



**Senate Bill No. 545**

**Public Act No. 06-48**

**AN ACT CONCERNING HOUSING PRESERVATION.**

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

Section 1. Section 8-68c of the general statutes is repealed and the following is inserted in lieu thereof (*Effective July 1, 2006*):

[On and after July 1, 1988, any owner of multifamily rental housing for persons and families of low and moderate income, which housing is financed by a mortgage insured under 12 USCA 1715l, 12 USCA 1715z-1 or 42 USCA 1485(b), shall, not later than one year prior to prepaying any such mortgage, provide written notice of the owner's intent to prepay such mortgage to the Commissioner of Economic and Community Development, the chief executive officer of the municipality in which such housing is located and to all tenants residing in such housing. Nothing in this section or subsection (b) of section 36a-755 shall be construed to limit the ability of such owner to prepay any such mortgage or to interfere with any existing contract.]

(a) As used in this section, "covered program" means:

(1) New construction, substantial rehabilitation, moderate rehabilitation, property disposition and loan management set-aside programs or any other program providing project-based assistance

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under 42 USC 1437f, including, but not limited to, housing regulated pursuant to 24 CFR 983.1 to 24 CFR 983.262, inclusive, 24 CFR Parts 880 to 884, inclusive and 24 CFR Part 886;

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

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

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

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

(6) Programs under Section 515 of the Housing Act of 1949, 42 USC 1485;

(7) Programs under Section 521 of the Housing Act of 1949, 42 USC 1490a;

(8) The Low Income Housing Tax Credit program, 26 USC 42; or

(9) Supportive Housing for Persons with Disabilities under 42 USC 8013.

(b) On and after July 1, 2006, any owner of multifamily rental housing for persons and families of low and moderate income, that is assisted pursuant to a contract, mortgage, or mortgage insured under any covered program shall, not later than one year prior to the expiration or planned or proposed termination of any subsidy for the development, sale, transfer of title, lease of the development, prepayment of any such contract or mortgage, or maturity of such mortgage, if any such action will result in the cessation or reduction of the financial assistance or regulatory requirements designed to make the assisted units affordable to low and moderate income households, provide written notice of such action to the Commissioner of Economic

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and Community Development, the chief executive officer of the municipality in which such housing is located and to all tenants residing in such housing. Nothing in this section shall be construed to limit the contractual rights or the ability of such owner to prepay any such mortgage or to interfere with any existing contract. Not later than ten business days after receipt of any notice, the Commissioner of Economic and Community Development shall cause such notice to be posted on the web site of the department. Such notice shall also be made available electronically to those persons who have provided the commissioner with a written request to receive such notices along with a current electronic mail address.

(c) Notwithstanding the provisions of subsection (b) of this section, the owner of multifamily rental housing that is assisted pursuant to a contract, mortgage or mortgage insured under any covered program that was not subject to the provisions of this section prior to July 1, 2006, and which, as of July 1, 2006, has less than one year remaining prior to the expiration or planned or proposed termination of any subsidy for the development, sale, transfer of title, lease of the development, prepayment of any such contract or mortgage or maturity of such mortgage, if any such action will result in the cessation or reduction of the financial assistance or regulatory requirements designed to make the assisted units affordable to low and moderate income households, shall provide not less than ninety days written notice of such action. Said notice shall be delivered to the parties listed in subsection (b) of this section and shall be posted and made available in accordance with the provisions of said subsection (b).

Approved May 8, 2006