



General Assembly

Amendment

February Session, 2006

LCO No. 3976

SB0054503976SD0

Offered by:
SEN. COLEMAN, 2nd Dist.

To: Senate Bill No. 545

File No. 112

Cal. No. 129

"AN ACT CONCERNING HOUSING PRESERVATION."

1 Strike lines 1 to 120, inclusive, and insert the following in lieu
2 thereof:

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 Section 8-68c of the general statutes is repealed and the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

5 [On and after July 1, 1988, any owner of multifamily rental housing
6 for persons and families of low and moderate income, which housing
7 is financed by a mortgage insured under 12 USCA 1715l, 12 USCA
8 1715z-1 or 42 USCA 1485(b), shall, not later than one year prior to
9 prepaying any such mortgage, provide written notice of the owner's
10 intent to prepay such mortgage to the Commissioner of Economic and
11 Community Development, the chief executive officer of the
12 municipality in which such housing is located and to all tenants
13 residing in such housing. Nothing in this section or subsection (b) of
14 section 36a-755 shall be construed to limit the ability of such owner to
15 prepay any such mortgage or to interfere with any existing contract.]

- 16 (a) As used in this section, "covered program" means:
- 17 (1) New construction, substantial rehabilitation, moderate
18 rehabilitation, property disposition and loan management set-aside
19 programs or any other program providing project-based assistance
20 under 42 USC 1437f, including, but not limited to, housing regulated
21 pursuant to 24 CFR 983.1 to 24 CFR 983.262, inclusive, 24 CFR Parts
22 880 to 884, inclusive and 24 CFR Part 886;
- 23 (2) The Below Market Interest Rate Program under Section 221(d)(3)
24 of the National Housing Act, 12 USC 1715l(d)(3), (5);
- 25 (3) Section 236 of the National Housing Act, 12 USC 1715z-1;
- 26 (4) Section 202 of the Housing Act of 1959, 12 USC 1701q;
- 27 (5) Programs for rent supplement assistance under Section 101 of
28 the Housing and Urban Development Act of 1965, 12 USC 1701s;
- 29 (6) Programs under Section 515 of the Housing Act of 1949, 42 USC
30 1485;
- 31 (7) Programs under Section 521 of the Housing Act of 1949, 42 USC
32 1490a;
- 33 (8) The Low Income Housing Tax Credit program, 26 USC 42; or
- 34 (9) Supportive Housing for Persons with Disabilities under 42 USC
35 8013.
- 36 (b) On and after July 1, 2006, any owner of multifamily rental
37 housing for persons and families of low and moderate income, that is
38 assisted pursuant to a contract, mortgage, or mortgage insured under
39 any covered program shall, not later than one year prior to the
40 expiration or planned or proposed termination of any subsidy for the
41 development, sale, transfer of title, lease of the development,
42 prepayment of any such contract or mortgage, or maturity of such
43 mortgage, if any such action will result in the cessation or reduction of

44 the financial assistance or regulatory requirements designed to make
45 the assisted units affordable to low and moderate income households,
46 provide written notice of such action to the Commissioner of Economic
47 and Community Development, the chief executive officer of the
48 municipality in which such housing is located and to all tenants
49 residing in such housing. Nothing in this section shall be construed to
50 limit the contractual rights or the ability of such owner to prepay any
51 such mortgage or to interfere with any existing contract. Not later than
52 ten business days after receipt of any notice, the Commissioner of
53 Economic and Community Development shall cause such notice to be
54 posted on the web site of the department. Such notice shall also be
55 made available electronically to those persons who have provided the
56 commissioner with a written request to receive such notices along with
57 a current electronic mail address.

58 (c) Notwithstanding the provisions of subsection (b) of this section,
59 the owner of multifamily rental housing that is assisted pursuant to a
60 contract, mortgage or mortgage insured under any covered program
61 that was not subject to the provisions of this section prior to July 1,
62 2006, and which, as of July 1, 2006, has less than one year remaining
63 prior to the expiration or planned or proposed termination of any
64 subsidy for the development, sale, transfer of title, lease of the
65 development, prepayment of any such contract or mortgage or
66 maturity of such mortgage, if any such action will result in the
67 cessation or reduction of the financial assistance or regulatory
68 requirements designed to make the assisted units affordable to low
69 and moderate income households, shall provide not less than ninety
70 days written notice of such action. Said notice shall be delivered to the
71 parties listed in subsection (b) of this section and shall be posted and
72 made available in accordance with the provisions of said subsection
73 (b)."