



General Assembly

January Session, 2007

**Committee Bill No. 581**

LCO No. 4378

\*04378SB00581HSG\*

Referred to Committee on Select Committee on Housing

Introduced by:  
(HSG)

***AN ACT CONCERNING HOUSING SUSTAINABILITY.***

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

1 Section 1. (NEW) (*Effective July 1, 2007*) Notwithstanding any  
2 provision of the general statutes, the Connecticut Housing Finance  
3 Authority, in consultation with the Department of Economic and  
4 Community Development, the Office of Policy and Management and  
5 the State Treasurer, shall arrange for the transfer to the department of  
6 the housing loan portfolio that was transferred to the authority  
7 pursuant to section 8-37uu of the general statutes.

8 Sec. 2. (NEW) (*Effective July 1, 2007*) The Commissioner of Economic  
9 and Community Development shall contract with a nonprofit  
10 corporation, as defined in section 8-39 of the general statutes, for the  
11 management of specialized assisted housing for the elderly and  
12 handicapped persons. The terms of such contract shall give the  
13 nonprofit corporation oversight of repairs and rehabilitation to the  
14 housing in the loan portfolio transferred pursuant to section 1 of this  
15 act that is housing for the elderly and handicapped persons.

16 Sec. 3. (NEW) (*Effective July 1, 2007*) The Commissioner of Economic

17 and Community Development shall contract with a nonprofit  
18 corporation, as defined in section 8-39 of the general statutes, for the  
19 management of affordable housing for individuals and families. The  
20 terms of such contract shall give the nonprofit corporation oversight of  
21 repairs and rehabilitation to the housing in the loan portfolio  
22 transferred pursuant to section 1 of this act that is affordable housing  
23 for individuals and families.

24 Sec. 4. Section 8-37vv of the general statutes is repealed and the  
25 following is substituted in lieu thereof (*Effective July 1, 2007*):

26 (a) As used in this section, (1) "eligible building" means a structure  
27 (A) located in a distressed municipality, as defined in section 32-9p,  
28 that contains not more than twenty residential units, and may contain  
29 an owner-occupied unit, or (B) that was transferred to the Department  
30 of Economic and Community Development pursuant to section 1 of  
31 this act, and (2) "eligible costs" means costs incurred to make  
32 rehabilitations and repairs to bring an eligible building into  
33 compliance with the State Building Code or state or municipal health  
34 or safety codes, or otherwise to make an eligible building suitable for  
35 rental to tenants.

36 (b) There is established a revolving loan fund to be known as the  
37 "Rental Housing Revolving Loan Fund". The fund may be funded from  
38 moneys allocated to the program established by section 8-37pp or from  
39 any moneys available to the Commissioner of Economic and  
40 Community Development or the fund from other sources. Investment  
41 earnings credited to the fund shall become part of the assets of the  
42 fund. Any balance remaining in the fund at the end of any fiscal year  
43 shall be carried forward in the fund for the next fiscal year. Payments  
44 of principal or interest on a low interest loan made pursuant to this  
45 section shall be paid to the State Treasurer for deposit in the Rental  
46 Housing Revolving Loan Fund. The fund shall be used to make low  
47 interest loans pursuant to subsection (c) of this section and to pay  
48 reasonable and necessary expenses incurred in administering loans

49 under this section. The Commissioner of Economic and Community  
50 Development may enter into contracts with nonprofit corporations to  
51 provide for the administration of the Rental Housing Revolving Loan  
52 Fund by such nonprofit corporations, provided no low interest loan  
53 shall be made from the fund without the authorization of the  
54 commissioner as provided in subsection (c) of this section.

55 (c) The state, acting by and in the discretion of the Commissioner of  
56 Economic and Community Development, may enter into contracts to  
57 provide financial assistance in the form of low interest loans to owners  
58 of eligible buildings for eligible costs. The commissioner may require  
59 owners of eligible buildings who apply for a low interest loan  
60 pursuant to this section to submit a copy of the report filed by the  
61 building inspector listing code violations, and an estimate of the cost of  
62 repairs to correct such violations. The commissioner may establish  
63 priorities for the low cost loans provided pursuant to this program,  
64 including, but not limited to, types of repairs financed, the location of  
65 the eligible building, ability of owners to repay such loans, and the  
66 extent to which any repairs will extend the useful life of the eligible  
67 building.

68 (d) The commissioner may adopt regulations, in accordance with  
69 the provisions of chapter 54, to specify application procedures and  
70 priorities for providing low cost loans pursuant to this section.

71 Sec. 5. (*Effective from passage*) The Commissioner of Economic and  
72 Community Development shall develop a schedule for the repair and  
73 rehabilitation of housing in the loan portfolio transferred to the  
74 Department of Economic and Community Development pursuant to  
75 section 1 of this act. Such schedule shall ensure the preservation of  
76 such housing or provide for an alternative method to preservation by  
77 disposition to local housing authorities. The commissioner shall  
78 submit such schedule for review and comment to the select committee  
79 of the General Assembly having cognizance of matters relating to  
80 housing on or before February 1, 2008.

81 Sec. 6. Section 32-141 of the general statutes is repealed and the  
82 following is substituted in lieu thereof (*Effective July 1, 2007*):

83 (a) (1) The total amount of private activity bonds which may be  
84 issued by state issuers in the calendar year commencing January 1,  
85 2001, under the state ceiling in effect for such year, shall be allocated as  
86 follows: (A) Sixty per cent to the Connecticut Housing Finance  
87 Authority; (B) fifteen per cent to the Connecticut Development  
88 Authority; and (C) twenty-five per cent to municipalities and political  
89 subdivisions, departments, agencies, authorities and other bodies of  
90 municipalities, the Connecticut Higher Education Supplemental Loan  
91 Authority and for contingencies.

92 (2) The total amount of private activity bonds which may be issued  
93 by state issuers in the calendar year commencing January 1, 2002, and  
94 each calendar year thereafter, under the state ceiling in effect for each  
95 such year, shall be allocated as follows: (A) Sixty per cent to the  
96 Connecticut Housing Finance Authority; (B) twelve and one-half per  
97 cent to the Connecticut Development Authority; and (C) twenty-seven  
98 and one-half per cent to municipalities and political subdivisions,  
99 departments, agencies, authorities and other bodies of municipalities,  
100 the Connecticut Higher Education Supplemental Loan Authority and  
101 for contingencies.

102 (b) No municipality or political subdivision, department, agency,  
103 authority or other body of a municipality shall issue any private  
104 activity bonds, and no state issuer shall issue private activity bonds  
105 which are allocated under subsection (a) of this section for  
106 contingencies unless (1) the project or program to be financed is  
107 consistent with the state plan of conservation and development, the  
108 consolidated plan for housing and community development and the  
109 action plan for housing and community development and (2) the  
110 Secretary of the Office of Policy and Management approves the  
111 issuance. The secretary shall adopt regulations in accordance with  
112 chapter 54, establishing procedures and standards for the submission

113 and review of applications for such approvals.

114 (c) The secretary shall monitor the needs of all state issuers for  
115 private activity bonds and shall be responsible for ensuring that no  
116 private activity bonds are issued which exceed any allocation under  
117 subsection (a) of this section, except as provided under section 32-142.

118 (d) Private activity bonds issued under this section which are  
119 portions of the uniform volume cap that remain unallocated at the end  
120 of the year shall be carried forward for two years. Thereafter, if the  
121 General Assembly does not modify the allocation of such bonds, the  
122 State Bond Commission may modify such allocation upon determining  
123 that such action would be in the best interests of the state.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2007</i>	New section
Sec. 2	<i>July 1, 2007</i>	New section
Sec. 3	<i>July 1, 2007</i>	New section
Sec. 4	<i>July 1, 2007</i>	8-37vv
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>July 1, 2007</i>	32-141

**Statement of Purpose:**

To provide funding for repairs and rehabilitation to affordable housing for individuals and families and assisted housing for the elderly and handicapped persons.

*[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.]*

Co-Sponsors: SEN. GOMES, 23rd Dist.

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