



**Substitute House Bill No. 5529**

**Public Act No. 06-93**

**AN ACT CONCERNING TECHNICAL AMENDMENTS TO CERTAIN HOUSING STATUTES AND THE REPEAL OF OBSOLETE HOUSING STATUTES.**

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

Section 1. Section 8-37tt of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

(a) As used in this section, "administrative oversight charge" means any fee payable to the Department of Economic and Community Development from sources other than (1) the proceeds from the sale of the state's general obligation bonds, or (2) the housing repayment and revolving loan program established pursuant to subsection (e) of section 8-37qq, as amended by this act, that is imposed to pay all or a portion of the costs and expenses of the Department of Economic and Community Development in monitoring facilities developed with financial assistance pursuant to any bond-financed state housing program as defined in subsection (a) of [said] section 8-37qq, as amended by this act, and ensuring compliance with requirements and restrictions applicable to such facilities.

[(b) The commissioner shall adopt regulations in accordance with the provisions of chapter 54 describing procedures to be employed in

**Substitute House Bill No. 5529**

calculating administrative oversight charges and establishing the amount of such charges.]

[(c)] (b) Notwithstanding the provisions of this section or any regulations adopted thereunder, the amount of the administrative oversight charge per unit shall be as follows: (1) For the period from July 1, 1997, to June 30, 1998, not more than twelve dollars, and (2) on and after July 1, 1998, not more than five dollars.

Sec. 2. Subsection (a) of section 8-37qq of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

(a) For the purposes of this section and sections 8-44a, as amended by this act, 8-70, as amended by this act, 8-78, 8-80, 8-114a, as amended by this act, 8-117b, 8-119a, 8-119b, 8-119h, as amended by this act, 8-119i, 8-119ee, 8-119hh, 8-119ii, 8-119jj, 8-169w, 8-214g, 8-216b, as amended by this act, 8-218b, 8-219b, 8-387, 8-405, 8-410, 8-415, 8-420, 16a-40b, as amended, and 16a-40j, [and sections 8-430 to 8-438, inclusive,] the following terms shall have the following meanings:

(1) "Bond-financed state housing program" means any program administered by the Commissioner of Economic and Community Development which provides financial assistance for housing acquisition, development, rehabilitation or support services, and which may be financed in whole or in part from the proceeds of the state's general obligation bonds, including: Acquisition of surplus land pursuant to section 8-37y, affordable housing projects pursuant to section 8-37pp, housing authority programs for social and supplementary services, project rehabilitation and improvement and energy conservation pursuant to section 8-44a, as amended by this act, moderate rental housing pursuant to section 8-70, as amended by this act, moderate cost housing pursuant to section 8-82, housing for elderly persons pursuant to section 8-114a, as amended by this act,

**Substitute House Bill No. 5529**

congregate housing for the elderly pursuant to section 8-119h, as amended by this act, housing for low-income persons pursuant to section 8-119dd, financial assistance for redevelopment or urban renewal projects pursuant to section 8-154a, housing and community development pursuant to sections 8-169l and 8-216b, as amended by this act, urban homesteading pursuant to subsection (a) of section 8-169w, community housing land bank and land trust program pursuant to section 8-214d, as amended, financial assistance for development of limited equity cooperatives and mutual housing pursuant to section 8-214f, as amended, community housing development corporations pursuant to sections 8-218, as amended by this act, and 8-218a, as amended by this act, financial assistance to elderly homeowners for emergency repairs or rehabilitation pursuant to section 8-219b, financial assistance for removal of lead-based paint and asbestos pursuant to section 8-219e, as amended, home ownership loans pursuant to subsection (a) of section 8-286, housing programs for homeless persons pursuant to sections 8-356 and 8-357, as amended by this act, grants to municipalities for financing low and moderate income rental housing pursuant to section 8-365, housing infrastructure grants and loans pursuant to section 8-387, private rental investment mortgage and equity program pursuant to sections 8-401 and 8-403, assistance for housing predevelopment costs pursuant to sections 8-410 and 8-411, residential subsurface sewage disposal system repair program pursuant to sections 8-415 and 8-420, energy conservation loans pursuant to section 16a-40b, as amended, rent receivership pursuant to section 47a-56j, [construction, acquisition and related rehabilitation pursuant to section 8-433 and,] and any other such program now, heretofore or hereafter existing, and any additions or amendments to such programs.

(2) "Administrative expense" means any administrative or other cost or expense incurred by the state in carrying out the provisions of any of the following bond-financed state housing programs, including the

**Substitute House Bill No. 5529**

hiring of necessary employees and the entering of necessary contracts: Housing authority programs for social and supplementary services, project rehabilitation and improvement, and energy conservation pursuant to section 8-44a, as amended by this act, moderate rental housing pursuant to section 8-70, as amended by this act, moderate cost housing pursuant to section 8-82, housing for elderly persons pursuant to section 8-114a, congregate housing for the elderly pursuant to section 8-119h, as amended by this act, housing for low-income persons pursuant to section 8-119dd, urban homesteading pursuant to subsection (a) of section 8-169w, financial assistance for development of limited equity cooperatives and mutual housing pursuant to section 8-214f, as amended, financial assistance to elderly homeowners for emergency repairs or rehabilitation pursuant to section 8-219b, home ownership loans pursuant to subsection (a) of section 8-286, housing programs for homeless persons pursuant to sections 8-356 and 8-357, private rental investment mortgage and equity program pursuant to sections 8-401 and 8-403, assistance for housing predevelopment costs pursuant to sections 8-410 and 8-411, residential subsurface sewage disposal system repair pursuant to section 8-415 and section 8-420, and energy conservation loans pursuant to section 16a-40b, as amended. [and construction, acquisition and related rehabilitation pursuant to section 8-433.]

(3) "State service fee" means any fee or charge assessed or collected by the state for the purpose of paying for any administrative expense, pursuant to subsections (f) and (g) of section 8-44a, as amended by this act, with respect to housing authority programs for social and supplementary services, project rehabilitation and improvement, and energy conservation, subsection (c) of section 8-70, as amended by this act, and section 8-72 with respect to moderate rental housing, subsection (b) of section 8-114a, as amended by this act, and subsection (a) of section 8-115a with respect to housing for elderly persons, section 8-119h and subsection (a) of section 8-115a with respect to

**Substitute House Bill No. 5529**

congregate housing for the elderly, section 8-119jj and section 8-72 with respect to housing for low-income persons, subsection (c) of section 8-218b with respect to community housing development corporations, subsection (b) of section 8-219b with respect to financial assistance to elderly homeowners for emergency repairs and rehabilitation, and subsection (a) of section 8-405 with respect to the private rental mortgage and equity program.

Sec. 3. Subsection (e) of section 8-37qq of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

(e) (1) There is established a fund to be known as the "Housing Repayment and Revolving Loan Fund". The fund shall contain any moneys required by law to be deposited in the fund and shall be held separate and apart from all other money, funds and accounts. Investment earnings credited to the fund shall become part of the assets of the fund. Any required rebates to the federal government of such investment earnings shall be paid from the fund. Any balance remaining in said fund at the end of any fiscal year shall be carried forward in the fund for the next fiscal year.

(2) (A) Notwithstanding any provision of the general statutes or any public or special act to the contrary, except sections 8-76 and 8-80, the following shall be paid to the State Treasurer for deposit in the Housing Repayment and Revolving Loan Fund: (i) All payments to the state of principal or interest on loans that the ultimate recipient is obligated to repay to the state, with or without interest, made pursuant to section 8-114a with respect to loans for housing for elderly persons, section 8-119h with respect to loans for congregate housing for the elderly, subsection (a) of section 8-169w with respect to urban homesteading loans, sections 8-218, as amended by this act, and 8-218a, as amended by this act, with respect to community housing development corporation loans, section 8-337 with respect to security

**Substitute House Bill No. 5529**

deposit revolving loans, section 8-410 with respect to housing predevelopment cost loans, section 8-415 and section 8-420 with respect to subsurface sewage disposal system repair loans, [and section 8-433 with respect to loans for construction, acquisition and related rehabilitation] and section 8-37pp with respect to loans for affordable housing; (ii) all payments of principal with respect to energy conservation loans pursuant to section 16a-40b, as amended; (iii) all payments made to the state constituting the liquidation of an equity interest pursuant to section 8-404 with respect to the private rental investment mortgage and equity program; [or a participation interest pursuant to section 8-436;] (iv) all payments made to the state constituting the liquidation of any other security interest or lien taken or granted pursuant to a bond-financed state housing program or assistance or related agreement, except liquidations constituting principal or interest on loans not mentioned in subparagraph (A)(i) or (A)(ii) of this subdivision and the liquidation of security interests or liens with respect to rent receivership pursuant to subsection (c) of section 47a-56i; (v) all other return or recapture of state financial assistance made pursuant to the provisions of any bond-financed state housing program or assistance or related agreement, except principal or interest on loans not mentioned in subparagraph (A)(i) or (A)(ii) of this subdivision and payments received with respect to rent receivership pursuant to subsection (c) of section 47a-56i; (vi) all payments of state service fees and administrative oversight charges [, as defined in section 8-430,] rendered in accordance with the provisions of any bond-financed state housing program other than state service fees financed from the proceeds of the state's general obligation bonds; and (vii) all other compensation or reimbursement paid to the Department of Economic and Community Development with respect to bond-financed state housing programs other than from the federal government.

(B) Notwithstanding any provision of the general statutes or any

**Substitute House Bill No. 5529**

public or special act to the contrary, except as provided in this subsection, loans for any bond-financed state housing program which the ultimate recipient is obligated to repay to the state, with or without interest, may be paid out of moneys deposited in the Housing Repayment and Revolving Loan Fund without the prior approval of the State Bond Commission, subject to the approval of the Governor of an allotment. All payments on energy conservation loans pursuant to said section 16a-40b, as amended, shall be accounted for separately from other moneys in the Housing Repayment and Revolving Loan Fund, and shall be used to make further loans pursuant to said section 16a-40b, as amended, and to pay any administrative expense attributable to such loans.

(C) Notwithstanding any provision of the general statutes or any public or special act, [to the contrary,] payment of any administrative expense may be made out of the Housing Repayment and Revolving Loan Fund subject to the approval of the Governor of an allotment for such purpose.

Sec. 4. Section 8-44a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

(a) Any housing authority may prepare and submit to the Commissioner of Economic and Community Development for approval a program of social and supplementary services and project rehabilitation and improvement for any or all housing projects within the jurisdiction of such housing authority. Such program shall include the estimated costs of the services, rehabilitation and improvement and the method and staff required to carry out such program. After approval of such program by the commissioner, the state, acting by and in the discretion of the commissioner, may enter into a contract with the housing authority conditioned upon the housing authority performing the program approved. Such contract shall provide for state financial assistance in the form of a grant-in-aid, loan, deferred

**Substitute House Bill No. 5529**

loan or combination thereof equal to the cost of such program, including administrative or other cost or expense to be incurred by the state in connection with such program as approved by the commissioner, provided such contract shall provide financial assistance in the form of a loan, or deferred loan rather than a grant only in a case where, and to the extent that, repayment ability exists because of an adequate rental structure or funds are made available by an agency of the United States government in such amounts and for such periods of time as are required to repay such loan, together with interest. The contract shall further provide that in the event such funds provided by an agency of the United States government shall terminate prior to complete repayment of a loan or deferred loan made pursuant to this subsection, the remaining balance of such loan shall be deemed to be a grant-in-aid. In the case of a deferred loan, the contract shall require that payments on interest are due immediately but that payments on principal may be made at a later time.

(b) Said commissioner shall establish a program of rehabilitation and major repair, including any repair, replacement or installation as may be necessary for energy conservation, of (1) existing rental housing projects developed with state financial assistance, pursuant to this chapter or chapter 129, to restore such projects to a sound, habitable and energy-efficient condition, (2) housing developed with state financial assistance pursuant to chapter 138b, (3) projects developed with state financial assistance pursuant to section 8-214f, as amended, and (4) [projects developed with state financial assistance pursuant to section 8-432 and (5)] projects developed with state financial assistance pursuant to section 8-218, as amended by this act. Each housing authority, nonprofit corporation, community housing development corporation, municipal developer or other eligible developer, [as defined in subdivision (17) of section 8-430,] shall prepare and submit to said commissioner a request for any necessary construction, rehabilitation and major repair with respect to each such

**Substitute House Bill No. 5529**

housing project within the jurisdiction of such authority, nonprofit corporation, community housing development corporation, municipal developer or other eligible developer, [as defined in subdivision (17) of section 8-430,] including the construction or rehabilitation of facilities adjacent to such project which are functionally related to and serve the needs of such project. Each such request shall include a detailed description and the estimated cost of such construction, rehabilitation or major repair. After approval by said commissioner of such construction, rehabilitation or major repair as requested, or any part thereof, the state, acting by and in the discretion of said commissioner, may enter into a contract with such authority, nonprofit corporation, community housing development corporation, municipal developer or other eligible developer, [as defined in subdivision (17) of section 8-430,] providing for state financial assistance in the form of a grant-in-aid, loan, deferred loan or combination thereof equal to the cost of such approved construction, rehabilitation or major repair, including, in the case of grants-in-aid or loans or deferred loans financed from the proceeds of the state's general obligation bonds issued pursuant to any authorization, allocation or approval of the State Bond Commission made prior to July 1, 1990, administrative or other cost or expense to be incurred by the state in connection with such program as approved by the commissioner, provided such contract shall provide financial assistance in the form of a loan or deferred loan rather than a grant only in a case where, and to the extent that, repayment ability exists because of an adequate rental structure or funds are made available by an agency of the United States government in such amounts and for such periods of time as are required to repay such loan or deferred loan, together with interest. The contract shall further provide that in the event such funds provided by an agency of the United States government shall terminate prior to complete repayment of a loan or deferred loan made pursuant to this subsection, the remaining balance of such loan or deferred loan shall be deemed to be a grant-in-aid. Such grants-in-aid, loans or deferred loans shall be provided from the

**Substitute House Bill No. 5529**

proceeds of state bonds authorized and issued in accordance with the provisions of subsection (c) of this section.

(c) For the purposes of subsection (b) of this section the State Bond Commission shall have power, from time to time to authorize issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate forty-two million dollars. All provisions of section 3-20, as amended, or the exercise of any right or power granted thereby which are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section, and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of said bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization, which is signed by or on behalf of the Commissioner of Economic and Community Development and states such terms and conditions as said commission, in its discretion, may require. Said bonds issued pursuant to this section shall be general obligations of the state and the full faith and credit of the state of Connecticut are pledged for the payment of the principal of and interest on said bonds as the same become due, and accordingly and as part of the contract of the state with the holders of said bonds, appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the Treasurer shall pay such principal and interest as the same become due.

(d) The proceeds from the sale of the bonds and notes authorized by subsection (c) of this section, except refunding bonds and notes, shall

***Substitute House Bill No. 5529***

be deposited in a fund designated the "Rental Rehabilitation Fund", which fund shall be used to make the grants, loans and deferred loans authorized by subsection (b) of this section. Payments from the fund to authorities shall be made by the State Treasurer on certification of the Commissioner of Economic and Community Development in accordance with the contract for financial assistance between the state and such authority. All payments by an authority of state service charges, as authorized by subsection (f) of this section, financed from the proceeds of the state's general obligation bonds authorized pursuant to any authorization, allocation or approval of the State Bond Commission made prior to July 1, 1990, shall be paid to the State Treasurer for deposit in said fund. All payments of service charges not financed from the proceeds of the state's general obligation bonds shall be paid to the State Treasurer for deposit in the Housing Repayment and Revolving Loan Fund.

(e) The State Treasurer is authorized to invest such moneys in the Rental Rehabilitation Fund as he deems to be available for such purpose in obligations of or guaranteed by the state or the United States of America or agencies or instrumentalities thereof and, without limitation on the foregoing, in such other obligations, including time deposits or certificates of deposit, as may be permitted investments by the Treasurer for the General Fund of the state and secured in such manner as the Treasurer may require.

(f) Grants, loans and deferred loans or combinations thereof made under the authority of this section and financed from the proceeds of the state's general obligation bonds authorized pursuant to any authorization, allocation or approval of the State Bond Commission made prior to July 1, 1990, shall include, as part of the project cost, a state service charge, as approved by the Commissioner of Economic and Community Development.

(g) The Commissioner of Economic and Community Development

**Substitute House Bill No. 5529**

shall approve an operation or management plan of each housing project, which shall provide an income adequate for debt service, administration, including a state service charge, other operating costs and establishment of reasonable reserves for repairs, maintenance and replacements, vacancy and collection losses.

(h) Subject to the approval of the Governor, any administrative or other cost or expense incurred by the state in connection with the carrying out of the provisions of this section, including the hiring of necessary employees and the entering upon necessary contracts, may be paid from the Rental Rehabilitation Fund.

(i) Any principal and interest payments received pursuant to this section from eligible developers shall be paid to the State Treasurer for deposit in the General Fund.

[(j) On and after the effective date of regulations adopted under section 8-437, the Commissioner of Economic and Community Development shall not accept any application for state financial assistance pursuant to this section except an application for a project or development not qualifying for financial assistance pursuant to section 8-433.]

Sec. 5. Section 8-70 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

(a) Upon preliminary approval by the State Bond Commission pursuant to the provisions of section 3-21, the state, acting by and through the Commissioner of Economic and Community Development, may enter into a contract or contracts with an authority or combination of authorities for state financial assistance for a moderate rental housing project or projects in the form of (1) interim and permanent loans or deferred loans; (2) guarantees by the state of the notes of an authority; (3) grants; or (4) any combination of such

**Substitute House Bill No. 5529**

forms of aid. In the case of a deferred loan, the contract shall require that payments on all or a portion of the interest are due currently but that payments on principal may be made at a later time.

(b) Upon preliminary approval by the State Bond Commission pursuant to the provisions of section 3-21, the state, acting by and through the Commissioner of Economic and Community Development, may enter into a contract or contracts with an eligible developer for state financial assistance for a moderate rental housing project or projects in the form of interim and permanent mortgage loans and, in the case of a housing authority or nonprofit corporation, the commissioner may enter into a contract or contracts to provide state financial assistance in the form of a grant.

(c) Permanent loans or deferred loans made by the state under the authorization of this section (1) shall bear interest payable quarterly on the first days of January, April, July and October for the preceding calendar quarter at a rate to be determined in accordance with subsection (t) of section 3-20, as amended; (2) shall be in an amount not in excess of the development cost of the project or projects, including, in the case of loans or deferred loans financed from the proceeds of the state's general obligation bonds issued pursuant to any authorization, allocation or approval of the State Bond Commission made prior to July 1, 1990, a state service charge, as approved by the Commissioner of Economic and Community Development; and (3) shall be repayable in such installments as are determined by the Commissioner of Economic and Community Development within fifty years from the date of completion of the project or projects, as determined by the Commissioner of Economic and Community Development. The term of a permanent loan or deferred loan may be extended upon the recommendation of the Commissioner of Economic and Community Development with the approval of the State Bond Commission if the commissioner determines that such an extension is necessary for the

**Substitute House Bill No. 5529**

continuing financial viability of a project. In anticipation of such permanent loans or deferred loans, the state, acting by and through the Commissioner of Economic and Community Development, with the approval of the Governor and the Treasurer, may make temporary loans or deferred loans or advances to the authority or authorities at an interest rate to be determined in accordance with subsection (t) of section 3-20, as amended. As a condition of making any loan under this section, the commissioner may require the authority or authorities or the eligible developer to develop a management plan designed to ensure adequate maintenance of such project or projects.

(d) Grants made by the state under the authorization of this section shall be in an amount not in excess of the development cost of the projects as approved by the commissioner.

[(e) On and after the effective date of regulations adopted under section 8-437, the Commissioner of Economic and Community Development shall not accept any application for state financial assistance pursuant to this section except an application for a project or development not qualifying for financial assistance pursuant to section 8-433.]

Sec. 6. Section 8-71 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

In lieu of real property taxes, special benefit assessments and sewerage system use charges otherwise payable to such municipality, except in such municipalities as, by special act or charter, on May 20, 1957, had a sewer use charge, an authority shall pay each year to the municipality in which any of its moderate rental housing projects [or rental or quasi-ownership units of housing developments receiving financial assistance pursuant to section 8-433] are located a sum to be determined by the municipality, with the approval of the Commissioner of Economic and Community Development, not in

**Substitute House Bill No. 5529**

excess of twelve and one-half per cent of the shelter rent per annum for each occupied dwelling unit in any such housing project; [and each occupied rental or quasi-ownership unit in any such housing development;] except that the amount of such payment shall not be so limited in any case where funds are made available for such payment by an agency or department of the United States government, but no payment shall exceed the amount of taxes which would be paid on the property were the property not exempt from taxation.

Sec. 7. Section 8-114a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

(a) Upon preliminary approval by the State Bond Commission pursuant to the provisions of section 3-21, the state, acting by and through the Commissioner of Economic and Community Development, may enter into a contract or contracts (1) with an authority, municipal developer or nonprofit corporation for state financial assistance for a rental housing project or projects or continuum of housing or mobile manufactured home parks subject to the provisions of section 8-114b, for elderly persons in the form of capital grants, interim loans, permanent loans, deferred loans or any combination thereof for application to the development cost of such project or projects, or (2) with a housing partnership for state financial assistance for a rental housing project or projects or continuum of housing, for elderly persons, in the form of interim loans, permanent loans, deferred loans or any combination thereof, for application to the development cost of such project or projects. A contract with an authority may provide that in the case of any loan made in conjunction with any housing assistance funds provided by an agency of the United States government, if such housing assistance funds terminate prior to complete repayment of a loan made pursuant to this section, the remaining balance of such loan may be converted to a capital grant or decreased loan. Any such state assistance contract with an authority

**Substitute House Bill No. 5529**

for a capital grant or loan entered into prior to the time housing assistance funds became available from an agency of the United States government, may, upon the mutual consent of the commissioner and the authority, be renegotiated to provide for a loan or increased loan in the place of a capital grant or loan or a part thereof, consistent with the above conditions. In the case of a deferred loan, the contract shall require that payments on all or a portion of the interest are due currently but that payments on principal may be made at a later time.

(b) Permanent loans made by the state under this section: (1) Shall bear interest payable quarterly on the first days of January, April, July and October for the preceding calendar quarter; (2) shall be in an amount not in excess of the development cost of the project or projects, including, in the case of loans financed from the proceeds of the state's general obligation bonds issued pursuant to any authorization, allocation or approval of the State Bond Commission made prior to July 1, 1990, administrative cost or other expense to be incurred by the state in connection therewith, as approved by the Commissioner of Economic and Community Development; and (3) shall be repayable in such installments as are determined by the Commissioner of Economic and Community Development within fifty years from the date of completion of the project or projects, as determined by the Commissioner of Economic and Community Development. In anticipation of final payment of such capital grants or loans, the state, acting by and through said commissioner and in accordance with such contract, may make temporary advances to the authority, municipal developer, nonprofit corporation or housing partnership for preliminary planning expense or other development cost of such project or projects. Any loan provided pursuant to this section shall bear interest at a rate to be determined in accordance with subsection (t) of section 3-20, as amended. As a condition of making any loan under this section, the commissioner may require such authority, developer, corporation or partnership to develop a management plan

**Substitute House Bill No. 5529**

designed to ensure adequate maintenance of such project or projects, continuum of housing or mobile home parks.

[(c) On and after the effective date of regulations adopted under section 8-437, the Commissioner of Economic and Community Development shall not accept any application for state financial assistance pursuant to this section except an application for a project or development not qualifying for financial assistance pursuant to section 8-433.]

Sec. 8. Section 8-118a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

In lieu of real property taxes, special benefit assessments and sewerage system use charges otherwise payable to a municipality, a local authority shall pay each year, to the municipality in which any of its housing projects for elderly persons is located, [including, without limitation, rental or quasi-ownership units for the elderly in housing developments receiving financial assistance pursuant to section 8-433,] a sum to be determined by the municipality with the approval of the Commissioner of Economic and Community Development not in excess of ten per cent of the shelter rent per annum for each occupied dwelling unit in any such housing project; [and each occupied rental or quasi-ownership unit for the elderly in any such housing development;] except that the amount of such payment shall not be so limited in any case where funds are made available for such payment by an agency or department of the United States government, but no payment shall exceed the amount of taxes which would be paid on the property were the property not exempt from taxation.

Sec. 9. Section 8-119h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

[(a)] Upon preliminary approval by the State Bond Commission

***Substitute House Bill No. 5529***

pursuant to the provisions of section 3-20, as amended, the state, acting by and through the Commissioner of Economic and Community Development, may enter into a contract or contracts with an authority, a municipal developer or a nonprofit corporation for state financial assistance for a congregate housing project, in the form of capital grants, interim loans, permanent loans, deferred loans or any combination thereof for application to the development cost of such project or projects. A contract with an authority may provide that in the case of any loan made in conjunction with any housing assistance funds provided by an agency of the United States government, if such housing assistance funds terminate prior to complete repayment of a loan made pursuant to this section, the remaining balance of such loan may be converted to a capital grant or decreased loan. Any such state assistance contract with an authority for a capital grant or loan entered into prior to the time housing assistance funds became available from an agency of the United States government, may, upon the mutual consent of the commissioner and the authority, be renegotiated to provide for a loan or increased loan in the place of a capital grant or loan or a part thereof, consistent with the above conditions. Such capital grants or loans shall be in an amount not in excess of the development cost of the project or projects, including, in the case of grants or loans financed from the proceeds of the state's general obligation bonds issued pursuant to any authorization, allocation or approval of the State Bond Commission made prior to July 1, 1990, administrative or other cost or expense to be incurred by the state in connection therewith, as approved by said commissioner. In anticipation of final payment of such capital grants or loans, the state, acting by and through said commissioner and in accordance with such contract, may make temporary advances to the authority, municipal developer or nonprofit corporation for preliminary planning expense or other development cost of such project or projects. Any loan provided pursuant to this section shall bear interest at a rate to be determined in accordance with subsection (t) of section 3-20, as

**Substitute House Bill No. 5529**

amended. Any such authority, municipal developer or nonprofit corporation may, subject to the approval of the Commissioner of Economic and Community Development, contract with any other person approved by the Commissioner of Economic and Community Development for the operation of a project undertaken pursuant to this part.

[(b) On and after the effective date of regulations adopted under section 8-437, the Commissioner of Economic and Community Development shall not accept any application for state financial assistance pursuant to this section except an application for a project or development not qualifying for financial assistance pursuant to section 8-433.]

Sec. 10. Section 8-119k of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

In lieu of real property taxes, special benefit assessments and sewerage system use charges otherwise payable to a municipality, an eligible developer approved by the Commissioner of Economic and Community Development for state financial assistance for a congregate housing project, [including, without limitation, any congregate housing portion of a housing development receiving financial assistance pursuant to section 8-433,] shall pay each year, to the municipality in which any of its congregate housing projects for the elderly or congregate housing portions of housing developments receiving financial assistance pursuant to subsection (a) or (e) of section 8-37qq, as amended by this act, [subsection (j) of section 8-44a, subsection (e) of section 8-70,] section 8-71, as amended by this act, [subsection (c) of section 8-114a,] section 8-118a, as amended by this act, 8-119h, as amended by this act, 8-119k, as amended by this act, 8-119l, as amended by this act, [subsection (c) of section 8-119dd,] section 8-119gg, as amended by this act, subsection (e) of section 8-214f, as amended, subsection (b) of section 8-216, as amended by this act,

**Substitute House Bill No. 5529**

[subsection (g) of section 8-216b,] subsection (f) of section 8-218, as amended by this act, section 8-218a, as amended by this act, or 8-356, as amended by this act, [subsection (c) of section 8-357 or sections 8-430 to 8-438, inclusive,] is located, a sum to be determined by the municipality with the approval of the Commissioner of Economic and Community Development not in excess of ten per cent of the shelter rent per annum for each occupied dwelling unit in any such housing project; [and each occupied unit in any congregate housing portion of any such housing development;] except that the amount of such payment shall not be so limited in any case where funds are made available for such payment by an agency or department of the United States government, but no payment shall exceed the amount of taxes which would be paid on the property were the property not exempt from taxation.

Sec. 11. Section 8-119~~l~~ of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

[(a)] The state, acting by and through the Commissioner of Economic and Community Development, may enter into a contract or contracts with an authority, a municipal developer or a nonprofit corporation for state financial assistance in the form of a grant-in-aid for an operating cost subsidy for state-financed congregate housing projects developed pursuant to this part. In calculating the amount of the grant-in-aid, the commissioner shall use adjusted gross income of tenants. As used in this [subsection] section, "adjusted gross income" means annual aggregate income from all sources minus fifty per cent of all unreimbursable medical expenses.

[(b)] On and after the effective date of regulations adopted under section 8-437, the Commissioner of Economic and Community Development shall not accept any application for state financial assistance pursuant to this section except an application for a project or development not qualifying for financial assistance pursuant to section

**Substitute House Bill No. 5529**

8-433.]

Sec. 12. Subsection (a) of section 8-119n of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

(a) The Commissioner of Economic and Community Development shall establish a pilot program in the congregate housing facility existing in the town of Norwich on July 1, 1997, to provide assisted living services for the frail elderly. [ , as defined in section 8-430.] Such assisted living services shall include, but not be limited to, routine nursing services and assistance with activities of daily living. Such congregate housing facility shall contract with an assisted living services agency, as defined in section 19a-490, as amended. The commissioner may provide technical assistance and shall provide financial assistance in the form of grants-in-aid for such pilot program. For purposes of this section, "frail elderly" means elderly persons who have temporary or periodic difficulties with one or more essential activities of daily living, as determined by the commissioner.

Sec. 13. Section 8-119dd of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

(a) Upon preliminary approval by the State Bond Commission pursuant to the provisions of section 3-21, the state, acting by and through the Commissioner of Economic and Community Development, may enter into a contract or contracts with a housing authority, municipal developer or nonprofit corporation, or a partnership which includes a housing authority, municipal developer or nonprofit corporation, for state financial assistance for a rental housing project or projects for low income families in the form of grants or deferred loans.

(b) Grants or deferred loans made by the state under the

**Substitute House Bill No. 5529**

authorization of this section shall be in an amount not in excess of the development cost of the projects as approved by the commissioner.

[(c) On and after the effective date of regulations adopted under section 8-437, the Commissioner of Economic and Community Development shall not accept any application for state financial assistance pursuant to this section, except an application for a project or development not qualifying for financial assistance pursuant to section 8-433.]

Sec. 14. Section 8-119gg of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

In lieu of real property taxes, special benefit assessments and sewerage system use charges otherwise payable to a municipality, a housing authority approved by the Commissioner of Economic and Community Development for state financial assistance for a low income housing project, [including, without limitation, any rental or quasi-ownership units for eligible households of very low income or low income in any housing development receiving financial assistance pursuant to section 8-433,] shall pay each year, to the municipality in which any of its housing projects for low income families [or rental or quasi-ownership units for eligible households of very low income or low income in housing developments receiving financial assistance pursuant to section 8-433] are located, a sum to be determined by the municipality with the approval of the Commissioner of Economic and Community Development not in excess of ten per cent of the shelter rent per annum for each occupied dwelling unit in any such housing project; [and each occupied rental or quasi-ownership unit for eligible households of very low income or low income in any such housing development;] except that the amount of such payment shall not be so limited in any case where funds are made available for such payment by an agency or department of the United States government, but no payment shall exceed the amount of taxes which would be paid on the

**Substitute House Bill No. 5529**

property were the property not exempt from taxation.

Sec. 15. Subsection (b) of section 8-216 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

(b) The state, acting by and in the discretion of the Commissioner of Economic and Community Development, may enter into a contract with a municipality and the housing authority of the municipality or with the Connecticut Housing Finance Authority or any subsidiary created by the authority pursuant to section 8-242a or 8-244 to make payments in lieu of taxes to the municipality on land and improvements owned or leased by the housing authority or the Connecticut Housing Finance Authority under the provisions of part II of chapter 128. [or under the provisions of sections 8-430 to 8-438, inclusive.] On and after July 1, 1997, the time period of the contract may include the remaining years of operation of the project. Such payments shall be made annually in an amount equal to the taxes that would be paid on such property were the property not exempt from taxation, and shall be calculated by multiplying the assessed value of such property, which shall be determined by the tax assessor of such municipality in the manner used by such assessor for assessing the value of other real property, by the applicable tax rate of the municipality. Such contract shall provide that, in consideration of such grant-in-aid, the municipality shall waive during the period of such contract any payments by the housing authority or the Connecticut Housing Finance Authority to the municipality under the provisions of section 8-71, as amended by this act, and shall further provide that the amount of the payments so waived shall be used by the housing authority or the Connecticut Housing Finance Authority for a program of social and supplementary services to the occupants or shall be applied to the operating costs or reserves of the property, or shall be used to maintain or improve the physical quality of the property.

**Substitute House Bill No. 5529**

Sec. 16. Section 8-216b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

(a) As used in this section, "housing site development agency" means any economic development agency, human resource development agency, redevelopment agency, community development agency, housing authority or municipal developer designated by the legislative body of a municipality to carry out a housing and community development project within the municipality.

(b) The state, acting by and in the discretion of the Commissioner of Economic and Community Development, may enter into a contract with a housing site development agency to provide financial assistance in the form of a grant-in-aid to the agency for the purpose of carrying out the activities set forth in subsection (c) of this section in connection with a housing and community development project which supports the development of housing which will be sold or rented at prices affordable to persons and families of low and moderate income. The commissioner shall require that the housing site development agency carry out any such project in accordance with a housing and community development plan approved by the commissioner, which plan shall include: (1) A description of the project area and the condition, type and use of the structures located therein; (2) a description of any relocation required as a result of the project and a plan for such relocation; (3) a summary of any zoning regulations covering the project area and any amendments to such regulations which may be necessary; (4) a description of all real property to be acquired and all buildings and structures to be demolished or rehabilitated; (5) a description of all infrastructure improvements to be made, including an analysis of how such improvements will benefit low and moderate income persons and families; (6) the relationship of the project to local objectives concerning land use, housing needs and the development of public, community and recreational facilities; (7)

***Substitute House Bill No. 5529***

the sources, types and amounts of project financing; and (8) a statement as to whether the project will displace site occupants from their dwelling units and, if so, a description of the steps which will be taken to minimize such displacement, to mitigate the adverse affects of such displacement on low and moderate income persons and to provide for the relocation assistance required by chapter 135. No grant-in-aid awarded by the commissioner under this section may exceed two-thirds of the net cost of the activities set forth in subsection (c) of this section which are carried out in connection with the project.

(c) Any grant-in-aid awarded to a housing site development agency for a housing and community development project under this section shall be used for one or more of the following activities: (1) Acquisition of real property for housing or community facilities; (2) rehabilitation of buildings for use as housing or community facilities; (3) improvements supporting the development of low and moderate housing, including site assemblage and preparation, site and public improvements and preconstruction costs; (4) construction, rehabilitation or renovation of community facilities or infrastructure supporting community facilities, including neighborhood centers, centers for the handicapped, senior centers, historic properties, public utilities, streets, street lighting, parking facilities, sewer and drainage facilities, parks, playgrounds, and recreation facilities; (5) removal of architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons; (6) relocation payments and assistance to individuals and families; (7) building, health and housing code enforcement activities; and (8) reasonable administrative costs incurred by the grantee in connection with the project. A redevelopment agency acting as a housing site development agency shall have the power to condemn real property, in accordance with the procedures set forth in sections 8-129 to 8-133, inclusive, for the purpose of a housing and community development project.

***Substitute House Bill No. 5529***

(d) Any real property acquired with the use of any grant-in-aid awarded under this section by a housing site development agency in connection with a housing and community development project for use as housing predominantly for persons and families of low and moderate income, including any such property acquired for use as commercial and community facilities designed to serve such housing, may be transferred for consideration which is less than cost or fair market value to (1) a housing authority, or (2) a person, firm or corporation who the commissioner determines is subject to the regulation or supervision of operations, rents, charges, income, or sales price with respect to such real property under a regulatory agreement or other instrument which restricts occupancy of such housing predominantly to persons and families whose income does not exceed one hundred per cent of the area median income, as determined by the United States Department of Housing and Urban Development.

(e) The state, acting by and in the discretion of the Commissioner of Economic and Community Development, may enter into a contract with a nonprofit corporation for state financial assistance for a housing and community development project under this section. Such financial assistance shall be in the form of a grant-in-aid in an amount not to exceed two-thirds of the net cost of the activities set forth in subsection (c) of this section which are carried out in connection with the project and shall be made only to a nonprofit corporation which has secured a commitment for mortgage financing from the United States Department of Housing and Urban Development or the Farmers' Home Administration. Such project shall conform to the requirements of this section and such other requirements as the commissioner may prescribe.

(f) The Commissioner of Economic and Community Development shall adopt regulations, in accordance with the provisions of chapter 54, to carry out the purposes of this section.

**Substitute House Bill No. 5529**

[(g) On and after the effective date of regulations adopted under section 8-437, the Commissioner of Economic and Community Development shall not accept any application for state financial assistance pursuant to this section except an application for a project or development not qualifying for financial assistance pursuant to section 8-433.]

Sec. 17. Section 8-218 of the 2006 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

(a) The state, acting by and in the discretion of the Commissioner of Economic and Community Development, may enter into a contract with a community housing development corporation or an eligible developer, as defined in section 8-39, for state financial assistance in the form of (1) a state grant-in-aid, loan, deferred loan, advance or any combination thereof equal to the cost to the community housing development corporation or eligible developer, as approved by the commissioner, of developing or rehabilitating low and moderate income housing under section 8-217, but limited to the following expenses: Appraisals, title searches, legal fees, option agreements, architectural, engineering and consultants' fees, financing fees, closing costs and such other expenses as may be financed by a mortgage loan under any federal or state housing statute and incurred by a community housing development corporation or eligible developer prior to the disbursement of mortgage loan funds on account of such property; provided, to the extent such expenses are recovered by the community housing development corporation or the eligible developer from the mortgage loan or from the proceeds of a sale of such property, such expenses shall be repaid to the state or to a fund established pursuant to subsection (b) of this section; and (2) an additional grant-in-aid, loan, deferred loan or advance to such corporation or such developer for the development of housing which

**Substitute House Bill No. 5529**

in the determination of the commissioner contains a substantial number of dwelling units of three or more bedrooms provided (A) that the mortgage loan for such housing shall be eligible for insurance by the United States Department of Housing and Urban Development or for financing by the Connecticut Housing Finance Authority or the Farmers' Home Administration, and (B) that the commissioner, after consultation with the United States Department of Housing and Urban Development, the Connecticut Housing Finance Authority or the Farmers' Home Administration, as the case may be, shall have determined that the mortgage loan on such housing would not be insurable in the absence of such additional financial assistance; such grant-in-aid, loan, deferred loan or advance shall be in lieu of any assistance to said housing under section 8-216, as amended by this act, and shall be equal to the additional cost of construction caused by the inclusion of such dwelling units of three or more bedrooms in such housing, but in no event shall such grant-in-aid, loan, deferred loan or advance be greater than ten per cent of the cost of construction of such housing, as determined by the United States Department of Housing and Urban Development, the Connecticut Housing Finance Authority or the Farmers' Home Administration. The commissioner may require that any assistance in the form of a loan or deferred loan be secured by a mortgage on such housing. In the case of a deferred loan, the contract shall require that payments on all or a portion of the interest are due currently but that payments on principal may be made at a later time.

(b) The state, acting by and in the discretion of the commissioner, may enter into a contract with a community housing development corporation or an eligible developer for state financial assistance in the form of a loan or deferred loan, which loan or deferred loan shall be used to establish and administer a revolving loan fund for the construction, rehabilitation and renovation of existing or planned low and moderate income housing, as approved by the commissioner. Such fund may also consist of any state financial assistance received

**Substitute House Bill No. 5529**

from a contract between said commissioner and such community housing development corporation or eligible developer entered into pursuant to subsection (a) of this section, any proceeds recovered by such corporation or developer from any mortgage loan or from any loan or on account of such project or from the sale of such project and funds from any other source. Such fund shall be used by such corporation or developer, as approved by the commissioner, for the expenses of acquisition, development, project selection, construction, rehabilitation, renovation and oversight of existing or planned low and moderate income housing or to make loans for construction, rehabilitation and renovation of such housing on such terms and conditions as the commissioner may determine. Recipients of loans under this subsection for housing located in a distressed municipality, as defined in section 32-9p, may assign or prepay such loans with the approval of the community housing development corporation. In the case of housing developed or rehabilitated by a community housing development corporation in distressed municipalities as defined in section 32-9p, the policies of the Department of Economic and Community Development adopted under section 8-37dd, and the regulations of the department adopted under this section shall apply only to that portion of the assisted property which corresponds to the proportion of the state assistance to the property's value. The number of income-limited housing units shall be determined by multiplying the amount of the housing assistance by the total number of housing units in the assisted housing and dividing the product by the fair market value of the property. The result shall be rounded to the lower whole number. Notwithstanding the provisions of any statute to the contrary or any regulation adopted under this section or section 8-37dd, or any other statute or regulation, limiting the income of occupants of housing assisted under this section and not located in a distressed municipality, the income of occupants of units assisted under this section and located in distressed municipalities may be two hundred fifty per cent or less of the area median income, adjusted for

**Substitute House Bill No. 5529**

family size, as determined from time to time by the United States Department of Housing and Urban Development.

(c) The state, acting by and in the discretion of the commissioner, may enter into a contract with a community housing development corporation for state financial assistance within available appropriations in the form of a grant-in-aid which shall be used by such community housing development corporation to provide grants, or to establish a revolving loan fund to provide loans or deferred loans for the purpose of making structural or interior or exterior modifications to any dwelling which may be necessary to make such dwelling accessible to and usable by persons having physical or mental disabilities. Such corporation may provide such grants, loans or deferred loans to (1) any owner of a single-family or multifamily dwelling, or (2) any tenant who furnishes satisfactory evidence that the owner of the dwelling in which the tenant resides has approved the intended structural or interior or exterior modifications. Any such loan or deferred loan may be prepaid at any time, without penalty, and the commissioner shall release the lien on the property. In the case of housing developed or rehabilitated by a community housing development corporation in distressed municipalities as defined in section 32-9p, the policies of the Department of Economic and Community Development adopted under section 8-37dd, and any regulation of the department adopted under this section, shall apply only to that portion of the assisted property which corresponds to the proportion of the state assistance to the property's value. The number of income-limited housing units shall be determined by multiplying the amount of the housing assistance by the total number of housing units in the assisted housing and dividing the product by the fair market value of the property. The result shall be rounded to the lower whole number. Notwithstanding the provisions of any statute to the contrary or any regulation adopted under this section limiting the income of occupants of housing assisted under this section and not

***Substitute House Bill No. 5529***

located in a distressed municipality, the income of occupants of units assisted under this section and located in distressed municipalities may be two hundred fifty per cent or less of the area median income, adjusted for family size, as determined from time to time by the United States Department of Housing and Urban Development.

(d) The Commissioner of Economic and Community Development shall enter into a contract with a community housing development corporation for state financial assistance in the form of a grant-in-aid which shall be used by such community housing development corporation to provide grants for the purpose of conversion of adaptable living units into units accessible to persons with disabilities and for reconversion of such units to adaptable living units. Eligible applicants shall include any tenant or owner of a unit in a complex or building subject to the provisions of section 29-273.

(e) The Commissioner of Economic and Community Development shall enter into a contract with a community housing development corporation for state financial assistance in the form of a grant-in-aid which shall be used by such community housing development corporation to provide grants, loans, deferred loans, loan guarantees, lines of credit, or any combination thereof, to eligible developers for activities that build, expand and enhance capacity, including, but not limited to, development of marketing or neighborhood strategic plans, professional staff training, technical assistance, predevelopment expenses as provided in subsection (a) of this section and other activities pursuant to section 8-217.

(f) The Commissioner of Economic and Community Development shall adopt regulations, in accordance with chapter 54, to administer the programs established under subsections (c) and (d) of this section. Such regulations shall establish maximum income levels for tenants and homeowners and provide for adjustment of income for family size and medical expenses and may set maximum loan amounts for loans

**Substitute House Bill No. 5529**

made under subsection (c) of this section that are not secured and for grants made under subsection (d) of this section.

[(g) On and after the effective date of regulations adopted under section 8-437, the Commissioner of Economic and Community Development shall not accept any application for state financial assistance pursuant to this section except (1) an application by a community housing development corporation to establish or administer a loan fund under subsection (b) of this section or (2) an application for a project or development not qualifying for financial assistance pursuant to section 8-433.]

Sec. 18. Section 8-218a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

[(a)] The Commissioner of Economic and Community Development shall establish and administer a program of grants, loans and deferred loans to housing development corporations which have qualified for state assistance under section 8-217, or to eligible developers, as defined in section 8-39, for the purpose of making loans, loan guarantees and interest subsidies in connection with the construction or rehabilitation of dwelling units for low and moderate income persons. Such grants, loans or deferred loans shall be made only to housing development corporations or eligible developers which have resources from the private sector equal to or greater than the amount of the proposed grant, loan or deferred loan. No loan, deferred loan, loan guarantee or interest subsidy shall derive more than fifty per cent of its funds from any state grant, loan or deferred loan. In the case of a deferred loan, the contract shall require that payments on all or a portion of the interest are due currently but that payments on principal may be made at a later time.

[(b) On and after the effective date of regulations adopted under section 8-437, the Commissioner of Economic and Community

**Substitute House Bill No. 5529**

Development shall not accept any application for state financial assistance pursuant to this section except an application for a project or development not qualifying for financial assistance pursuant to section 8-433.]

Sec. 19. Section 8-356 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

[(a)] The state, acting by and in the discretion of the Commissioner of Economic and Community Development, may enter into a contract with a community housing development corporation, a municipal developer or a nonprofit corporation providing emergency shelter services for homeless persons for state financial assistance in the form of a state grant-in-aid, loan, deferred loan, loan guarantee or interest subsidy for the cost of acquisition, construction, rehabilitation or renovation of emergency shelters or rooming houses for homeless persons or for the cost of acquisition of mobile manufactured homes for use as transitional housing. In the case of a deferred loan, the contract shall require that payments on interest are due immediately but that payments on principal may be made at a later time.

[(b)] On and after the effective date of regulations adopted under section 8-437, the Commissioner of Economic and Community Development shall not accept any application for state financial assistance pursuant to this section except an application for a project or development not qualifying for financial assistance pursuant to section 8-433.]

Sec. 20. Section 8-357 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

(a) The state, acting by and in the discretion of the Commissioner of Economic and Community Development, may enter into a contract with a community housing development corporation, a municipal

***Substitute House Bill No. 5529***

developer or a nonprofit corporation for state financial assistance in the form of a state grant-in-aid, loan, deferred loan, loan guarantee or interest subsidy for the cost of acquisition, construction, rehabilitation or renovation of multifamily dwellings for persons and families whose adjusted monthly income does not exceed fifty per cent of the median household income, as determined by the commissioner, for the area in which they reside and who have received emergency shelter services or shelter services for battered women and are in need of transitional housing and support services for a period of six to twenty-four months. Such housing and services shall be designed to enable such persons to maintain their current jobs, improve their employment skills, retrain for different occupations or continue their education. Such services may include, without limitation, information and referral; counseling and support groups; aid in finding vocational training, education or employment; health, nutrition, fitness and recreation programs; child care; transportation; legal aid; and financial counseling. In the case of a deferred loan, the contract shall require that payments on interest are due immediately but that payments on principal may be made at a later time.

(b) The commissioner may consider, without limitation, the following criteria in determining which project shall be eligible for assistance under this section: (1) Whether the project has been approved by local planning and zoning commissions, (2) the amount of resources which have been committed to the project by the private sector and the municipality in which the project would be located, (3) the extent to which resources of existing social services agencies are planned to be utilized, (4) the extent to which both privacy and community living are planned for residents of the project, (5) whether the project is capable of operating without ongoing state subsidies, and (6) the proximity of the project to schools, potential employers, stores and transportation, medical, child care and recreational facilities.

**Substitute House Bill No. 5529**

[(c) On and after the effective date of regulations adopted under section 8-437, the Commissioner of Economic and Community Development shall not accept any application for state financial assistance pursuant to this section except an application for a project or development not qualifying for financial assistance pursuant to section 8-433.]

Sec. 21. Section 8-37ww of the 2006 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) As used in this section, "eligible building" means a two to six-family building that was built prior to 1950 and has wooden windows, and "commissioner" means the Commissioner of Economic and Community Development.

(b) The commissioner may establish a demonstration program in one or more municipalities to promote energy efficiency and environmentally safe housing by providing matching grants to owners of eligible buildings to repair or replace wooden windows in such buildings. Such demonstration program may be funded from moneys allocated to the program established by section 8-37pp or from any moneys available to the Commissioner of Economic and Community Development from other sources. Of the first three municipalities in which such demonstration program is established, at least two shall have a population of one hundred thousand or more and at least one shall have a population of less than one hundred thousand. No such grant shall exceed one hundred dollars for each window to be repaired or replaced. The commissioner may contract with one or more entities to operate the program.

(c) The demonstration program shall end on June 30, 2008. On or before February 1, 2008, the commissioner shall report to the select committee of the General Assembly having cognizance of matters

***Substitute House Bill No. 5529***

relating to housing as to the number of eligible buildings for which assistance was provided, the costs involved, the effectiveness of the demonstration program and the commissioner's recommendation as to whether the demonstration program should be expanded and made permanent.

[(d) The commissioner shall adopt regulations, in accordance with the provisions of chapter 54, to implement the provisions of this section.]

Sec. 22. Sections 8-361, 8-362 and 8-430 to 8-438, inclusive, of the general statutes are repealed. (*Effective October 1, 2006*)

Approved May 30, 2006