



Senate

General Assembly

File No. 390

January Session, 2007

Substitute Senate Bill No. 1129

Senate, April 10, 2007

The Committee on Planning and Development reported through SEN. COLEMAN of the 2nd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE CREATION OF AN EMERGENCY HOUSING REPAIR FUND FOR STATE-ASSISTED HOUSING.

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

1 Section 1. (NEW) (*Effective July 1, 2007*) (a) There is established a
2 fund to be known as the "State-Assisted Housing Emergency Repair
3 Fund", which shall be used by the Commissioner of Economic and
4 Community Development to make grants and loans, subject to such
5 terms and conditions as the commissioner determines, to finance
6 emergency repairs to state-assisted public housing projects. There shall
7 be deposited into the fund: (1) The proceeds of bonds authorized by
8 the State Bond Commission for deposit into said fund; (2) interest or
9 other income earned on the investment of moneys in the fund; and (3)
10 all funds required by law to be deposited in the fund. Repayment of
11 principal and interest on loans made from the fund shall be credited to
12 such fund and shall become part of the assets of the fund. Any balance
13 remaining in such fund at the end of any fiscal year shall be carried
14 forward in the fund for the fiscal year next succeeding. At the

15 discretion of the commissioner, and subject to the approval of the
16 Secretary of the Office of Policy and Management, any federal, private
17 or other moneys received by the state in connection with projects
18 funded pursuant to this section may be credited to the assets of the
19 fund.

20 (b) Notwithstanding the provisions of the general statutes or any
21 special act, the proceeds of any bonds authorized for housing
22 purposes, other than bonds authorized for the Housing Trust Fund,
23 may, with the approval of the Governor and the State Bond
24 Commission, be used to capitalize the State-Assisted Housing
25 Emergency Repair Fund.

26 Sec. 2. (NEW) (*Effective July 1, 2007*) (a) There is established a
27 committee to advise the Commissioner of Economic and Community
28 Development on grants and loans from the State-Assisted Housing
29 Emergency Repair Fund established pursuant to section 1 of this act.
30 Said committee shall meet at least quarterly and shall consist of the
31 following members:

32 (1) The chairpersons and ranking members of the select committee
33 of the General Assembly having cognizance of matters relating to
34 housing;

35 (2) The chairpersons and ranking members of the joint standing
36 committee of the General Assembly having cognizance of matters
37 relating to planning and development;

38 (3) Two appointed by the speaker of the House of Representatives,
39 one of whom shall represent a housing authority with less than one
40 hundred units of housing and be appointed from a list submitted by
41 the Connecticut Chapter of the National Association of Housing and
42 Redevelopment Officials and one of whom shall be a resident of public
43 housing;

44 (4) Two appointed by the president pro tempore of the Senate, one
45 of whom shall represent a housing authority with more than one

46 hundred but less than two hundred units of housing and be appointed
47 from a list submitted by the Connecticut Chapter of the National
48 Association of Housing and Redevelopment Officials and one of
49 whom shall be a resident of public housing;

50 (5) Two appointed by the majority leader of the House of
51 Representatives, one of whom shall represent a housing authority with
52 more than two hundred fifty units of housing and be appointed from a
53 list submitted by the Connecticut Chapter of the National Association
54 of Housing and Redevelopment Officials and one of whom shall be a
55 resident of public housing;

56 (6) Two appointed by the majority leader of the Senate, one of
57 whom shall represent a housing authority with less than one hundred
58 units of housing and be appointed from a list submitted by the
59 Connecticut Chapter of the National Association of Housing and
60 Redevelopment Officials and one of whom shall be a resident of public
61 housing;

62 (7) Two appointed by the minority leader of the House of
63 Representatives, one of whom shall represent a housing authority with
64 more than one hundred but less than two hundred fifty units of
65 housing and be appointed from a list submitted by the Connecticut
66 Chapter of the National Association of Housing and Redevelopment
67 Officials and one of whom shall be a resident of public housing; and

68 (8) Two appointed by the minority leader of the Senate, one of
69 whom shall represent a housing authority with at least two hundred
70 fifty units of state-funded housing and be appointed from a list
71 submitted by the Connecticut Chapter of the National Association of
72 Housing and Redevelopment Officials and one of whom shall be a
73 resident of public housing;

74 (b) The speaker of the House of Representatives and the president
75 pro tempore of the Senate shall select the chairpersons of the task
76 force, from among the members of the task force.

77 Sec. 3. (*Effective July 1, 2007*) (a) The State Bond Commission shall
78 have power, in accordance with the provisions of this section and
79 sections 4 and 5 of this act, from time to time to authorize the issuance
80 of bonds of the state in one or more series and in principal amounts in
81 the aggregate, not exceeding nineteen million dollars.

82 (b) The proceeds of the sale of said bonds shall be used by the
83 Department of Economic and Community Development for the
84 purposes hereinafter stated:

85 (1) Housing development and rehabilitation, including moderate
86 cost housing, moderate rental, congregate and elderly housing, urban
87 homesteading, community housing development corporations,
88 housing purchase and rehabilitation, housing for the homeless,
89 housing for low income persons, limited equity cooperatives and
90 mutual housing projects, abatement of hazardous material including
91 asbestos and lead-based paint in residential structures, emergency
92 repair assistance for senior citizens, housing land bank and land trust,
93 housing and community development, predevelopment grants and
94 loans, reimbursement for state and federal surplus property, private
95 rental investment mortgage and equity program, housing
96 infrastructure, demolition, renovation or redevelopment of vacant
97 buildings or related infrastructure, septic system repair loan program,
98 acquisition and related rehabilitation including loan guarantees for
99 private developers of rental housing for the elderly, projects under the
100 program established in section 21 of public act 01-7 of the June special
101 session, and participation in federal programs, including
102 administrative expenses associated with those programs eligible under
103 the general statutes, not exceeding fifteen million dollars;

104 (2) Remediation and abatement of lead in public housing projects,
105 not exceeding one million dollars; and

106 (3) Emergency repairs at state-assisted public housing, three million
107 dollars.

108 Sec. 4. (*Effective July 1, 2007*) None of said bonds shall be authorized

109 except upon a finding by the State Bond Commission that there has
110 been filed with it a request for such authorization, which is signed by
111 the Secretary of the Office of Policy and Management or by or on
112 behalf of such state officer, department or agency and stating such
113 terms and conditions as said commission, in its discretion may require.

114 Sec. 5. (*Effective July 1, 2007*) All provisions of section 3-20 of the
115 general statutes, or the exercise of any right or power granted thereby
116 which are not inconsistent with the provisions of sections 1 to 4,
117 inclusive, of this act, are hereby adopted and shall apply to all bonds
118 authorized by the State Bond Commission pursuant to sections 1 to 4,
119 inclusive, of this act, and temporary notes in anticipation of the money
120 to be derived from the sale of any such bonds so authorized may be
121 issued in accordance with said section 3-20 and from time to time
122 renewed. Such bonds shall mature at such time or times not exceeding
123 twenty years from their respective dates as may be provided in or
124 pursuant to the resolution or resolutions of the State Bond Commission
125 authorizing such bonds. Such bonds issued pursuant to section 4 of
126 this act shall be general obligations of the state and the full faith and
127 credit of the state of Connecticut are pledged for the payment of the
128 principal of and interest on such bonds as the same become due, and
129 accordingly and as part of the contract of the state with the holders of
130 such bonds, appropriation of all amounts necessary for punctual
131 payment of such principal and interest is hereby made, and the State
132 Treasurer shall pay such principal and interest as the same become
133 due.

134 Sec. 6. (NEW) (*Effective July 1, 2007*) (a) For the purposes of
135 subsection (b) of this section, the State Bond Commission shall have
136 power, in accordance with the provisions of this section, from time to
137 time to authorize the issuance of bonds of the state in one or more
138 series and in principal amounts in the aggregate, not exceeding one
139 hundred million dollars, as follows: (1) Ten million dollars shall be
140 effective July 1, 2007, provided five million dollars shall be used for
141 redevelopment or major demolition at state-assisted housing and five
142 million dollars shall be used for capital improvements at state-assisted

143 housing projects; (2) ten million dollars shall be effective July 1, 2008,
144 provided five million dollars shall be used for redevelopment or major
145 demolition at state-assisted housing and five million dollars shall be
146 used for capital improvements at state-assisted housing projects; (3)
147 ten million dollars shall be effective July 1, 2009, provided five million
148 dollars shall be used for redevelopment or major demolition at state-
149 assisted housing and five million dollars shall be used for capital
150 improvements at state-assisted housing projects; (4) ten million dollars
151 shall be effective July 1, 2010, provided five million dollars shall be
152 used for redevelopment or major demolition at state-assisted housing
153 and five million dollars shall be used for capital improvements at state-
154 assisted housing projects; (5) ten million dollars shall be effective July
155 1, 2011, provided five million dollars shall be used for redevelopment
156 or major demolition at state-assisted housing and five million dollars
157 shall be used for capital improvements at state-assisted housing
158 projects; (6) ten million dollars shall be effective July 1, 2012, provided
159 five million dollars shall be used for redevelopment or major
160 demolition at state-assisted housing and five million dollars shall be
161 used for capital improvements at state-assisted housing projects; (7)
162 ten million dollars shall be effective July 1, 2013, provided five million
163 dollars shall be used for redevelopment or major demolition at state-
164 assisted housing and five million dollars shall be used for capital
165 improvements at state-assisted housing projects; (8) ten million dollars
166 shall be effective July 1, 2014, provided five million dollars shall be
167 used for redevelopment or major demolition at state-assisted housing
168 and five million dollars shall be used for capital improvements at state-
169 assisted housing projects; (9) ten million dollars shall be effective July
170 1, 2015, provided five million dollars shall be used for redevelopment
171 or major demolition at state-assisted housing and five million dollars
172 shall be used for capital improvements at state-assisted housing
173 projects; and (10) ten million dollars shall be effective July 1, 2016,
174 provided five million dollars shall be used for redevelopment or major
175 demolition at state-assisted housing and five million dollars shall be
176 used for capital improvements at state-assisted housing projects.

177 (b) The proceeds of the sale of bonds pursuant to this section shall

178 be used by the Department of Economic and Community
179 Development for redevelopment, demolition or capital improvement
180 at state-assisted housing.

181 (c) All provisions of section 3-20, or the exercise of any right or
182 power granted thereby which are not inconsistent with the provisions
183 of this section, are hereby adopted and shall apply to all bonds
184 authorized by the State Bond Commission pursuant to this section, and
185 temporary notes in anticipation of the money to be derived from the
186 sale of any such bonds so authorized may be issued in accordance with
187 said section 3-20 and from time to time renewed. Such bonds shall
188 mature at such time or times not exceeding twenty years from their
189 respective dates as may be provided in or pursuant to the resolution or
190 resolutions of the State Bond Commission authorizing such bonds.
191 Such bonds shall be general obligations of the state and the full faith
192 and credit of the state of Connecticut are pledged for the payment of
193 the principal of and interest on such bonds as the same become due,
194 and accordingly and as part of the contract of the state with the holders
195 of such bonds, appropriation of all amounts necessary for punctual
196 payment of such principal and interest is hereby made, and the State
197 Treasurer shall pay such principal and interest as the same become
198 due.

199 (d) None of the bonds authorized under subsection (a) of this
200 section shall be authorized except upon a finding by the State Bond
201 Commission that there has been filed with it a request for such
202 authorization, which is signed by the Secretary of the Office of Policy
203 and Management and stating such terms and conditions as said
204 commission, in its discretion may require.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2007	New section
Sec. 2	July 1, 2007	New section
Sec. 3	July 1, 2007	New section
Sec. 4	July 1, 2007	New 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 chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Treasurer, Debt Serv.	GF - Cost	See Below	See Below
Department of Economic & Community Development	GF - Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill authorizes the issuance of a total of \$119 million in General Obligation (GO) bonds for various housing-related purposes. The General Fund debt service cost to bond this amount over 20 years at a 5.0% interest rate is \$181.5 million.

It is also anticipated that the Department of Economic and Community Development (DECD) will require 2 additional employees starting in FY 08 at a cost of \$120,000 for salaries plus fringe benefits¹. The positions are needed to support the advisory committee and the administration of the emergency repair fund for application and contract administration including support for architectural and construction monitoring services.

¹ The fringe benefit costs for state employees are budgeted centrally in the Miscellaneous Accounts administered by the Comptroller. The estimated first year fringe benefit rate for a new employee as a percentage of average salary is 25.8%, effective July 1, 2006. The first year fringe benefit costs for new positions do not include pension costs. The state's pension contribution is based upon the prior year's certification by the actuary for the State Employees Retirement System (SERS). The SERS 2006-07 fringe benefit rate is 34.4%, which when combined with the non pension fringe benefit rate totals 60.2%.

The Out Years

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

OLR Bill Analysis**sSB 1129*****AN ACT CONCERNING THE CREATION OF AN EMERGENCY HOUSING REPAIR FUND FOR STATE-ASSISTED HOUSING.*****SUMMARY:**

This bill authorizes up to \$119 million in general obligation bonds for emergency repairs, redevelopment, and demolition of state-assisted housing. Specifically, it authorizes (1) up to \$100 million in bonds to the Department of Economic and Community Development (DECD) for redevelopment, demolition, or capital improvements at state-assisted housing, with \$10 million effective each July 1 between 2007 and 2016 and (2) up to \$19 million in bonds for housing development and rehabilitation, lead abatement, and emergency repairs of state-assisted housing. The bonds are subject to standard statutory bond issuance and repayment requirements.

The bill creates a State-Assisted Housing Emergency Repair Fund, which the DECD commissioner must use to finance emergency repairs. The commissioner determines the terms and conditions for grants and loans under the fund.

The bill authorizes any bonds authorized for housing, other than for the Housing Trust Fund, to capitalize the State-Assisted Housing Emergency Repair Fund, with the governor's and bond commission's approval. It establishes an emergency repair fund advisory committee to advise the DECD commissioner on emergency grants and loans from the fund.

EFFECTIVE DATE: July 1, 2007

BONDS FOR STATE-ASSISTED AND PUBLIC HOUSING

\$100 Million Authorization

The bill authorizes up to \$100 million in bonds to DECD for redevelopment, demolition, or capital improvements at state-assisted housing, with \$10 million effective each July 1 between 2007 and 2016. In each of those years, the bill requires DECD to use \$5 million for redevelopment or major demolition at state-assisted housing and \$5 million for capital improvements at state-assisted housing projects.

\$19 Million Authorization

The bill authorizes up to \$19 million for DECD to use as follows:

1. \$15 million for housing development and rehabilitation and improvements to various kinds of state assisted affordable housing,
2. \$1 million for remediation and abatement of lead in public housing projects; and
3. \$3 million for emergency repairs at state-assisted public housing.

The bill provides that the \$15 million for housing development and rehabilitation includes moderate cost housing; moderate rental, congregate, and elderly housing; urban homesteading; community housing development corporations; housing purchase and rehabilitation; housing for the homeless and low-income people; limited equity cooperatives; and mutual housing projects. DECD must also use it for:

1. hazardous material abatement, including asbestos and lead-based paint in residential structures;
2. emergency repair assistance for senior citizens;
3. financing, including housing land bank and land trust housing and community development, predevelopment grants and loans, reimbursement for state and federal surplus property, the private rental investment mortgage and equity program, septic

system repair loan program, acquisition and related rehabilitation, including loan guarantees for private developers of elderly rental housing, and certain affordable housing projects receiving funding through DECD's Affordable Housing Flex Program;

4. housing infrastructure, demolition, renovation or redevelopment of vacant buildings or related infrastructure; and
5. participation in federal programs, including administrative expenses associated with eligible programs.

STATE-ASSISTED HOUSING EMERGENCY REPAIR FUND AND ADVISORY COMMITTEE

State-Assisted Housing Emergency Repair Fund

The bill requires the following to be deposited into the repair fund: (1) bond proceeds that the State Bond Commission authorizes for deposit into it, (2) interest or other income earned on the investment of money in the fund, and (3) all funds the law requires to be deposited into it. The bill authorizes the proceeds of any bonds authorized for housing purposes, other than the Housing Trust Fund, to be used to capitalize the fund, with the governor's and the State Bond Commission's approval.

The bill specifies that (1) repayments of principal and interest on loans made from the fund are credited to the fund and become part of its assets and (2) any balance remaining in the fund at the end of any fiscal year carries forward in the fund for each succeeding fiscal year.

At the discretion of the commissioner, and subject to the Office of Policy and Management secretary's approval, any federal, private, or other funds the state receives in connection with projects funded by the repair fund may be credited to its assets.

Advisory Committee for the State-Assisted Housing Emergency Repair Fund

The bill establishes a committee to advise the DECD commissioner on grants and loans from the State-Assisted Housing Emergency Repair Fund. The committee must meet at least quarterly and consists of the following members:

1. the Housing Committee's chairpersons and ranking members;
2. the Planning and Development Committee's chairpersons and ranking members;
3. two appointed by the House speaker, one who represents a housing authority with less than 100 housing units and is appointed from a list the Connecticut Chapter of the National Association of Housing and Redevelopment Officials (CONN-NAHRO) submits and one of who is a public housing resident;
4. two appointed by the Senate president pro tempore, one who represents a housing authority with more than 100 but less than 200 housing units and is appointed from a list CONN-NAHRO submits and one who is a public housing resident;
5. two appointed by the House majority leader, one who represents a housing authority with more than 250 housing units and is appointed from a list CONN-NAHRO submits and one who is a public housing resident;
6. two appointed by the Senate majority leader, one who represents a housing authority with less than 100 housing units and is appointed from a list CONN-NAHRO submits and one who is a public housing resident;
7. two appointed by the House minority leader, one who represents a housing authority with between 100 and 250 housing units who is appointed from a list CONN-NAHRO submits and one who is a public housing resident; and
8. two appointed by the Senate minority leader, one who represents a housing authority with at least 250 state-funded

housing units and is appointed from a list CONN-NAHRO submits and one who is a public housing resident.

The House speaker and the Senate president pro tempore select the task force’s (committee’s) chairpersons from its members.

BACKGROUND

Related Bill

HB 6642 requires CHFA in consultation with the State-Assisted Housing Sustainability Advisory Committee, which the bill creates, to establish and maintain the State-Assisted Housing Sustainability Fund to preserve eligible housing. The bill appropriates \$120 million from the FY 07 in the General Fund surplus to DECD to provide grants to CHFA to capitalize the State-Assisted Housing Sustainability Fund.

Under the bill, “eligible housing” means developments that are part of the state affordable rental housing loan portfolio, which DECD transferred to CHFA in 2002 as authorized by law.

The bill requires the 22-member State-Assisted Housing Sustainability Advisory Committee to advise CHFA on the fund’s use for its various preservation and assessment purposes. The committee must also complete a study and make recommendations concerning modifications to the state’s rental assistance program for elderly and disabled people.

COMMITTEE ACTION

Select Committee on Housing

Joint Favorable Substitute Change of Reference
Yea 10 Nay 0 (03/06/2007)

Planning and Development Committee

Joint Favorable
Yea 19 Nay 0 (03/21/2007)