



General Assembly

February Session, 2010

Substitute Bill No. 318

* SB00318PD 041410 *

AN ACT CONCERNING CHANGES TO CERTAIN HOUSING STATUTES.

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

1 Section 1. Section 8-114d of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) The Commissioner of Economic and Community Development
4 shall award grants-in-aid to housing authorities, municipal developers,
5 [and] nonprofit corporations and housing partnerships operating
6 elderly housing projects pursuant to this part to hire resident services
7 coordinators to (1) facilitate conflict resolution between residents,
8 including between seniors and younger residents, (2) establish and
9 maintain relationships with community service providers and link
10 residents to appropriate community services, (3) act as a liaison to
11 assist in problem solving, (4) assist residents of such housing to
12 maintain an independent living status, (5) assess the individual needs
13 of residents of such housing for the purpose of establishing and
14 maintaining support services, (6) provide orientation services to new
15 residents and maintain regular contact with residents of such housing,
16 (7) monitor the delivery of support services to residents of such
17 housing, (8) organize resident activities and meetings that promote
18 socialization among all residents, and (9) advocate changes in services
19 sought or required by residents of such housing. The commissioner
20 shall award grants-in-aid based on demonstration of need and
21 availability of matching funds. A joint application made by more than

22 one housing authority, municipal developer, [or] nonprofit corporation
23 or housing partnership shall have the same preference as an
24 application made by one housing authority, municipal developer, [or]
25 nonprofit corporation or housing partnership.

26 (b) The employment of resident services coordinators by a housing
27 authority, municipal developer, [or] nonprofit corporation or housing
28 partnership operating elderly housing projects pursuant to this part
29 shall be considered an allowable expense.

30 (c) The Commissioner of Economic and Community Development
31 may convene monthly meetings of the resident services coordinators
32 for in-service training and information sharing. Training topics shall
33 include, but not be limited to, the health care needs of seniors and
34 persons with disabilities, mediation and conflict resolution, and local
35 and regional service resources.

36 Sec. 2. Section 8-119h of the general statutes is repealed and the
37 following is substituted in lieu thereof (*Effective from passage*):

38 Upon preliminary approval by the State Bond Commission
39 pursuant to the provisions of section 3-20, the state, acting by and
40 through the Commissioner of Economic and Community
41 Development, may enter into a contract or contracts with an authority,
42 a municipal developer, [or] a nonprofit corporation or a housing
43 partnership for state financial assistance for a congregate housing
44 project, in the form of capital grants, interim loans, permanent loans,
45 deferred loans or any combination thereof for application to the
46 development cost of such project or projects. A contract with an
47 authority, a municipal developer, a nonprofit corporation or a housing
48 partnership may provide that in the case of any loan made in
49 conjunction with any housing assistance funds provided by an agency
50 of the United States government, if such housing assistance funds
51 terminate prior to complete repayment of a loan made pursuant to this
52 section, the remaining balance of such loan may be converted to a
53 capital grant or decreased loan. Any such state assistance contract with

54 an authority, a municipal developer, a nonprofit corporation or a
55 housing partnership for a capital grant or loan entered into prior to the
56 time housing assistance funds became available from an agency of the
57 United States government, may, upon the mutual consent of the
58 commissioner and the authority, a municipal developer, a nonprofit
59 corporation or a housing partnership, be renegotiated to provide for a
60 loan or increased loan in the place of a capital grant or loan or a part
61 thereof, consistent with the above conditions. Such capital grants or
62 loans shall be in an amount not in excess of the development cost of
63 the project or projects, including, in the case of grants or loans financed
64 from the proceeds of the state's general obligation bonds issued
65 pursuant to any authorization, allocation or approval of the State Bond
66 Commission made prior to July 1, 1990, administrative or other cost or
67 expense to be incurred by the state in connection therewith, as
68 approved by said commissioner. In anticipation of final payment of
69 such capital grants or loans, the state, acting by and through said
70 commissioner and in accordance with such contract, may make
71 temporary advances to the authority, municipal developer, [or]
72 nonprofit corporation or housing partnership for preliminary planning
73 expense or other development cost of such project or projects. Any
74 loan provided pursuant to this section shall bear interest at a rate to be
75 determined in accordance with subsection (t) of section 3-20. Any such
76 authority, municipal developer, [or] nonprofit corporation or housing
77 partnership may, subject to the approval of the Commissioner of
78 Economic and Community Development, contract with any other
79 person approved by the Commissioner of Economic and Community
80 Development for the operation of a project undertaken pursuant to this
81 part. As used in this section, the term "housing partnership" shall have
82 the same meaning as in subsection (n) of section 8-113a.

83 Sec. 3. Section 8-119l of the general statutes is repealed and the
84 following is substituted in lieu thereof (*Effective from passage*):

85 The state, acting by and through the Commissioner of Economic
86 and Community Development, may enter into a contract or contracts
87 with an authority, a municipal developer, [or] a nonprofit corporation

88 or a housing partnership for state financial assistance in the form of a
89 grant-in-aid for an operating cost subsidy for state-financed congregate
90 housing projects developed pursuant to this part. In calculating the
91 amount of the grant-in-aid, the commissioner shall use adjusted gross
92 income of tenants. As used in this section, "adjusted gross income"
93 means annual aggregate income from all sources minus fifty per cent
94 of all unreimbursable medical expenses. As used in this section, the
95 term "housing partnership" shall have the same meaning as in
96 subsection (n) of section 8-113a.

97 Sec. 4. Section 8-119x of the general statutes is repealed and the
98 following is substituted in lieu thereof (*Effective from passage*):

99 The Commissioner of Economic and Community Development
100 shall, in consultation with the Department of Social Services, the State
101 Building Inspector, the Office of Protection and Advocacy for Persons
102 with Disabilities, the Department of Information and Technology and
103 the Office of Policy and Management, establish a state-wide electronic
104 database of information on the availability of dwelling units in the
105 state which are accessible to or adaptable for persons with disabilities.
106 [Such] To the extent practicable, such database shall include such
107 information as: (1) The location of, the monthly rent for and the
108 number of bedrooms in each such dwelling unit, (2) the type of
109 housing and neighborhood in which each such dwelling unit is
110 located, (3) the vacancy status of each such dwelling unit, (4) if a unit is
111 unavailable, the date such unit is expected to become available or the
112 date when a waiting list is expected to open, and (5) any feature of
113 each such unit that makes it accessible to or adaptable for persons with
114 disabilities. [To the extent feasible, the Commissioner of Economic and
115 Community Development shall use information from the computer-
116 assisted mass appraisal systems.]

117 Sec. 5. Section 8-410 of the general statutes is repealed and the
118 following is substituted in lieu thereof (*Effective from passage*):

119 (a) As used in this section, "eligible applicant" means: (1) A

120 nonprofit entity; (2) a municipal developer; (3) a housing authority; (4)
121 a business corporation incorporated pursuant to chapter 601 or any
122 predecessor statutes thereto or authorized to do business pursuant to
123 chapter 601 having as one of its purposes the construction, financing,
124 acquisition, rehabilitation or operation of affordable housing, and
125 having a certificate or articles of incorporation approved by the
126 Commissioner of Economic and Community Development; (5) any
127 partnership, limited partnership, limited liability company, joint
128 venture, sole proprietorship, trust or association having as one of its
129 purposes the construction, financing, acquisition, rehabilitation or
130 operation of affordable housing; or (6) any combination thereof if such
131 combination includes a nonprofit corporation, housing authority or
132 municipal developer.

133 [(a)] (b) There is established a fund to be known as the "Low and
134 Moderate Income Housing Predevelopment Cost Revolving Loan
135 Fund". The fund shall contain any moneys required by law to be
136 deposited in the fund. Any balance remaining in the fund at the end of
137 any fiscal year shall be carried forward in the fund for the fiscal year
138 next succeeding. The fund shall be used to make loans pursuant to
139 subsection [(b)] (c) of this section and to pay reasonable and necessary
140 expenses incurred in administering loans under this section. The
141 Commissioner of Economic and Community Development may enter
142 into a contract with a nonprofit corporation to provide for the
143 administration of the Low and Moderate Income Housing
144 Predevelopment Cost Revolving Loan Fund by such nonprofit
145 corporation, provided no loan shall be made from the fund without the
146 authorization of the commissioner as provided in subsection [(b)] (c) of
147 this section.

148 [(b)] (c) The state, acting by and in the discretion of the
149 Commissioner of Economic and Community Development, may enter
150 into a contract to provide financial assistance in the form of interest-
151 free loans or deferred loans to [nonprofit corporations, housing
152 authorities or municipal developers, or to partnerships which include
153 a nonprofit corporation, housing authority or municipal developer,] an

154 eligible applicant for predevelopment costs incurred in connection
155 with the construction, rehabilitation or renovation of housing for low
156 and moderate income persons and families. Such predevelopment
157 costs may include: (1) Feasibility studies, (2) expenses incurred in
158 project planning and design, including architectural expenses, (3) legal
159 and financial expenses, (4) expenses incurred in obtaining required
160 permits and approvals, (5) options to purchase land, (6) expenses
161 incurred in obtaining required insurance, and (7) other preliminary
162 expenses authorized by the commissioner. Repayment of [such] loans
163 or deferred loans shall be made upon receipt of permanent financing
164 by the borrower, except the commissioner may forgive any such loan
165 or deferred loan in any case where the forgiveness of such loan is in
166 the best interest of the state and the borrower (A) is an eligible
167 applicant that is a nonprofit entity, a municipal developer or a housing
168 authority, or any combination thereof, if such combination includes a
169 nonprofit corporation, housing authority or municipal developer, (B)
170 has made a good faith effort to obtain permanent financing, and (C)
171 has been refused such financing. [and where the forgiveness of such
172 loan is in the best interest of the state.] If the eligible applicant is an
173 entity described in subdivision (4) or (5) of subsection (a) of this
174 section, the commissioner may forgive a portion of such loan or
175 deferred loan as follows: (i) If the housing is located in a distressed
176 municipality, as defined in section 32-9p, then the commissioner may
177 forgive up to one hundred per cent of such loan or deferred loan, and
178 (ii) if the housing is not located in a distressed municipality, then the
179 commissioner may forgive up to fifty per cent of such loan or deferred
180 loan. Payments of principal on such loans or deferred loans shall be
181 paid to the Treasurer for deposit in the Housing Repayment and
182 Revolving Loan Fund. [In the case of a deferred loan, the contract shall
183 require that payments on interest are due immediately but that
184 payments on principal may be made at a later time.]

185 Sec. 6. Section 8-336m of the general statutes is repealed and the
186 following is substituted in lieu thereof (*Effective from passage*):

187 As used in this [section] chapter the following terms shall have the

188 following meanings, unless the context clearly indicates a different
189 meaning or intent:

190 (1) "Authority" means the Connecticut Housing Finance Authority.

191 (2) "Commissioner" means the Commissioner of Economic and
192 Community Development.

193 (3) "Department" means the Department of Economic and
194 Community Development.

195 (4) "Eligible applicant" means: (A) A nonprofit entity; (B) a
196 municipality; (C) a housing authority; (D) a business corporation
197 incorporated pursuant to chapter 601 or any predecessor statutes
198 thereto or authorized to do business pursuant to said chapter 601
199 having as one of its purposes the construction, financing, acquisition,
200 rehabilitation or operation of affordable housing, and having a
201 certificate or articles of incorporation approved by the commissioner;
202 (E) any partnership, limited partnership, limited liability company,
203 joint venture, sole proprietorship, trust or association having as one of
204 its purposes the construction, financing, acquisition, rehabilitation or
205 operation of affordable housing; (F) the Connecticut Housing Finance
206 Authority; (G) a municipal developer; (H) any community
207 development financial institution; or (I) any combination thereof.

208 (5) "Housing", "housing development" or "development" means a
209 work or undertaking having as its primary purpose the provision of
210 safe, well-designed and adequate housing and related facilities for low
211 and moderate income families and persons and includes existing
212 housing for low and moderate income families and persons and
213 housing whose primary purpose is to provide dwelling
214 accommodations for low and moderate income families and persons
215 but has dwelling accommodations for others.

216 (6) "Housing Trust Fund" or "fund" means the Housing Trust Fund
217 created under section 8-336o, as amended by this act.

218 (7) "Housing Trust Fund program" or "program" means the housing
219 trust fund program developed and administered under section 8-336p,
220 as amended by this act.

221 (8) "Low and moderate income families and persons" means families
222 and persons whose income falls within the income levels set by the
223 commissioner pursuant to regulations adopted under subsection (a) of
224 section 8-336q, except that the commissioner may establish income
225 levels up to and including one hundred twenty per cent of the area
226 median income, as determined by the United States Department of
227 Housing and Urban Development.

228 (9) "Municipal developer" means a municipality acting by and
229 through its legislative body, except that in any town in which a town
230 meeting or representative town meeting is the legislative body,
231 "municipal developer" means the board of selectmen if such board is
232 authorized to act as the municipal developer by the town meeting or
233 representative town meeting.

234 (10) "Secretary" means the Secretary of the Office of Policy and
235 Management.

236 (11) "State Bond Commission" means the commission established
237 under section 3-20.

238 (12) "Treasurer" means the State Treasurer and includes each
239 successor in office or authority.

240 Sec. 7. Section 8-336o of the general statutes is repealed and the
241 following is substituted in lieu thereof (*Effective from passage*):

242 (a) There is established the "Housing Trust Fund" which shall be a
243 nonlapsing fund held by the Treasurer separate and apart from all
244 other moneys, funds and accounts. The following funds shall be
245 deposited in the fund: (1) Proceeds of bonds authorized by section 8-
246 336n; (2) all moneys received in return for financial assistance awarded
247 from the Housing Trust Fund pursuant to the Housing Trust Fund

248 program established under section 8-336p, as amended by this act;
249 [and] (3) all private contributions received pursuant to section 8-336p,
250 as amended by this act; and (4) to the extent not otherwise prohibited
251 by state or federal law, any federal housing funds or other public
252 funds received. Investment earnings credited to the assets of said fund
253 shall become part of the assets of said fund. The Treasurer shall invest
254 the moneys held by the Housing Trust Fund subject to use for financial
255 assistance under the Housing Trust Fund program.

256 (b) Any moneys held in the Housing Trust Fund may, pending the
257 use or application of the proceeds thereof for an authorized purpose,
258 be (1) invested and reinvested in such obligations, securities and
259 investments as are set forth in subsection (f) of section 3-20, in
260 participation certificates in the Short Term Investment Fund created
261 under sections 3-27a and 3-27f and in participation certificates or
262 securities of the Tax-Exempt Proceeds Fund created under section 3-
263 24a, (2) deposited or redeposited in such bank or banks at the direction
264 of the Treasurer, or (3) invested in participation units in the combined
265 investment funds, as defined in section 3-31b. Unless otherwise
266 provided pursuant to subsection (c) of this section, proceeds from
267 investments authorized by this subsection shall be credited to the
268 Housing Trust Fund.

269 (c) (1) The moneys [of] held in the Housing Trust Fund shall be used
270 to fund the Housing Trust Fund program established under section 8-
271 336p, as amended by this act, and are in addition to any other
272 resources available from state, federal or other entities that support the
273 program goals established in said section 8-336p.

274 (2) The commissioner may select a third-party contract
275 administrator to administer a revolving loan fund or to carry out some
276 of the duties of the department under the Housing Trust Fund
277 program. The third-party contract administrator shall be selected
278 through a competitive process in the case of a contract having a cost of
279 more than fifty thousand dollars and may be paid out of the moneys
280 held in the Housing Trust Fund. Such administrator may use not more

281 than fifteen per cent for administrative costs.

282 (3) Any contract with a third-party contract administrator selected
283 for the purpose of establishing or maintaining a revolving loan fund
284 shall provide that all outstanding loans are assigned to the department
285 when the third-party contract administrator is (A) no longer
286 administering the revolving loan fund; (B) in default of its obligations
287 to the department; or (C) no longer functioning as an entity.

288 Sec. 8. Subsection (d) of section 8-336p of the general statutes is
289 repealed and the following is substituted in lieu thereof (*Effective from*
290 *passage*):

291 (d) The Commissioner of Economic and Community Development
292 may, with the approval of the Secretary of the Office of Policy and
293 Management, solicit and accept contributions from private entities,
294 nonprofit and for-profit corporations, philanthropic organizations and
295 financial institutions, to support and expand the resources available
296 through the Housing Trust Fund. All such funds shall be deposited in
297 the Housing Trust Fund. Funding from any local, state or federal
298 agency may be deposited into the Housing Trust Fund, provided the
299 programmatic requirements of such agency do not conflict with the
300 purposes of the Housing Trust Fund program.

301 Sec. 9. Section 8-37yy of the general statutes is repealed and the
302 following is substituted in lieu thereof (*Effective from passage*):

303 (a) The Department of Economic and Community Development
304 shall, in consultation with the State-Assisted Housing Sustainability
305 Advisory Committee, established pursuant to section 8-37zz, as
306 amended by this act, establish and maintain the State-Assisted
307 Housing Sustainability Fund for the purpose of the preservation of
308 eligible housing. The moneys of the fund shall be available to the
309 department to provide financial assistance to the owners of eligible
310 housing for the maintenance, repair, rehabilitation, and modernization
311 of eligible housing and for other activities consistent with preservation
312 of eligible housing, including, but not limited to, (1) emergency repairs

313 to abate actual or imminent emergency conditions that would result in
314 the loss of habitable housing units, (2) major system repairs or
315 upgrades, including, but not limited to, repairs or upgrades to roofs,
316 windows, mechanical systems and security, (3) reduction of vacant
317 units, (4) remediation or abatement of hazardous materials, including
318 lead, (5) increases in development mobility and sensory impaired
319 accessibility in units, common areas and accessible routes, (6)
320 relocation costs and alternative housing for not more than sixty days,
321 necessary because of the failure of a major building system, and (7) a
322 comprehensive physical needs assessment. Financial assistance shall
323 be awarded to applicants consistent with standards and criteria
324 adopted in consultation with the [recommendations of the State-
325 Assisted Housing Sustainability Advisory Committee] select
326 committee of the General Assembly having cognizance of matters
327 relating to housing.

328 (b) In each of the fiscal years ending June 30, 2008, and June 30,
329 2009, the department may expend not more than seven hundred fifty
330 thousand dollars from the fund for reasonable administrative costs
331 related to the operation of the fund, including the expenses of the
332 State-Assisted Housing Sustainability Advisory Committee, the
333 development of analytic tools and research concerning the capital and
334 operating needs of eligible housing for the purpose of advising the
335 General Assembly on policy regarding eligible housing and the study
336 required by section 107 of public act 07-4 of the June special session.
337 Thereafter, the department shall prepare an administrative budget,
338 [which shall be effective upon the approval of said committee.]

339 (c) [(1)] The department [shall] may adopt regulations, in
340 accordance with chapter 54, to implement the provisions of this section
341 and sections 8-37xx, 8-37zz, as amended by this act, and 8-37aaa. Such
342 regulations shall establish [(A)] guidelines for grants and loans, and
343 [(B)] a process for certifying an emergency condition in not more than
344 forty-eight hours and for committing emergency funds, including costs
345 of resident relocation, if necessary, not more than five business days
346 after application by the owner of eligible housing for emergency repair

347 financial assistance. [The guidelines under subparagraph (A) of this
348 subdivision shall provide for deferred payment of principal and
349 interest upon approval of the committee.

350 (2) The department shall adopt written policies and procedures to
351 implement such provisions while in the process of adopting such
352 policies and procedures in regulation form, and the commissioner shall
353 print a notice of intention to adopt the regulations in the Connecticut
354 Law Journal not later than twenty days prior to implementing such
355 policies and procedures. The department shall submit final regulations
356 to implement said sections to the legislative regulation review
357 committee not later than October 1, 2009. Policies and procedures
358 implemented pursuant to this subdivision shall be valid until the time
359 final regulations are effective.]

360 (d) In reviewing applications and providing financial assistance
361 under this section, the department, in consultation with the [State-
362 Assisted Housing Sustainability Advisory Committee] select
363 committee of the General Assembly having cognizance of matters
364 relating to housing, shall consider the [long term] long-term viability
365 of the eligible housing and the likelihood that financial assistance will
366 assure such long term viability. As used in this section, "viability"
367 includes, but is not limited to, continuous habitability and adequate
368 operating cash flow to maintain the existing physical plant and any
369 capital improvements and to provide basic services required under the
370 lease and otherwise required by local codes and ordinances.

371 (e) On or before February 1, 2009, and annually thereafter, the
372 department [, in consultation with the State-Assisted Housing
373 Sustainability Advisory Committee,] shall submit a report on the
374 operation of the fund, for the previous calendar year, to the General
375 Assembly, in accordance with section [11-4a] 32-1m. The report shall
376 include an analysis of the distribution of funds and an evaluation of
377 the performance of said fund and may include recommendations for
378 modification to the program.

379 Sec. 10. Section 8-37zz of the general statutes is repealed and the
380 following is substituted in lieu thereof (*Effective from passage*):

381 (a) There is established a State-Assisted Housing Sustainability
382 Advisory Committee. The committee shall consist of the following
383 members:

384 (1) One appointed by the speaker of the House of Representatives,
385 who may be a member of the General Assembly;

386 (2) One appointed by the president pro tempore of the Senate, who
387 may be a member of the General Assembly;

388 (3) One appointed by the majority leader of the House of
389 Representatives, who shall represent a housing authority with one
390 hundred or more but less than two hundred fifty units of eligible
391 housing and be appointed from a list submitted by the Connecticut
392 Chapter of the National Association of Housing and Redevelopment
393 Officials;

394 (4) One appointed by the majority leader of the Senate, who shall
395 represent a housing authority with fewer than one hundred units of
396 eligible housing and be appointed from a list submitted by the
397 Connecticut Chapter of the National Association of Housing and
398 Redevelopment Officials;

399 (5) One appointed by the minority leader of the House of
400 Representatives, who shall represent a housing authority with two
401 hundred fifty or more units of eligible housing and be appointed from
402 a list submitted by the Connecticut Chapter of the National
403 Association of Housing and Redevelopment Officials;

404 (6) One appointed by the minority leader of the Senate, who shall
405 represent a housing authority with fewer than one hundred units of
406 eligible housing and be appointed from a list submitted by the
407 Connecticut Chapter of the National Association of Housing and
408 Redevelopment Officials;

409 (7) Four appointed by the Governor;

410 (8) The State Treasurer, or the Treasurer's designee; and

411 (9) The State Comptroller, or the Comptroller's designee.

412 (b) The committee shall meet at least quarterly and shall advise the
 413 Commissioner of Economic and Community Development and the
 414 Connecticut Housing Finance Authority on the administration,
 415 management, procedures and objectives of the financial assistance
 416 provided pursuant to section 8-37yy, as amended by this act,
 417 including, but not limited to, the [establishment of criteria, priorities
 418 and procedures for such financial assistance and the] adoption of
 419 regulations pursuant to section 8-37yy, as amended by this act.

420 (c) The chairperson and vice-chairperson of the committee shall be
 421 selected by the committee from among its members. The chairperson,
 422 or the vice-chairperson in the absence of the chairperson, may establish
 423 subcommittees and working groups of the members as needed and
 424 designate a chairperson of each such subcommittee.

425 (d) The initial term of the members appointed to the committee
 426 pursuant to subdivisions (1) to (7), inclusive, of subsection (a) of this
 427 section shall be staggered by lottery conducted by the committee. After
 428 the initial term, the terms of all members shall be three years. Members
 429 may be reappointed for an unlimited number of terms.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	8-114d
Sec. 2	<i>from passage</i>	8-119h
Sec. 3	<i>from passage</i>	8-119l
Sec. 4	<i>from passage</i>	8-119x
Sec. 5	<i>from passage</i>	8-410
Sec. 6	<i>from passage</i>	8-336m
Sec. 7	<i>from passage</i>	8-336o
Sec. 8	<i>from passage</i>	8-336p(d)

Sec. 9	<i>from passage</i>	8-37yy
Sec. 10	<i>from passage</i>	8-37zz

HSG *Joint Favorable Subst.-LCO*

PD *Joint Favorable*