transferred or destroyed written notice of said public hearing by first  
33 class mail not less than ninety days before the date of the hearing. Said  
34 written approval shall contain a statement of facts supporting the  
35 findings of the commissioner. This section shall not apply to the sale,  
36 lease, transfer or destruction of a housing project pursuant to the terms  
37 of any contract entered into before June 3, 1988. This section shall not  
38 apply to phase I of Father Panik Village in Bridgeport, Elm Haven in  
39 New Haven, Pequonock Gardens Project in Bridgeport, Evergreen  
40 Apartments in Bridgeport, Quinnipiac Terrace/Riverview in New  
41 Haven, Dutch Point in Hartford, Southfield Village in Stamford and,  
42 upon approval by the United States Department of Housing and  
43 Urban Development of a HOPE VI revitalization application and a  
44 revitalization plan that includes at least the one-for-one replacement of  
45 low and moderate income units, Fairfield Court in Stamford.

46 (b) The commissioner shall adopt regulations, in accordance with  
47 the provisions of chapter 54, establishing criteria to be used in granting  
48 an approval under subsection (a) of this section.



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:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 06 \$</b>	<b>FY 07 \$</b>
Department of Economic & Community Development	GF - Cost	Minimal	None

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

It is anticipated that the Department of Economic and Community Development would incur minimal costs of approximately \$5,000 for an outside consultant in FY 06 in order to adopt the required regulations.

---

**OLR Bill Analysis**

HB 6431

***AN ACT CONCERNING THE DISPOSAL OF HOUSING PROJECTS  
BY HOUSING AUTHORITIES*****SUMMARY:**

This bill requires the Department of Economic and Community Development (DECD) commissioner to adopt regulations establishing criteria for his approving a housing authority's decision to dispose of all or part of a housing project. The law prohibits housing authorities from disposing of a project, or portion of it, in any way that would make it unavailable to low- or moderate-income families, unless the DECD commissioner allows it after a public hearing and notification process. By law, the commissioner must give tenants notice of the hearing at least 90 days before it is held. He must consider the extent to which housing units that are to be disposed of will be replaced in ways that may include new housing developments and new federal, state, or local tenant-based or project-based rental subsidies.

EFFECTIVE DATE: October 1, 2005

**BACKGROUND*****Disposal of Housing Projects***

By law, housing authorities that have received any state funding cannot sell, lease, transfer, or destroy a housing project, or portion of one, or contract to have such action undertaken, if doing so results in the project, or a portion of it, being unavailable for low- and moderate-rental housing, unless the commissioner allows it after a public hearing and notification process. Several housing projects are exempt from the hearing and notification provisions under the law.

In a March 2004 letter, the Attorney General's Office told DECD that the requirements under CGS § 8-64a apply to a housing project that has received federal funding, but no state funding, if the housing authority operating the project has received any state financial assistance.

**COMMITTEE ACTION**

Select Committee on Housing

Joint Favorable Change of Reference

Yea 11 Nay 0

Planning and Development Committee

Joint Favorable Report

Yea 13 Nay 5