



House of Representatives

File No. 595

General Assembly

February Session, 2006

(Reprint of File No. 314)

Substitute House Bill No. 5529
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
April 20, 2006

**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:

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 Section 8-37tt of the general statutes is repealed and the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

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

15 [(b) The commissioner shall adopt regulations in accordance with
16 the provisions of chapter 54 describing procedures to be employed in
17 calculating administrative oversight charges and establishing the
18 amount of such charges.]

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

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25 repealed and the following is substituted in lieu thereof (*Effective*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

27 (a) For the purposes of this section and sections 8-44a, as amended
28 by this act, 8-70, as amended by this act, 8-78, 8-80, 8-114a, as amended
29 by this act, 8-117b, 8-119a, 8-119b, 8-119h, as amended by this act, 8-
30 119i, 8-119ee, 8-119hh, 8-119ii, 8-119jj, 8-169w, 8-214g, 8-216b, as
31 amended by this act, 8-218b, 8-219b, 8-387, 8-405, 8-410, 8-415, 8-420,
32 16a-40b, as amended, and 16a-40j, [and sections 8-430 to 8-438,
33 inclusive,] the following terms shall have the following meanings:

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

47 congregate housing for the elderly pursuant to section 8-119h, as
48 amended by this act, housing for low-income persons pursuant to
49 section 8-119dd, financial assistance for redevelopment or urban
50 renewal projects pursuant to section 8-154a, housing and community
51 development pursuant to sections 8-169l and 8-216b, as amended by
52 this act, urban homesteading pursuant to subsection (a) of section 8-
53 169w, community housing land bank and land trust program pursuant
54 to section 8-214d, as amended, financial assistance for development of
55 limited equity cooperatives and mutual housing pursuant to section 8-
56 214f, as amended, community housing development corporations
57 pursuant to sections 8-218, as amended by this act, and 8-218a, as
58 amended by this act, financial assistance to elderly homeowners for
59 emergency repairs or rehabilitation pursuant to section 8-219b,
60 financial assistance for removal of lead-based paint and asbestos
61 pursuant to section 8-219e, as amended, home ownership loans
62 pursuant to subsection (a) of section 8-286, housing programs for
63 homeless persons pursuant to sections 8-356 and 8-357, as amended by
64 this act, grants to municipalities for financing low and moderate
65 income rental housing pursuant to section 8-365, housing
66 infrastructure grants and loans pursuant to section 8-387, private rental
67 investment mortgage and equity program pursuant to sections 8-401
68 and 8-403, assistance for housing predevelopment costs pursuant to
69 sections 8-410 and 8-411, residential subsurface sewage disposal
70 system repair program pursuant to sections 8-415 and 8-420, energy
71 conservation loans pursuant to section 16a-40b, as amended, rent
72 receivership pursuant to section 47a-56j, [construction, acquisition and
73 related rehabilitation pursuant to section 8-433 and,] and any other
74 such program now, heretofore or hereafter existing, and any additions
75 or amendments to such programs.

76 (2) "Administrative expense" means any administrative or other cost
77 or expense incurred by the state in carrying out the provisions of any
78 of the following bond-financed state housing programs, including the
79 hiring of necessary employees and the entering of necessary contracts:
80 Housing authority programs for social and supplementary services,

81 project rehabilitation and improvement, and energy conservation
82 pursuant to section 8-44a, as amended by this act, moderate rental
83 housing pursuant to section 8-70, as amended by this act, moderate
84 cost housing pursuant to section 8-82, housing for elderly persons
85 pursuant to section 8-114a, congregate housing for the elderly
86 pursuant to section 8-119h, as amended by this act, housing for low-
87 income persons pursuant to section 8-119dd, urban homesteading
88 pursuant to subsection (a) of section 8-169w, financial assistance for
89 development of limited equity cooperatives and mutual housing
90 pursuant to section 8-214f, as amended, financial assistance to elderly
91 homeowners for emergency repairs or rehabilitation pursuant to
92 section 8-219b, home ownership loans pursuant to subsection (a) of
93 section 8-286, housing programs for homeless persons pursuant to
94 sections 8-356 and 8-357, private rental investment mortgage and
95 equity program pursuant to sections 8-401 and 8-403, assistance for
96 housing predevelopment costs pursuant to sections 8-410 and 8-411,
97 residential subsurface sewage disposal system repair pursuant to
98 section 8-415 and section 8-420, and energy conservation loans
99 pursuant to section 16a-40b, as amended. [and construction,
100 acquisition and related rehabilitation pursuant to section 8-433.]

101 (3) "State service fee" means any fee or charge assessed or collected
102 by the state for the purpose of paying for any administrative expense,
103 pursuant to subsections (f) and (g) of section 8-44a, as amended by this
104 act, with respect to housing authority programs for social and
105 supplementary services, project rehabilitation and improvement, and
106 energy conservation, subsection (c) of section 8-70, as amended by this
107 act, and section 8-72 with respect to moderate rental housing,
108 subsection (b) of section 8-114a, as amended by this act, and subsection
109 (a) of section 8-115a with respect to housing for elderly persons,
110 section 8-119h and subsection (a) of section 8-115a with respect to
111 congregate housing for the elderly, section 8-119jj and section 8-72
112 with respect to housing for low-income persons, subsection (c) of
113 section 8-218b with respect to community housing development
114 corporations, subsection (b) of section 8-219b with respect to financial

115 assistance to elderly homeowners for emergency repairs and
116 rehabilitation, and subsection (a) of section 8-405 with respect to the
117 private rental mortgage and equity program.

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

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

130 (2) (A) Notwithstanding any provision of the general statutes or any
131 public or special act to the contrary, except sections 8-76 and 8-80, the
132 following shall be paid to the State Treasurer for deposit in the
133 Housing Repayment and Revolving Loan Fund: (i) All payments to the
134 state of principal or interest on loans that the ultimate recipient is
135 obligated to repay to the state, with or without interest, made pursuant
136 to section 8-114a with respect to loans for housing for elderly persons,
137 section 8-119h with respect to loans for congregate housing for the
138 elderly, subsection (a) of section 8-169w with respect to urban
139 homesteading loans, sections 8-218, as amended by this act, and 8-
140 218a, as amended by this act, with respect to community housing
141 development corporation loans, section 8-337 with respect to security
142 deposit revolving loans, section 8-410 with respect to housing
143 predevelopment cost loans, section 8-415 and section 8-420 with
144 respect to subsurface sewage disposal system repair loans, [and section
145 8-433 with respect to loans for construction, acquisition and related
146 rehabilitation] and section 8-37pp with respect to loans for affordable
147 housing; (ii) all payments of principal with respect to energy

148 conservation loans pursuant to section 16a-40b, as amended; (iii) all
149 payments made to the state constituting the liquidation of an equity
150 interest pursuant to section 8-404 with respect to the private rental
151 investment mortgage and equity program; [or a participation interest
152 pursuant to section 8-436;] (iv) all payments made to the state
153 constituting the liquidation of any other security interest or lien taken
154 or granted pursuant to a bond-financed state housing program or
155 assistance or related agreement, except liquidations constituting
156 principal or interest on loans not mentioned in subparagraph (A)(i) or
157 (A)(ii) of this subdivision and the liquidation of security interests or
158 liens with respect to rent receivership pursuant to subsection (c) of
159 section 47a-56i; (v) all other return or recapture of state financial
160 assistance made pursuant to the provisions of any bond-financed state
161 housing program or assistance or related agreement, except principal
162 or interest on loans not mentioned in subparagraph (A)(i) or (A)(ii) of
163 this subdivision and payments received with respect to rent
164 receivership pursuant to subsection (c) of section 47a-56i; (vi) all
165 payments of state service fees and administrative oversight charges [,
166 as defined in section 8-430,] rendered in accordance with the
167 provisions of any bond-financed state housing program other than
168 state service fees financed from the proceeds of the state's general
169 obligation bonds; and (vii) all other compensation or reimbursement
170 paid to the Department of Economic and Community Development
171 with respect to bond-financed state housing programs other than from
172 the federal government.

173 (B) Notwithstanding any provision of the general statutes or any
174 public or special act to the contrary, except as provided in this
175 subsection, loans for any bond-financed state housing program which
176 the ultimate recipient is obligated to repay to the state, with or without
177 interest, may be paid out of moneys deposited in the Housing
178 Repayment and Revolving Loan Fund without the prior approval of
179 the State Bond Commission, subject to the approval of the Governor of
180 an allotment. All payments on energy conservation loans pursuant to
181 said section 16a-40b, as amended, shall be accounted for separately

182 from other moneys in the Housing Repayment and Revolving Loan
183 Fund, and shall be used to make further loans pursuant to said section
184 16a-40b, as amended, and to pay any administrative expense
185 attributable to such loans.

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

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

193 (a) Any housing authority may prepare and submit to the
194 Commissioner of Economic and Community Development for
195 approval a program of social and supplementary services and project
196 rehabilitation and improvement for any or all housing projects within
197 the jurisdiction of such housing authority. Such program shall include
198 the estimated costs of the services, rehabilitation and improvement
199 and the method and staff required to carry out such program. After
200 approval of such program by the commissioner, the state, acting by
201 and in the discretion of the commissioner, may enter into a contract
202 with the housing authority conditioned upon the housing authority
203 performing the program approved. Such contract shall provide for
204 state financial assistance in the form of a grant-in-aid, loan, deferred
205 loan or combination thereof equal to the cost of such program,
206 including administrative or other cost or expense to be incurred by the
207 state in connection with such program as approved by the
208 commissioner, provided such contract shall provide financial
209 assistance in the form of a loan, or deferred loan rather than a grant
210 only in a case where, and to the extent that, repayment ability exists
211 because of an adequate rental structure or funds are made available by
212 an agency of the United States government in such amounts and for
213 such periods of time as are required to repay such loan, together with
214 interest. The contract shall further provide that in the event such funds

215 provided by an agency of the United States government shall
216 terminate prior to complete repayment of a loan or deferred loan made
217 pursuant to this subsection, the remaining balance of such loan shall be
218 deemed to be a grant-in-aid. In the case of a deferred loan, the contract
219 shall require that payments on interest are due immediately but that
220 payments on principal may be made at a later time.

221 (b) Said commissioner shall establish a program of rehabilitation
222 and major repair, including any repair, replacement or installation as
223 may be necessary for energy conservation, of (1) existing rental
224 housing projects developed with state financial assistance, pursuant to
225 this chapter or chapter 129, to restore such projects to a sound,
226 habitable and energy-efficient condition, (2) housing developed with
227 state financial assistance pursuant to chapter 138b, (3) projects
228 developed with state financial assistance pursuant to section 8-214f, as
229 amended, and (4) [projects developed with state financial assistance
230 pursuant to section 8-432 and (5)] projects developed with state
231 financial assistance pursuant to section 8-218, as amended by this act.
232 Each housing authority, nonprofit corporation, community housing
233 development corporation, municipal developer or other eligible
234 developer, [as defined in subdivision (17) of section 8-430,] shall
235 prepare and submit to said commissioner a request for any necessary
236 construction, rehabilitation and major repair with respect to each such
237 housing project within the jurisdiction of such authority, nonprofit
238 corporation, community housing development corporation, municipal
239 developer or other eligible developer, [as defined in subdivision (17) of
240 section 8-430,] including the construction or rehabilitation of facilities
241 adjacent to such project which are functionally related to and serve the
242 needs of such project. Each such request shall include a detailed
243 description and the estimated cost of such construction, rehabilitation
244 or major repair. After approval by said commissioner of such
245 construction, rehabilitation or major repair as requested, or any part
246 thereof, the state, acting by and in the discretion of said commissioner,
247 may enter into a contract with such authority, nonprofit corporation,
248 community housing development corporation, municipal developer or

249 other eligible developer, [as defined in subdivision (17) of section 8-
250 430,] providing for state financial assistance in the form of a grant-in-
251 aid, loan, deferred loan or combination thereof equal to the cost of
252 such approved construction, rehabilitation or major repair, including,
253 in the case of grants-in-aid or loans or deferred loans financed from the
254 proceeds of the state's general obligation bonds issued pursuant to any
255 authorization, allocation or approval of the State Bond Commission
256 made prior to July 1, 1990, administrative or other cost or expense to be
257 incurred by the state in connection with such program as approved by
258 the commissioner, provided such contract shall provide financial
259 assistance in the form of a loan or deferred loan rather than a grant
260 only in a case where, and to the extent that, repayment ability exists
261 because of an adequate rental structure or funds are made available by
262 an agency of the United States government in such amounts and for
263 such periods of time as are required to repay such loan or deferred
264 loan, together with interest. The contract shall further provide that in
265 the event such funds provided by an agency of the United States
266 government shall terminate prior to complete repayment of a loan or
267 deferred loan made pursuant to this subsection, the remaining balance
268 of such loan or deferred loan shall be deemed to be a grant-in-aid.
269 Such grants-in-aid, loans or deferred loans shall be provided from the
270 proceeds of state bonds authorized and issued in accordance with the
271 provisions of subsection (c) of this section.

272 (c) For the purposes of subsection (b) of this section the State Bond
273 Commission shall have power, from time to time to authorize issuance
274 of bonds of the state in one or more series and in principal amounts
275 not exceeding in the aggregate forty-two million dollars. All provisions
276 of section 3-20, as amended, or the exercise of any right or power
277 granted thereby which are not inconsistent with the provisions of this
278 section are hereby adopted and shall apply to all bonds authorized by
279 the State Bond Commission pursuant to this section, and temporary
280 notes in anticipation of the money to be derived from the sale of any
281 such bonds so authorized may be issued in accordance with said
282 section 3-20 and from time to time renewed. Such bonds shall mature

283 at such time or times not exceeding twenty years from their respective
284 dates as may be provided in or pursuant to the resolution or
285 resolutions of the State Bond Commission authorizing such bonds.
286 None of said bonds shall be authorized except upon a finding by the
287 State Bond Commission that there has been filed with it a request for
288 such authorization, which is signed by or on behalf of the
289 Commissioner of Economic and Community Development and states
290 such terms and conditions as said commission, in its discretion, may
291 require. Said bonds issued pursuant to this section shall be general
292 obligations of the state and the full faith and credit of the state of
293 Connecticut are pledged for the payment of the principal of and
294 interest on said bonds as the same become due, and accordingly and as
295 part of the contract of the state with the holders of said bonds,
296 appropriation of all amounts necessary for punctual payment of such
297 principal and interest is hereby made, and the Treasurer shall pay such
298 principal and interest as the same become due.

299 (d) The proceeds from the sale of the bonds and notes authorized by
300 subsection (c) of this section, except refunding bonds and notes, shall
301 be deposited in a fund designated the "Rental Rehabilitation Fund",
302 which fund shall be used to make the grants, loans and deferred loans
303 authorized by subsection (b) of this section. Payments from the fund to
304 authorities shall be made by the State Treasurer on certification of the
305 Commissioner of Economic and Community Development in
306 accordance with the contract for financial assistance between the state
307 and such authority. All payments by an authority of state service
308 charges, as authorized by subsection (f) of this section, financed from
309 the proceeds of the state's general obligation bonds authorized
310 pursuant to any authorization, allocation or approval of the State Bond
311 Commission made prior to July 1, 1990, shall be paid to the State
312 Treasurer for deposit in said fund. All payments of service charges not
313 financed from the proceeds of the state's general obligation bonds shall
314 be paid to the State Treasurer for deposit in the Housing Repayment
315 and Revolving Loan Fund.

316 (e) The State Treasurer is authorized to invest such moneys in the

317 Rental Rehabilitation Fund as he deems to be available for such
318 purpose in obligations of or guaranteed by the state or the United
319 States of America or agencies or instrumentalities thereof and, without
320 limitation on the foregoing, in such other obligations, including time
321 deposits or certificates of deposit, as may be permitted investments by
322 the Treasurer for the General Fund of the state and secured in such
323 manner as the Treasurer may require.

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

331 (g) The Commissioner of Economic and Community Development
332 shall approve an operation or management plan of each housing
333 project, which shall provide an income adequate for debt service,
334 administration, including a state service charge, other operating costs
335 and establishment of reasonable reserves for repairs, maintenance and
336 replacements, vacancy and collection losses.

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

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

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

349 development not qualifying for financial assistance pursuant to section
350 8-433.]

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

353 (a) Upon preliminary approval by the State Bond Commission
354 pursuant to the provisions of section 3-21, the state, acting by and
355 through the Commissioner of Economic and Community
356 Development, may enter into a contract or contracts with an authority
357 or combination of authorities for state financial assistance for a
358 moderate rental housing project or projects in the form of (1) interim
359 and permanent loans or deferred loans; (2) guarantees by the state of
360 the notes of an authority; (3) grants; or (4) any combination of such
361 forms of aid. In the case of a deferred loan, the contract shall require
362 that payments on all or a portion of the interest are due currently but
363 that payments on principal may be made at a later time.

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

373 (c) Permanent loans or deferred loans made by the state under the
374 authorization of this section (1) shall bear interest payable quarterly on
375 the first days of January, April, July and October for the preceding
376 calendar quarter at a rate to be determined in accordance with
377 subsection (t) of section 3-20, as amended; (2) shall be in an amount not
378 in excess of the development cost of the project or projects, including,
379 in the case of loans or deferred loans financed from the proceeds of the
380 state's general obligation bonds issued pursuant to any authorization,

381 allocation or approval of the State Bond Commission made prior to
382 July 1, 1990, a state service charge, as approved by the Commissioner
383 of Economic and Community Development; and (3) shall be repayable
384 in such installments as are determined by the Commissioner of
385 Economic and Community Development within fifty years from the
386 date of completion of the project or projects, as determined by the
387 Commissioner of Economic and Community Development. The term
388 of a permanent loan or deferred loan may be extended upon the
389 recommendation of the Commissioner of Economic and Community
390 Development with the approval of the State Bond Commission if the
391 commissioner determines that such an extension is necessary for the
392 continuing financial viability of a project. In anticipation of such
393 permanent loans or deferred loans, the state, acting by and through the
394 Commissioner of Economic and Community Development, with the
395 approval of the Governor and the Treasurer, may make temporary
396 loans or deferred loans or advances to the authority or authorities at an
397 interest rate to be determined in accordance with subsection (t) of
398 section 3-20, as amended. As a condition of making any loan under
399 this section, the commissioner may require the authority or authorities
400 or the eligible developer to develop a management plan designed to
401 ensure adequate maintenance of such project or projects.

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

405 [(e) On and after the effective date of regulations adopted under
406 section 8-437, the Commissioner of Economic and Community
407 Development shall not accept any application for state financial
408 assistance pursuant to this section except an application for a project or
409 development not qualifying for financial assistance pursuant to section
410 8-433.]

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

413 In lieu of real property taxes, special benefit assessments and
414 sewerage system use charges otherwise payable to such municipality,
415 except in such municipalities as, by special act or charter, on May 20,
416 1957, had a sewer use charge, an authority shall pay each year to the
417 municipality in which any of its moderate rental housing projects [or
418 rental or quasi-ownership units of housing developments receiving
419 financial assistance pursuant to section 8-433] are located a sum to be
420 determined by the municipality, with the approval of the
421 Commissioner of Economic and Community Development, not in
422 excess of twelve and one-half per cent of the shelter rent per annum for
423 each occupied dwelling unit in any such housing project; [and each
424 occupied rental or quasi-ownership unit in any such housing
425 development;] except that the amount of such payment shall not be so
426 limited in any case where funds are made available for such payment
427 by an agency or department of the United States government, but no
428 payment shall exceed the amount of taxes which would be paid on the
429 property were the property not exempt from taxation.

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

432 (a) Upon preliminary approval by the State Bond Commission
433 pursuant to the provisions of section 3-21, the state, acting by and
434 through the Commissioner of Economic and Community
435 Development, may enter into a contract or contracts (1) with an
436 authority, municipal developer or nonprofit corporation for state
437 financial assistance for a rental housing project or projects or
438 continuum of housing or mobile manufactured home parks subject to
439 the provisions of section 8-114b, for elderly persons in the form of
440 capital grants, interim loans, permanent loans, deferred loans or any
441 combination thereof for application to the development cost of such
442 project or projects, or (2) with a housing partnership for state financial
443 assistance for a rental housing project or projects or continuum of
444 housing, for elderly persons, in the form of interim loans, permanent
445 loans, deferred loans or any combination thereof, for application to the
446 development cost of such project or projects. A contract with an

447 authority may provide that in the case of any loan made in conjunction
448 with any housing assistance funds provided by an agency of the
449 United States government, if such housing assistance funds terminate
450 prior to complete repayment of a loan made pursuant to this section,
451 the remaining balance of such loan may be converted to a capital grant
452 or decreased loan. Any such state assistance contract with an authority
453 for a capital grant or loan entered into prior to the time housing
454 assistance funds became available from an agency of the United States
455 government, may, upon the mutual consent of the commissioner and
456 the authority, be renegotiated to provide for a loan or increased loan in
457 the place of a capital grant or loan or a part thereof, consistent with the
458 above conditions. In the case of a deferred loan, the contract shall
459 require that payments on all or a portion of the interest are due
460 currently but that payments on principal may be made at a later time.

461 (b) Permanent loans made by the state under this section: (1) Shall
462 bear interest payable quarterly on the first days of January, April, July
463 and October for the preceding calendar quarter; (2) shall be in an
464 amount not in excess of the development cost of the project or projects,
465 including, in the case of loans financed from the proceeds of the state's
466 general obligation bonds issued pursuant to any authorization,
467 allocation or approval of the State Bond Commission made prior to
468 July 1, 1990, administrative cost or other expense to be incurred by the
469 state in connection therewith, as approved by the Commissioner of
470 Economic and Community Development; and (3) shall be repayable in
471 such installments as are determined by the Commissioner of Economic
472 and Community Development within fifty years from the date of
473 completion of the project or projects, as determined by the
474 Commissioner of Economic and Community Development. In
475 anticipation of final payment of such capital grants or loans, the state,
476 acting by and through said commissioner and in accordance with such
477 contract, may make temporary advances to the authority, municipal
478 developer, nonprofit corporation or housing partnership for
479 preliminary planning expense or other development cost of such
480 project or projects. Any loan provided pursuant to this section shall

481 bear interest at a rate to be determined in accordance with subsection
482 (t) of section 3-20, as amended. As a condition of making any loan
483 under this section, the commissioner may require such authority,
484 developer, corporation or partnership to develop a management plan
485 designed to ensure adequate maintenance of such project or projects,
486 continuum of housing or mobile home parks.

487 [(c) On and after the effective date of regulations adopted under
488 section 8-437, the Commissioner of Economic and Community
489 Development shall not accept any application for state financial
490 assistance pursuant to this section except an application for a project or
491 development not qualifying for financial assistance pursuant to section
492 8-433.]

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

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

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

513 [(a)] Upon preliminary approval by the State Bond Commission
514 pursuant to the provisions of section 3-20, as amended, the state, acting
515 by and through the Commissioner of Economic and Community
516 Development, may enter into a contract or contracts with an authority,
517 a municipal developer or a nonprofit corporation for state financial
518 assistance for a congregate housing project, in the form of capital
519 grants, interim loans, permanent loans, deferred loans or any
520 combination thereof for application to the development cost of such
521 project or projects. A contract with an authority may provide that in
522 the case of any loan made in conjunction with any housing assistance
523 funds provided by an agency of the United States government, if such
524 housing assistance funds terminate prior to complete repayment of a
525 loan made pursuant to this section, the remaining balance of such loan
526 may be converted to a capital grant or decreased loan. Any such state
527 assistance contract with an authority for a capital grant or loan entered
528 into prior to the time housing assistance funds became available from
529 an agency of the United States government, may, upon the mutual
530 consent of the commissioner and the authority, be renegotiated to
531 provide for a loan or increased loan in the place of a capital grant or
532 loan or a part thereof, consistent with the above conditions. Such
533 capital grants or loans shall be in an amount not in excess of the
534 development cost of the project or projects, including, in the case of
535 grants or loans financed from the proceeds of the state's general
536 obligation bonds issued pursuant to any authorization, allocation or
537 approval of the State Bond Commission made prior to July 1, 1990,
538 administrative or other cost or expense to be incurred by the state in
539 connection therewith, as approved by said commissioner. In
540 anticipation of final payment of such capital grants or loans, the state,
541 acting by and through said commissioner and in accordance with such
542 contract, may make temporary advances to the authority, municipal
543 developer or nonprofit corporation for preliminary planning expense
544 or other development cost of such project or projects. Any loan
545 provided pursuant to this section shall bear interest at a rate to be
546 determined in accordance with subsection (t) of section 3-20, as
547 amended. Any such authority, municipal developer or nonprofit

548 corporation may, subject to the approval of the Commissioner of
549 Economic and Community Development, contract with any other
550 person approved by the Commissioner of Economic and Community
551 Development for the operation of a project undertaken pursuant to this
552 part.

553 [(b) On and after the effective date of regulations adopted under
554 section 8-437, the Commissioner of Economic and Community
555 Development shall not accept any application for state financial
556 assistance pursuant to this section except an application for a project or
557 development not qualifying for financial assistance pursuant to section
558 8-433.]

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

561 In lieu of real property taxes, special benefit assessments and
562 sewerage system use charges otherwise payable to a municipality, an
563 eligible developer approved by the Commissioner of Economic and
564 Community Development for state financial assistance for a
565 congregate housing project, [including, without limitation, any
566 congregate housing portion of a housing development receiving
567 financial assistance pursuant to section 8-433,] shall pay each year, to
568 the municipality in which any of its congregate housing projects for
569 the elderly or congregate housing portions of housing developments
570 receiving financial assistance pursuant to subsection (a) or (e) of
571 section 8-37qq, as amended by this act, [subsection (j) of section 8-44a,
572 subsection (e) of section 8-70,] section 8-71, as amended by this act,
573 [subsection (c) of section 8-114a,] section 8-118a, as amended by this
574 act, 8-119h, as amended by this act, 8-119k, as amended by this act, 8-
575 119l, as amended by this act, [subsection (c) of section 8-119dd,] section
576 8-119gg, as amended by this act, subsection (e) of section 8-214f, as
577 amended, subsection (b) of section 8-216, as amended by this act,
578 [subsection (g) of section 8-216b,] subsection (f) of section 8-218, as
579 amended by this act, section 8-218a, as amended by this act, or 8-356,
580 as amended by this act, [subsection (c) of section 8-357 or sections 8-

581 430 to 8-438, inclusive,] is located, a sum to be determined by the
582 municipality with the approval of the Commissioner of Economic and
583 Community Development not in excess of ten per cent of the shelter
584 rent per annum for each occupied dwelling unit in any such housing
585 project; [and each occupied unit in any congregate housing portion of
586 any such housing development;] except that the amount of such
587 payment shall not be so limited in any case where funds are made
588 available for such payment by an agency or department of the United
589 States government, but no payment shall exceed the amount of taxes
590 which would be paid on the property were the property not exempt
591 from taxation.

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

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

604 [(b) On and after the effective date of regulations adopted under
605 section 8-437, the Commissioner of Economic and Community
606 Development shall not accept any application for state financial
607 assistance pursuant to this section except an application for a project or
608 development not qualifying for financial assistance pursuant to section
609 8-433.]

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

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

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

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

637 (b) Grants or deferred loans made by the state under the
638 authorization of this section shall be in an amount not in excess of the
639 development cost of the projects as approved by the commissioner.

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

645 section 8-433.]

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

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

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

673 (b) The state, acting by and in the discretion of the Commissioner of
674 Economic and Community Development, may enter into a contract
675 with a municipality and the housing authority of the municipality or
676 with the Connecticut Housing Finance Authority or any subsidiary

677 created by the authority pursuant to section 8-242a or 8-244 to make
678 payments in lieu of taxes to the municipality on land and
679 improvements owned or leased by the housing authority or the
680 Connecticut Housing Finance Authority under the provisions of part II
681 of chapter 128, [or under the provisions of sections 8-430 to 8-438,
682 inclusive.] On and after July 1, 1997, the time period of the contract
683 may include the remaining years of operation of the project. Such
684 payments shall be made annually in an amount equal to the taxes that
685 would be paid on such property were the property not exempt from
686 taxation, and shall be calculated by multiplying the assessed value of
687 such property, which shall be determined by the tax assessor of such
688 municipality in the manner used by such assessor for assessing the
689 value of other real property, by the applicable tax rate of the
690 municipality. Such contract shall provide that, in consideration of such
691 grant-in-aid, the municipality shall waive during the period of such
692 contract any payments by the housing authority or the Connecticut
693 Housing Finance Authority to the municipality under the provisions of
694 section 8-71, as amended by this act, and shall further provide that the
695 amount of the payments so waived shall be used by the housing
696 authority or the Connecticut Housing Finance Authority for a program
697 of social and supplementary services to the occupants or shall be
698 applied to the operating costs or reserves of the property, or shall be
699 used to maintain or improve the physical quality of the property.

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

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

708 (b) The state, acting by and in the discretion of the Commissioner of
709 Economic and Community Development, may enter into a contract

710 with a housing site development agency to provide financial assistance
711 in the form of a grant-in-aid to the agency for the purpose of carrying
712 out the activities set forth in subsection (c) of this section in connection
713 with a housing and community development project which supports
714 the development of housing which will be sold or rented at prices
715 affordable to persons and families of low and moderate income. The
716 commissioner shall require that the housing site development agency
717 carry out any such project in accordance with a housing and
718 community development plan approved by the commissioner, which
719 plan shall include: (1) A description of the project area and the
720 condition, type and use of the structures located therein; (2) a
721 description of any relocation required as a result of the project and a
722 plan for such relocation; (3) a summary of any zoning regulations
723 covering the project area and any amendments to such regulations
724 which may be necessary; (4) a description of all real property to be
725 acquired and all buildings and structures to be demolished or
726 rehabilitated; (5) a description of all infrastructure improvements to be
727 made, including an analysis of how such improvements will benefit
728 low and moderate income persons and families; (6) the relationship of
729 the project to local objectives concerning land use, housing needs and
730 the development of public, community and recreational facilities; (7)
731 the sources, types and amounts of project financing; and (8) a
732 statement as to whether the project will displace site occupants from
733 their dwelling units and, if so, a description of the steps which will be
734 taken to minimize such displacement, to mitigate the adverse affects of
735 such displacement on low and moderate income persons and to
736 provide for the relocation assistance required by chapter 135. No
737 grant-in-aid awarded by the commissioner under this section may
738 exceed two-thirds of the net cost of the activities set forth in subsection
739 (c) of this section which are carried out in connection with the project.

740 (c) Any grant-in-aid awarded to a housing site development agency
741 for a housing and community development project under this section
742 shall be used for one or more of the following activities: (1) Acquisition
743 of real property for housing or community facilities; (2) rehabilitation

744 of buildings for use as housing or community facilities; (3)
745 improvements supporting the development of low and moderate
746 housing, including site assemblage and preparation, site and public
747 improvements and preconstruction costs; (4) construction,
748 rehabilitation or renovation of community facilities or infrastructure
749 supporting community facilities, including neighborhood centers,
750 centers for the handicapped, senior centers, historic properties, public
751 utilities, streets, street lighting, parking facilities, sewer and drainage
752 facilities, parks, playgrounds, and recreation facilities; (5) removal of
753 architectural barriers which restrict the mobility and accessibility of
754 elderly and handicapped persons; (6) relocation payments and
755 assistance to individuals and families; (7) building, health and housing
756 code enforcement activities; and (8) reasonable administrative costs
757 incurred by the grantee in connection with the project. A
758 redevelopment agency acting as a housing site development agency
759 shall have the power to condemn real property, in accordance with the
760 procedures set forth in sections 8-129 to 8-133, inclusive, for the
761 purpose of a housing and community development project.

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

777 (e) The state, acting by and in the discretion of the Commissioner of

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

790 (f) The Commissioner of Economic and Community Development
791 shall adopt regulations, in accordance with the provisions of chapter
792 54, to carry out the purposes of this section.

793 [(g) On and after the effective date of regulations adopted under
794 section 8-437, the Commissioner of Economic and Community
795 Development shall not accept any application for state financial
796 assistance pursuant to this section except an application for a project or
797 development not qualifying for financial assistance pursuant to section
798 8-433.]

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

802 (a) The state, acting by and in the discretion of the Commissioner of
803 Economic and Community Development, may enter into a contract
804 with a community housing development corporation or an eligible
805 developer, as defined in section 8-39, for state financial assistance in
806 the form of (1) a state grant-in-aid, loan, deferred loan, advance or any
807 combination thereof equal to the cost to the community housing
808 development corporation or eligible developer, as approved by the
809 commissioner, of developing or rehabilitating low and moderate

810 income housing under section 8-217, but limited to the following
811 expenses: Appraisals, title searches, legal fees, option agreements,
812 architectural, engineering and consultants' fees, financing fees, closing
813 costs and such other expenses as may be financed by a mortgage loan
814 under any federal or state housing statute and incurred by a
815 community housing development corporation or eligible developer
816 prior to the disbursement of mortgage loan funds on account of such
817 property; provided, to the extent such expenses are recovered by the
818 community housing development corporation or the eligible developer
819 from the mortgage loan or from the proceeds of a sale of such
820 property, such expenses shall be repaid to the state or to a fund
821 established pursuant to subsection (b) of this section; and (2) an
822 additional grant-in-aid, loan, deferred loan or advance to such
823 corporation or such developer for the development of housing which
824 in the determination of the commissioner contains a substantial
825 number of dwelling units of three or more bedrooms provided (A) that
826 the mortgage loan for such housing shall be eligible for insurance by
827 the United States Department of Housing and Urban Development or
828 for financing by the Connecticut Housing Finance Authority or the
829 Farmers' Home Administration, and (B) that the commissioner, after
830 consultation with the United States Department of Housing and Urban
831 Development, the Connecticut Housing Finance Authority or the
832 Farmers' Home Administration, as the case may be, shall have
833 determined that the mortgage loan on such housing would not be
834 insurable in the absence of such additional financial assistance; such
835 grant-in-aid, loan, deferred loan or advance shall be in lieu of any
836 assistance to said housing under section 8-216, as amended by this act,
837 and shall be equal to the additional cost of construction caused by the
838 inclusion of such dwelling units of three or more bedrooms in such
839 housing, but in no event shall such grant-in-aid, loan, deferred loan or
840 advance be greater than ten per cent of the cost of construction of such
841 housing, as determined by the United States Department of Housing
842 and Urban Development, the Connecticut Housing Finance Authority
843 or the Farmers' Home Administration. The commissioner may require
844 that any assistance in the form of a loan or deferred loan be secured by

845 a mortgage on such housing. In the case of a deferred loan, the contract
846 shall require that payments on all or a portion of the interest are due
847 currently but that payments on principal may be made at a later time.

848 (b) The state, acting by and in the discretion of the commissioner,
849 may enter into a contract with a community housing development
850 corporation or an eligible developer for state financial assistance in the
851 form of a loan or deferred loan, which loan or deferred loan shall be
852 used to establish and administer a revolving loan fund for the
853 construction, rehabilitation and renovation of existing or planned low
854 and moderate income housing, as approved by the commissioner.
855 Such fund may also consist of any state financial assistance received
856 from a contract between said commissioner and such community
857 housing development corporation or eligible developer entered into
858 pursuant to subsection (a) of this section, any proceeds recovered by
859 such corporation or developer from any mortgage loan or from any
860 loan or on account of such project or from the sale of such project and
861 funds from any other source. Such fund shall be used by such
862 corporation or developer, as approved by the commissioner, for the
863 expenses of acquisition, development, project selection, construction,
864 rehabilitation, renovation and oversight of existing or planned low and
865 moderate income housing or to make loans for construction,
866 rehabilitation and renovation of such housing on such terms and
867 conditions as the commissioner may determine. Recipients of loans
868 under this subsection for housing located in a distressed municipality,
869 as defined in section 32-9p, may assign or prepay such loans with the
870 approval of the community housing development corporation. In the
871 case of housing developed or rehabilitated by a community housing
872 development corporation in distressed municipalities as defined in
873 section 32-9p, the policies of the Department of Economic and
874 Community Development adopted under section 8-37dd, and the
875 regulations of the department adopted under this section shall apply
876 only to that portion of the assisted property which corresponds to the
877 proportion of the state assistance to the property's value. The number
878 of income-limited housing units shall be determined by multiplying

879 the amount of the housing assistance by the total number of housing
880 units in the assisted housing and dividing the product by the fair
881 market value of the property. The result shall be rounded to the lower
882 whole number. Notwithstanding the provisions of any statute to the
883 contrary or any regulation adopted under this section or section 8-
884 37dd, or any other statute or regulation, limiting the income of
885 occupants of housing assisted under this section and not located in a
886 distressed municipality, the income of occupants of units assisted
887 under this section and located in distressed municipalities may be two
888 hundred fifty per cent or less of the area median income, adjusted for
889 family size, as determined from time to time by the United States
890 Department of Housing and Urban Development.

891 (c) The state, acting by and in the discretion of the commissioner,
892 may enter into a contract with a community housing development
893 corporation for state financial assistance within available
894 appropriations in the form of a grant-in-aid which shall be used by
895 such community housing development corporation to provide grants,
896 or to establish a revolving loan fund to provide loans or deferred loans
897 for the purpose of making structural or interior or exterior
898 modifications to any dwelling which may be necessary to make such
899 dwelling accessible to and usable by persons having physical or
900 mental disabilities. Such corporation may provide such grants, loans or
901 deferred loans to (1) any owner of a single-family or multifamily
902 dwelling, or (2) any tenant who furnishes satisfactory evidence that the
903 owner of the dwelling in which the tenant resides has approved the
904 intended structural or interior or exterior modifications. Any such loan
905 or deferred loan may be prepaid at any time, without penalty, and the
906 commissioner shall release the lien on the property. In the case of
907 housing developed or rehabilitated by a community housing
908 development corporation in distressed municipalities as defined in
909 section 32-9p, the policies of the Department of Economic and
910 Community Development adopted under section 8-37dd, and any
911 regulation of the department adopted under this section, shall apply
912 only to that portion of the assisted property which corresponds to the

913 proportion of the state assistance to the property's value. The number
914 of income-limited housing units shall be determined by multiplying
915 the amount of the housing assistance by the total number of housing
916 units in the assisted housing and dividing the product by the fair
917 market value of the property. The result shall be rounded to the lower
918 whole number. Notwithstanding the provisions of any statute to the
919 contrary or any regulation adopted under this section limiting the
920 income of occupants of housing assisted under this section and not
921 located in a distressed municipality, the income of occupants of units
922 assisted under this section and located in distressed municipalities
923 may be two hundred fifty per cent or less of the area median income,
924 adjusted for family size, as determined from time to time by the United
925 States Department of Housing and Urban Development.

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

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

946 (f) The Commissioner of Economic and Community Development
947 shall adopt regulations, in accordance with chapter 54, to administer
948 the programs established under subsections (c) and (d) of this section.
949 Such regulations shall establish maximum income levels for tenants
950 and homeowners and provide for adjustment of income for family size
951 and medical expenses and may set maximum loan amounts for loans
952 made under subsection (c) of this section that are not secured and for
953 grants made under subsection (d) of this section.

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

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

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

979 may be made at a later time.

980 [(b) On and after the effective date of regulations adopted under
981 section 8-437, the Commissioner of Economic and Community
982 Development shall not accept any application for state financial
983 assistance pursuant to this section except an application for a project or
984 development not qualifying for financial assistance pursuant to section
985 8-433.]

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

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

1000 [(b) On and after the effective date of regulations adopted under
1001 section 8-437, the Commissioner of Economic and Community
1002 Development shall not accept any application for state financial
1003 assistance pursuant to this section except an application for a project or
1004 development not qualifying for financial assistance pursuant to section
1005 8-433.]

1006 Sec. 20. Section 8-357 of the general statutes is repealed and the
1007 following is substituted in lieu thereof (*Effective October 1, 2006*):

1008 (a) The state, acting by and in the discretion of the Commissioner of
1009 Economic and Community Development, may enter into a contract

1010 with a community housing development corporation, a municipal
1011 developer or a nonprofit corporation for state financial assistance in
1012 the form of a state grant-in-aid, loan, deferred loan, loan guarantee or
1013 interest subsidy for the cost of acquisition, construction, rehabilitation
1014 or renovation of multifamily dwellings for persons and families whose
1015 adjusted monthly income does not exceed fifty per cent of the median
1016 household income, as determined by the commissioner, for the area in
1017 which they reside and who have received emergency shelter services
1018 or shelter services for battered women and are in need of transitional
1019 housing and support services for a period of six to twenty-four
1020 months. Such housing and services shall be designed to enable such
1021 persons to maintain their current jobs, improve their employment
1022 skills, retrain for different occupations or continue their education.
1023 Such services may include, without limitation, information and
1024 referral; counseling and support groups; aid in finding vocational
1025 training, education or employment; health, nutrition, fitness and
1026 recreation programs; child care; transportation; legal aid; and financial
1027 counseling. In the case of a deferred loan, the contract shall require
1028 that payments on interest are due immediately but that payments on
1029 principal may be made at a later time.

1030 (b) The commissioner may consider, without limitation, the
1031 following criteria in determining which project shall be eligible for
1032 assistance under this section: (1) Whether the project has been
1033 approved by local planning and zoning commissions, (2) the amount
1034 of resources which have been committed to the project by the private
1035 sector and the municipality in which the project would be located, (3)
1036 the extent to which resources of existing social services agencies are
1037 planned to be utilized, (4) the extent to which both privacy and
1038 community living are planned for residents of the project, (5) whether
1039 the project is capable of operating without ongoing state subsidies, and
1040 (6) the proximity of the project to schools, potential employers, stores
1041 and transportation, medical, child care and recreational facilities.

1042 [(c) On and after the effective date of regulations adopted under
1043 section 8-437, the Commissioner of Economic and Community

1044 Development shall not accept any application for state financial
1045 assistance pursuant to this section except an application for a project or
1046 development not qualifying for financial assistance pursuant to section
1047 8-433.]

1048 Sec. 21. Section 8-37ww of the 2006 supplement to the general
1049 statutes is repealed and the following is substituted in lieu thereof
1050 (*Effective from passage*):

1051 (a) As used in this section, "eligible building" means a two to six-
1052 family building that was built prior to 1950 and has wooden windows,
1053 and "commissioner" means the Commissioner of Economic and
1054 Community Development.

1055 (b) The commissioner may establish a demonstration program in
1056 one or more municipalities to promote energy efficiency and
1057 environmentally safe housing by providing matching grants to owners
1058 of eligible buildings to repair or replace wooden windows in such
1059 buildings. Such demonstration program may be funded from moneys
1060 allocated to the program established by section 8-37pp or from any
1061 moneys available to the Commissioner of Economic and Community
1062 Development from other sources. Of the first three municipalities in
1063 which such demonstration program is established, at least two shall
1064 have a population of one hundred thousand or more and at least one
1065 shall have a population of less than one hundred thousand. No such
1066 grant shall exceed one hundred dollars for each window to be repaired
1067 or replaced. The commissioner may contract with one or more entities
1068 to operate the program.

1069 (c) The demonstration program shall end on June 30, 2008. On or
1070 before February 1, 2008, the commissioner shall report to the select
1071 committee of the General Assembly having cognizance of matters
1072 relating to housing as to the number of eligible buildings for which
1073 assistance was provided, the costs involved, the effectiveness of the
1074 demonstration program and the commissioner's recommendation as to
1075 whether the demonstration program should be expanded and made

1076 permanent.

1077 [(d) The commissioner shall adopt regulations, in accordance with
1078 the provisions of chapter 54, to implement the provisions of this
1079 section.]

1080 Sec. 22. Sections 8-361, 8-362 and 8-430 to 8-438, inclusive, of the
1081 general statutes are repealed. (*Effective October 1, 2006*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2006</i>	8-37tt
Sec. 2	<i>October 1, 2006</i>	8-37qq(a)
Sec. 3	<i>October 1, 2006</i>	8-37qq(e)
Sec. 4	<i>October 1, 2006</i>	8-44a
Sec. 5	<i>October 1, 2006</i>	8-70
Sec. 6	<i>October 1, 2006</i>	8-71
Sec. 7	<i>October 1, 2006</i>	8-114a
Sec. 8	<i>October 1, 2006</i>	8-118a
Sec. 9	<i>October 1, 2006</i>	8-119h
Sec. 10	<i>October 1, 2006</i>	8-119k
Sec. 11	<i>October 1, 2006</i>	8-119l
Sec. 12	<i>October 1, 2006</i>	8-119n(a)
Sec. 13	<i>October 1, 2006</i>	8-119dd
Sec. 14	<i>October 1, 2006</i>	8-119gg
Sec. 15	<i>October 1, 2006</i>	8-216(b)
Sec. 16	<i>October 1, 2006</i>	8-216b
Sec. 17	<i>October 1, 2006</i>	8-218
Sec. 18	<i>October 1, 2006</i>	8-218a
Sec. 19	<i>October 1, 2006</i>	8-356
Sec. 20	<i>October 1, 2006</i>	8-357
Sec. 21	<i>from passage</i>	8-37ww
Sec. 22	<i>October 1, 2006</i>	Repealer 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:

Agency Affected	Fund-Effect	FY 07 \$	FY 08 \$
Department of Economic & Community Development	GF - Cost Avoidance	Minimal	Minimal

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill would reduce the potential administrative workload/costs to the Department of Economic and Community Development due to the elimination of the need to adopt certain regulations. The overall impact is anticipated to be minimal.

House "A" is technical and has no fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sHB 5529 (as amended by House "A")******AN ACT CONCERNING TECHNICAL AMENDMENTS TO CERTAIN HOUSING STATUTES AND THE REPEAL OF OBSOLETE HOUSING STATUTES.*****SUMMARY:**

The bill eliminates (1) two Department of Economic and Community Development (DECD) housing programs and (2) requirements that the DECD commissioner adopt regulations for two other programs.

The bill eliminates the Single Room Occupancy (SRO) Pilot Program and the Consolidated Housing Program. It eliminates the requirements for the DECD commissioner to adopt regulations for (1) a demonstration program to repair and replace wooden windows in eligible two- to six-family buildings built before 1950 and (2) administrative oversight charges payable to the department.

The bill adds affordable housing projects to the purposes for which DECD may use General Obligation bonds. It also adds bond repayments for these housing projects to the funds that should be deposited in the Housing Repayment and Revolving Loan Fund, which conforms with DECD practice.

The bill defines "frail elderly" as people who have temporary or periodic difficulties with one or more daily living essential activity, as determined by the DECD commissioner, for a pilot program in Norwich's congregate housing facility. Under current law, the term is defined in the Consolidated Housing Program's provisions.

The bill makes minor, conforming, and technical changes.

*House Amendment "A" adds the definition of "frail elderly" for a pilot program in Norwich.

EFFECTIVE DATE: October 1, 2006, except the elimination of the requirement for window repair and replacement regulations is effective upon passage.

SRO PILOT

The bill repeals the law (CGS § 8-361) that requires the DECD commissioner to develop a pilot program to help nonprofit corporations acquire and rehabilitate abandoned property in municipalities with enterprise zones (i.e., targeted investment communities in 17 towns). Under current law, the assistance must be used to convert properties into SRO housing for homeless people. The assistance can take the form of grants, loans, or deferred loans to nonprofit housing corporations. The corporation must begin paying all or part of the interest on a deferred loan immediately but can delay repayment of the principal.

Current law requires the commissioner to adopt regulations to implement the program, including a method to calculate the minimum standard area rent. The municipality where the housing is located can abate property taxes on the housing by 75% the first year, 50% the second, and 30% the third. (DECD never implemented this program or adopted regulations.)

CONSOLIDATED HOUSING PROGRAM

The bill repeals the statutory consolidated construction, acquisition, and rehabilitation program in DECD. Current law specifies who can participate in the program, the types of housing eligible for assistance, eligible costs, the types of assistance DECD can provide, funding procedures, the elimination of applications under certain programs once regulations are adopted for the consolidated program (the regulations were never implemented), and the terms and conditions DECD can impose on its funding (CGS §§ 8-430 *et seq.*).

The program covers housing authority rehabilitation and social services, moderate rental, elderly housing, low-income housing, limited equity cooperatives, homelessness, and transitional housing programs. (The consolidation program, proposed by the former Department of Housing and enacted in 1993, was never implemented and has been superseded by the FLEX program.)

BACKGROUND

FLEX Program (PA 01-7, June 30 Special Session)

The FLEX program (CGS § 8-37pp) is DECD's primary housing production program, which is funded from sale proceeds of the state's GO bonds. Its affordable housing goals are to (1) provide quality, affordable housing for Connecticut residents; (2) preserve existing affordable housing; (3) promote and support homeownership and mixed income developments; and (4) revitalize inner cities. Eligible applicants for the program include municipalities, nonprofit organizations, local housing authorities, and for-profit developers, according to DECD's website.

Eligible uses for the affordable housing funds are:

1. acquisition,
2. rehabilitation,
3. new construction
4. demolition,
5. homeownership,
6. multi-family rental housing,
7. adaptive re-use of historic structures,
8. special needs housing,
9. redevelopment of vacant properties,

10. infrastructure improvements, and

11. housing for individuals or families with incomes up to 100% of Area Median Income.

COMMITTEE ACTION

Select Committee on Housing

Joint Favorable Change of Reference

Yea 6 Nay 0 (03/02/2006)

Planning and Development Committee

Joint Favorable Substitute

Yea 16 Nay 0 (03/17/2006)