



General Assembly

February Session, 2006

**Raised Bill No. 5453**

LCO No. 1796

\*01796\_\_\_\_\_HSG\*

Referred to Committee on Select Committee on Housing

Introduced by:  
(HSG)

**AN ACT CONCERNING 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 Section 8-37tt of the general statutes is repealed and the  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25 repealed and the following is substituted in lieu thereof (*Effective*  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, housing authority programs for social and  
41 supplementary services, project rehabilitation and improvement and  
42 energy conservation pursuant to section 8-44a, as amended by this act,  
43 moderate rental housing pursuant to section 8-70, as amended by this  
44 act, moderate cost housing pursuant to section 8-82, housing for  
45 elderly persons pursuant to section 8-114a, as amended by this act,  
46 congregate housing for the elderly pursuant to section 8-119h, as  
47 amended by this act, housing for low-income persons pursuant to

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

75 (2) "Administrative expense" means any administrative or other cost  
76 or expense incurred by the state in carrying out the provisions of any  
77 of the following bond-financed state housing programs, including the  
78 hiring of necessary employees and the entering of necessary contracts:  
79 Housing authority programs for social and supplementary services,  
80 project rehabilitation and improvement, and energy conservation  
81 pursuant to section 8-44a, as amended by this act, moderate rental

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

100 (3) "State service fee" means any fee or charge assessed or collected  
101 by the state for the purpose of paying for any administrative expense,  
102 pursuant to subsections (f) and (g) of section 8-44a, as amended by this  
103 act, with respect to housing authority programs for social and  
104 supplementary services, project rehabilitation and improvement, and  
105 energy conservation, subsection (c) of section 8-70, as amended by this  
106 act, and section 8-72 with respect to moderate rental housing,  
107 subsection (b) of section 8-114a, as amended by this act, and subsection  
108 (a) of section 8-115a with respect to housing for elderly persons,  
109 section 8-119h and subsection (a) of section 8-115a with respect to  
110 congregate housing for the elderly, section 8-119jj and section 8-72  
111 with respect to housing for low-income persons, subsection (c) of  
112 section 8-218b with respect to community housing development  
113 corporations, subsection (b) of section 8-219b with respect to financial  
114 assistance to elderly homeowners for emergency repairs and  
115 rehabilitation, and subsection (a) of section 8-405 with respect to the

116 private rental mortgage and equity program.

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

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

129 (2) (A) Notwithstanding any provision of the general statutes or any  
130 public or special act to the contrary, except sections 8-76 and 8-80, the  
131 following shall be paid to the State Treasurer for deposit in the  
132 Housing Repayment and Revolving Loan Fund: (i) All payments to the  
133 state of principal or interest on loans that the ultimate recipient is  
134 obligated to repay to the state, with or without interest, made pursuant  
135 to section 8-114a with respect to loans for housing for elderly persons,  
136 section 8-119h with respect to loans for congregate housing for the  
137 elderly, subsection (a) of section 8-169w with respect to urban  
138 homesteading loans, sections 8-218, as amended by this act, and 8-  
139 218a, as amended by this act, with respect to community housing  
140 development corporation loans, section 8-337 with respect to security  
141 deposit revolving loans, section 8-410 with respect to housing  
142 predevelopment cost loans, and section 8-415 and section 8-420 with  
143 respect to subsurface sewage disposal system repair loans; [, and  
144 section 8-433 with respect to loans for construction, acquisition and  
145 related rehabilitation;] (ii) all payments of principal with respect to  
146 energy conservation loans pursuant to section 16a-40b, as amended;  
147 (iii) all payments made to the state constituting the liquidation of an

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

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

182 16a-40b, as amended, and to pay any administrative expense  
183 attributable to such loans.

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

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

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

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

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

248 430,] providing for state financial assistance in the form of a grant-in-  
249 aid, loan, deferred loan or combination thereof equal to the cost of  
250 such approved construction, rehabilitation or major repair, including,  
251 in the case of grants-in-aid or loans or deferred loans financed from the  
252 proceeds of the state's general obligation bonds issued pursuant to any  
253 authorization, allocation or approval of the State Bond Commission  
254 made prior to July 1, 1990, administrative or other cost or expense to be  
255 incurred by the state in connection with such program as approved by  
256 the commissioner, provided such contract shall provide financial  
257 assistance in the form of a loan or deferred loan rather than a grant  
258 only in a case where, and to the extent that, repayment ability exists  
259 because of an adequate rental structure or funds are made available by  
260 an agency of the United States government in such amounts and for  
261 such periods of time as are required to repay such loan or deferred  
262 loan, together with interest. The contract shall further provide that in  
263 the event such funds provided by an agency of the United States  
264 government shall terminate prior to complete repayment of a loan or  
265 deferred loan made pursuant to this subsection, the remaining balance  
266 of such loan or deferred loan shall be deemed to be a grant-in-aid.  
267 Such grants-in-aid, loans or deferred loans shall be provided from the  
268 proceeds of state bonds authorized and issued in accordance with the  
269 provisions of subsection (c) of this section.

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

282 dates as may be provided in or pursuant to the resolution or  
283 resolutions of the State Bond Commission authorizing such bonds.  
284 None of said bonds shall be authorized except upon a finding by the  
285 State Bond Commission that there has been filed with it a request for  
286 such authorization, which is signed by or on behalf of the  
287 Commissioner of Economic and Community Development and states  
288 such terms and conditions as said commission, in its discretion, may  
289 require. Said bonds issued pursuant to this section shall be general  
290 obligations of the state and the full faith and credit of the state of  
291 Connecticut are pledged for the payment of the principal of and  
292 interest on said bonds as the same become due, and accordingly and as  
293 part of the contract of the state with the holders of said bonds,  
294 appropriation of all amounts necessary for punctual payment of such  
295 principal and interest is hereby made, and the Treasurer shall pay such  
296 principal and interest as the same become due.

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

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

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

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

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

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

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

343 [(j) On and after the effective date of regulations adopted under  
344 section 8-437, the Commissioner of Economic and Community  
345 Development shall not accept any application for state financial

346 assistance pursuant to this section except an application for a project or  
347 development not qualifying for financial assistance pursuant to section  
348 8-433.]

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

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

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

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

378 state's general obligation bonds issued pursuant to any authorization,  
379 allocation or approval of the State Bond Commission made prior to  
380 July 1, 1990, a state service charge, as approved by the Commissioner  
381 of Economic and Community Development; and (3) shall be repayable  
382 in such installments as are determined by the Commissioner of  
383 Economic and Community Development within fifty years from the  
384 date of completion of the project or projects, as determined by the  
385 Commissioner of Economic and Community Development. The term  
386 of a permanent loan or deferred loan may be extended upon the  
387 recommendation of the Commissioner of Economic and Community  
388 Development with the approval of the State Bond Commission if the  
389 commissioner determines that such an extension is necessary for the  
390 continuing financial viability of a project. In anticipation of such  
391 permanent loans or deferred loans, the state, acting by and through the  
392 Commissioner of Economic and Community Development, with the  
393 approval of the Governor and the Treasurer, may make temporary  
394 loans or deferred loans or advances to the authority or authorities at an  
395 interest rate to be determined in accordance with subsection (t) of  
396 section 3-20, as amended. As a condition of making any loan under  
397 this section, the commissioner may require the authority or authorities  
398 or the eligible developer to develop a management plan designed to  
399 ensure adequate maintenance of such project or projects.

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

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

409 Sec. 6. Section 8-71 of the general statutes is repealed and the

410 following is substituted in lieu thereof (*Effective October 1, 2006*):

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

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

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

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

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

476 developer, nonprofit corporation or housing partnership for  
477 preliminary planning expense or other development cost of such  
478 project or projects. Any loan provided pursuant to this section shall  
479 bear interest at a rate to be determined in accordance with subsection  
480 (t) of section 3-20, as amended. As a condition of making any loan  
481 under this section, the commissioner may require such authority,  
482 developer, corporation or partnership to develop a management plan  
483 designed to ensure adequate maintenance of such project or projects,  
484 continuum of housing or mobile home parks.

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

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

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

508 property were the property not exempt from taxation.

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

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

541 developer or nonprofit corporation for preliminary planning expense  
542 or other development cost of such project or projects. Any loan  
543 provided pursuant to this section shall bear interest at a rate to be  
544 determined in accordance with subsection (t) of section 3-20, as  
545 amended. Any such authority, municipal developer or nonprofit  
546 corporation may, subject to the approval of the Commissioner of  
547 Economic and Community Development, contract with any other  
548 person approved by the Commissioner of Economic and Community  
549 Development for the operation of a project undertaken pursuant to this  
550 part.

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

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

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

573 119l, as amended by this act, [subsection (c) of section 8-119dd,] section  
574 8-119gg, as amended by this act, subsection (e) of section 8-214f, as  
575 amended, subsection (b) of section 8-216, as amended by this act,  
576 [subsection (g) of section 8-216b,] subsection (f) of section 8-218, as  
577 amended by this act, section 8-218a, as amended by this act, or 8-356,  
578 as amended by this act, [subsection (c) of section 8-357 or sections 8-  
579 430 to 8-438, inclusive,] is located, a sum to be determined by the  
580 municipality with the approval of the Commissioner of Economic and  
581 Community Development not in excess of ten per cent of the shelter  
582 rent per annum for each occupied dwelling unit in any such housing  
583 project; [and each occupied unit in any congregate housing portion of  
584 any such housing development;] except that the amount of such  
585 payment shall not be so limited in any case where funds are made  
586 available for such payment by an agency or department of the United  
587 States government, but no payment shall exceed the amount of taxes  
588 which would be paid on the property were the property not exempt  
589 from taxation.

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

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

602 [(b)] On and after the effective date of regulations adopted under  
603 section 8-437, the Commissioner of Economic and Community  
604 Development shall not accept any application for state financial

605 assistance pursuant to this section except an application for a project or  
606 development not qualifying for financial assistance pursuant to section  
607 8-433.]

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

611 (a) The Commissioner of Economic and Community Development  
612 shall establish a pilot program in the congregate housing facility  
613 existing in the town of Norwich on July 1, 1997, to provide assisted  
614 living services for the frail elderly. [ as defined in section 8-430.] Such  
615 assisted living services shall include, but not be limited to, routine  
616 nursing services and assistance with activities of daily living. Such  
617 congregate housing facility shall contract with an assisted living  
618 services agency, as defined in section 19a-490, as amended. The  
619 commissioner may provide technical assistance and shall provide  
620 financial assistance in the form of grants-in-aid for such pilot program.

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

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

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

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

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

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

665 Sec. 15. Subsection (b) of section 8-216 of the general statutes is  
666 repealed and the following is substituted in lieu thereof (*Effective*

667 *October 1, 2006*):

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

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

697 (a) As used in this section, "housing site development agency"  
698 means any economic development agency, human resource

699 development agency, redevelopment agency, community development  
700 agency, housing authority or municipal developer designated by the  
701 legislative body of a municipality to carry out a housing and  
702 community development project within the municipality.

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

733 exceed two-thirds of the net cost of the activities set forth in subsection  
734 (c) of this section which are carried out in connection with the project.

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

757 (d) Any real property acquired with the use of any grant-in-aid  
758 awarded under this section by a housing site development agency in  
759 connection with a housing and community development project for  
760 use as housing predominantly for persons and families of low and  
761 moderate income, including any such property acquired for use as  
762 commercial and community facilities designed to serve such housing,  
763 may be transferred for consideration which is less than cost or fair  
764 market value to (1) a housing authority, or (2) a person, firm or  
765 corporation who the commissioner determines is subject to the

766 regulation or supervision of operations, rents, charges, income, or sales  
767 price with respect to such real property under a regulatory agreement  
768 or other instrument which restricts occupancy of such housing  
769 predominantly to persons and families whose income does not exceed  
770 one hundred per cent of the area median income, as determined by the  
771 United States Department of Housing and Urban Development.

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

785 (f) The Commissioner of Economic and Community Development  
786 shall adopt regulations, in accordance with the provisions of chapter  
787 54, to carry out the purposes of this section.

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

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

797 (a) The state, acting by and in the discretion of the Commissioner of  
798 Economic and Community Development, may enter into a contract  
799 with a community housing development corporation or an eligible  
800 developer, as defined in section 8-39, for state financial assistance in  
801 the form of (1) a state grant-in-aid, loan, deferred loan, advance or any  
802 combination thereof equal to the cost to the community housing  
803 development corporation or eligible developer, as approved by the  
804 commissioner, of developing or rehabilitating low and moderate  
805 income housing under section 8-217, but limited to the following  
806 expenses: Appraisals, title searches, legal fees, option agreements,  
807 architectural, engineering and consultants' fees, financing fees, closing  
808 costs and such other expenses as may be financed by a mortgage loan  
809 under any federal or state housing statute and incurred by a  
810 community housing development corporation or eligible developer  
811 prior to the disbursement of mortgage loan funds on account of such  
812 property; provided, to the extent such expenses are recovered by the  
813 community housing development corporation or the eligible developer  
814 from the mortgage loan or from the proceeds of a sale of such  
815 property, such expenses shall be repaid to the state or to a fund  
816 established pursuant to subsection (b) of this section; and (2) an  
817 additional grant-in-aid, loan, deferred loan or advance to such  
818 corporation or such developer for the development of housing which  
819 in the determination of the commissioner contains a substantial  
820 number of dwelling units of three or more bedrooms provided (A) that  
821 the mortgage loan for such housing shall be eligible for insurance by  
822 the United States Department of Housing and Urban Development or  
823 for financing by the Connecticut Housing Finance Authority or the  
824 Farmers' Home Administration, and (B) that the commissioner, after  
825 consultation with the United States Department of Housing and Urban  
826 Development, the Connecticut Housing Finance Authority or the  
827 Farmers' Home Administration, as the case may be, shall have  
828 determined that the mortgage loan on such housing would not be  
829 insurable in the absence of such additional financial assistance; such  
830 grant-in-aid, loan, deferred loan or advance shall be in lieu of any

831 assistance to said housing under section 8-216, as amended by this act,  
832 and shall be equal to the additional cost of construction caused by the  
833 inclusion of such dwelling units of three or more bedrooms in such  
834 housing, but in no event shall such grant-in-aid, loan, deferred loan or  
835 advance be greater than ten per cent of the cost of construction of such  
836 housing, as determined by the United States Department of Housing  
837 and Urban Development, the Connecticut Housing Finance Authority  
838 or the Farmers' Home Administration. The commissioner may require  
839 that any assistance in the form of a loan or deferred loan be secured by  
840 a mortgage on such housing. In the case of a deferred loan, the contract  
841 shall require that payments on all or a portion of the interest are due  
842 currently but that payments on principal may be made at a later time.

843 (b) The state, acting by and in the discretion of the commissioner,  
844 may enter into a contract with a community housing development  
845 corporation or an eligible developer for state financial assistance in the  
846 form of a loan or deferred loan, which loan or deferred loan shall be  
847 used to establish and administer a revolving loan fund for the  
848 construction, rehabilitation and renovation of existing or planned low  
849 and moderate income housing, as approved by the commissioner.  
850 Such fund may also consist of any state financial assistance received  
851 from a contract between said commissioner and such community  
852 housing development corporation or eligible developer entered into  
853 pursuant to subsection (a) of this section, any proceeds recovered by  
854 such corporation or developer from any mortgage loan or from any  
855 loan or on account of such project or from the sale of such project and  
856 funds from any other source. Such fund shall be used by such  
857 corporation or developer, as approved by the commissioner, for the  
858 expenses of acquisition, development, project selection, construction,  
859 rehabilitation, renovation and oversight of existing or planned low and  
860 moderate income housing or to make loans for construction,  
861 rehabilitation and renovation of such housing on such terms and  
862 conditions as the commissioner may determine. Recipients of loans  
863 under this subsection for housing located in a distressed municipality,  
864 as defined in section 32-9p, may assign or prepay such loans with the

865 approval of the community housing development corporation. In the  
866 case of housing developed or rehabilitated by a community housing  
867 development corporation in distressed municipalities as defined in  
868 section 32-9p, the policies of the Department of Economic and  
869 Community Development adopted under section 8-37dd, and the  
870 regulations of the department adopted under this section shall apply  
871 only to that portion of the assisted property which corresponds to the  
872 proportion of the state assistance to the property's value. The number  
873 of income-limited housing units shall be determined by multiplying  
874 the amount of the housing assistance by the total number of housing  
875 units in the assisted housing and dividing the product by the fair  
876 market value of the property. The result shall be rounded to the lower  
877 whole number. Notwithstanding the provisions of any statute to the  
878 contrary or any regulation adopted under this section or section 8-  
879 37dd, or any other statute or regulation, limiting the income of  
880 occupants of housing assisted under this section and not located in a  
881 distressed municipality, the income of occupants of units assisted  
882 under this section and located in distressed municipalities may be two  
883 hundred fifty per cent or less of the area median income, adjusted for  
884 family size, as determined from time to time by the United States  
885 Department of Housing and Urban Development.

886 (c) The state, acting by and in the discretion of the commissioner,  
887 may enter into a contract with a community housing development  
888 corporation for state financial assistance within available  
889 appropriations in the form of a grant-in-aid which shall be used by  
890 such community housing development corporation to provide grants,  
891 or to establish a revolving loan fund to provide loans or deferred loans  
892 for the purpose of making structural or interior or exterior  
893 modifications to any dwelling which may be necessary to make such  
894 dwelling accessible to and usable by persons having physical or  
895 mental disabilities. Such corporation may provide such grants, loans or  
896 deferred loans to (1) any owner of a single-family or multifamily  
897 dwelling, or (2) any tenant who furnishes satisfactory evidence that the  
898 owner of the dwelling in which the tenant resides has approved the

899 intended structural or interior or exterior modifications. Any such loan  
900 or deferred loan may be prepaid at any time, without penalty, and the  
901 commissioner shall release the lien on the property. In the case of  
902 housing developed or rehabilitated by a community housing  
903 development corporation in distressed municipalities as defined in  
904 section 32-9p, the policies of the Department of Economic and  
905 Community Development adopted under section 8-37dd, and any  
906 regulation of the department adopted under this section, shall apply  
907 only to that portion of the assisted property which corresponds to the  
908 proportion of the state assistance to the property's value. The number  
909 of income-limited housing units shall be determined by multiplying  
910 the amount of the housing assistance by the total number of housing  
911 units in the assisted housing and dividing the product by the fair  
912 market value of the property. The result shall be rounded to the lower  
913 whole number. Notwithstanding the provisions of any statute to the  
914 contrary or any regulation adopted under this section limiting the  
915 income of occupants of housing assisted under this section and not  
916 located in a distressed municipality, the income of occupants of units  
917 assisted under this section and located in distressed municipalities  
918 may be two hundred fifty per cent or less of the area median income,  
919 adjusted for family size, as determined from time to time by the United  
920 States Department of Housing and Urban Development.

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

930 (e) The Commissioner of Economic and Community Development  
931 shall enter into a contract with a community housing development

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

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

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

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

959 [(a)] The Commissioner of Economic and Community Development  
960 shall establish and administer a program of grants, loans and deferred  
961 loans to housing development corporations which have qualified for  
962 state assistance under section 8-217, or to eligible developers, as  
963 defined in section 8-39, for the purpose of making loans, loan

964 guarantees and interest subsidies in connection with the construction  
965 or rehabilitation of dwelling units for low and moderate income  
966 persons. Such grants, loans or deferred loans shall be made only to  
967 housing development corporations or eligible developers which have  
968 resources from the private sector equal to or greater than the amount  
969 of the proposed grant, loan or deferred loan. No loan, deferred loan,  
970 loan guarantee or interest subsidy shall derive more than fifty per cent  
971 of its funds from any state grant, loan or deferred loan. In the case of a  
972 deferred loan, the contract shall require that payments on all or a  
973 portion of the interest are due currently but that payments on principal  
974 may be made at a later time.

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

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

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

995 [(b) On and after the effective date of regulations adopted under

996 section 8-437, the Commissioner of Economic and Community  
997 Development shall not accept any application for state financial  
998 assistance pursuant to this section except an application for a project or  
999 development not qualifying for financial assistance pursuant to section  
1000 8-433.]

1001 Sec. 20. Section 8-357 of the general statutes is repealed and the  
1002 following is substituted in lieu thereof (*Effective October 1, 2006*):

1003 (a) The state, acting by and in the discretion of the Commissioner of  
1004 Economic and Community Development, may enter into a contract  
1005 with a community housing development corporation, a municipal  
1006 developer or a nonprofit corporation for state financial assistance in  
1007 the form of a state grant-in-aid, loan, deferred loan, loan guarantee or  
1008 interest subsidy for the cost of acquisition, construction, rehabilitation  
1009 or renovation of multifamily dwellings for persons and families whose  
1010 adjusted monthly income does not exceed fifty per cent of the median  
1011 household income, as determined by the commissioner, for the area in  
1012 which they reside and who have received emergency shelter services  
1013 or shelter services for battered women and are in need of transitional  
1014 housing and support services for a period of six to twenty-four  
1015 months. Such housing and services shall be designed to enable such  
1016 persons to maintain their current jobs, improve their employment  
1017 skills, retrain for different occupations or continue their education.  
1018 Such services may include, without limitation, information and  
1019 referral; counseling and support groups; aid in finding vocational  
1020 training, education or employment; health, nutrition, fitness and  
1021 recreation programs; child care; transportation; legal aid; and financial  
1022 counseling. In the case of a deferred loan, the contract shall require  
1023 that payments on interest are due immediately but that payments on  
1024 principal may be made at a later time.

1025 (b) The commissioner may consider, without limitation, the  
1026 following criteria in determining which project shall be eligible for  
1027 assistance under this section: (1) Whether the project has been

1028 approved by local planning and zoning commissions, (2) the amount  
 1029 of resources which have been committed to the project by the private  
 1030 sector and the municipality in which the project would be located, (3)  
 1031 the extent to which resources of existing social services agencies are  
 1032 planned to be utilized, (4) the extent to which both privacy and  
 1033 community living are planned for residents of the project, (5) whether  
 1034 the project is capable of operating without ongoing state subsidies, and  
 1035 (6) the proximity of the project to schools, potential employers, stores  
 1036 and transportation, medical, child care and recreational facilities.

1037 [(c) On and after the effective date of regulations adopted under  
 1038 section 8-437, the Commissioner of Economic and Community  
 1039 Development shall not accept any application for state financial  
 1040 assistance pursuant to this section except an application for a project or  
 1041 development not qualifying for financial assistance pursuant to section  
 1042 8-433.]

1043 Sec. 21. Sections 8-361, 8-362 and 8-430 to 8-438, inclusive, of the  
 1044 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>October 1, 2006</i>	Repealer section

***Statement of Purpose:***

To delete a reference to regulations not needed because the statute provides sufficient specificity, and to repeal two programs that have not been used (a pilot program for acquisition and rehabilitation of abandoned property into single room occupancy housing for homeless persons, and the consolidated housing construction, acquisition and related rehabilitation program), and have now been replaced by more flexible programs addressing the same needs.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*