



# Senate

General Assembly

**File No. 29**

January Session, 2011

Substitute Senate Bill No. 852

*Senate, March 7, 2011*

The Committee on Public Health reported through SEN. GERRATANA of the 6th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

## ***AN ACT CONCERNING PERMANENT SUPPORTIVE HOUSING INITIATIVES.***

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

1 Section 1. Section 17a-485c of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) The Commissioner of Mental Health and Addiction Services, in  
4 collaboration with the Commissioners of Social Services, Correction,  
5 Children and Families and Economic and Community Development,  
6 [and] the Connecticut Housing Finance Authority [,] and the Court  
7 Support Services Division of the Judicial Branch, shall establish [a  
8 Supportive Housing Initiative] permanent supportive housing  
9 initiatives to provide additional units of affordable housing and  
10 support services to eligible persons. [The Supportive Housing  
11 Initiative shall be implemented in two phases with the first phase to be  
12 known as the Supportive Housing Pilots Initiative and the second  
13 phase to be known as the Next Steps Initiative.] Individuals and  
14 families with special needs and individuals and families at risk for

15 homelessness shall be eligible for such permanent supportive housing  
16 initiatives.

17 [(b) The Supportive Housing Pilots Initiative shall provide up to six  
18 hundred fifty additional units of affordable housing and support  
19 services to eligible households, as defined in section 17a-484a, and to  
20 persons with serious mental health needs who are community-  
21 supervised offenders supervised by the executive or judicial branch.  
22 Such housing shall be permanent supportive housing or transitional  
23 living programs, and the permanent supportive housing may include  
24 both individuals and families with special needs and individuals and  
25 families without such needs.]

26 [(c)] (b) [The Next Steps Initiative shall provide up to one thousand  
27 additional units of affordable housing and support services]  
28 Permanent supportive housing initiatives and support services shall be  
29 provided to: (1) Eligible households, as defined in section 17a-484a; (2)  
30 families who are eligible under the [state plan for the federal]  
31 temporary assistance for needy families program; (3) adults who are  
32 eighteen to twenty-three years of age, inclusive, and who are homeless,  
33 or at risk for becoming homeless because they are transitioning from  
34 foster care or other residential programs; and (4) persons with serious  
35 mental health needs who are community-supervised offenders  
36 supervised by the executive or judicial branch. [Such housing shall be  
37 permanent supportive housing and may include both individuals and  
38 families with special needs and individuals and families without such  
39 needs.]

40 [(d)] (c) The Connecticut Housing Finance Authority shall issue one  
41 or more requests for proposals by persons or entities interested in  
42 participating in such [initiative with priority given] permanent  
43 supportive housing initiatives to applicants that include organizations  
44 deemed qualified to provide services by the Departments of Mental  
45 Health and Addiction Services, Social Services and Children and  
46 Families. The Connecticut Housing Finance Authority shall review and  
47 underwrite development projects [developed under the Supportive

48 Housing Initiative. For purposes of this subsection, "state assistance"  
49 means a payment by the state of actual debt service, comprised of  
50 principal, interest, interest rate swap payments, liquidity fees, letter of  
51 credit fees, trustee fees, and other similar bond-related expenses]  
52 undertaken pursuant to such permanent supportive housing  
53 initiatives.

54 (d) The Departments of Mental Health and Addiction Services and  
55 Social Services shall issue, within available appropriations, one or  
56 more requests for proposals in a scattered site model for homeless  
57 individuals with psychiatric disabilities and substance use disorders.

58 Sec. 2. Subsection (h) of section 8-395 of the general statutes is  
59 repealed and the following is substituted in lieu thereof (*Effective from*  
60 *passage*):

61 (h) In no event shall the total amount of all tax credits allowed to all  
62 business firms pursuant to the provisions of this section exceed ten  
63 million dollars in any one fiscal year, provided, each year until the date  
64 sixty days after the date the Connecticut Housing Finance Authority  
65 publishes the list of housing programs that will receive tax credit  
66 reservations, two million dollars of the total amount of all tax credits  
67 under this section shall be set aside for [the Supportive Housing Pilots  
68 Initiative, the Next Steps Initiative established pursuant to section 17a-  
69 485c or any other supportive housing initiative] permanent supportive  
70 housing initiatives established pursuant to section 17a-485c, as  
71 amended by this act, and one million dollars of the total amount of all  
72 tax credits under this section shall be set aside for workforce housing,  
73 as defined by the Connecticut Housing Finance Authority through  
74 written procedures adopted pursuant to subsection (k) of this section.  
75 Each year, on or after the date sixty days after the date the Connecticut  
76 Housing Finance Authority publishes the list of housing programs that  
77 will receive tax credit reservations, any unused portion of such tax  
78 credits shall become available for any housing program eligible for tax  
79 credits pursuant to this section.

80 Sec. 3. Subsection (b) of section 17a-485e of the general statutes is

81 repealed and the following is substituted in lieu thereof (*Effective from*  
82 *passage*):

83 (b) The State Bond Commission may authorize the State Treasurer  
84 and the Secretary of the Office of Policy and Management to enter into  
85 a contract or contracts to provide state assistance on bonds issued by  
86 the Connecticut Housing Finance Authority as provided in this  
87 section. If so authorized by the State Bond Commission, the state,  
88 acting by and through the Secretary of the Office of Policy and  
89 Management and the State Treasurer, shall enter into a contract or  
90 contracts with the Connecticut Housing Finance Authority that  
91 provide the state shall pay to said authority state assistance on bonds  
92 issued by said authority for purposes of providing funds for mortgage  
93 loans made by said authority pursuant to the provisions of section 17a-  
94 485c, as amended by this act, funds for reasonable repair and  
95 replacement reserves and costs of issuance in an aggregate principal  
96 amount not to exceed one hundred five million dollars. Any provision  
97 of such a contract entered into providing for payments equal to annual  
98 debt service shall constitute a full faith and credit obligation of the  
99 state and as part of the contract of the state with the holders of any  
100 bonds or refunding bonds, as applicable, appropriation of all amounts  
101 necessary to meet punctually the terms of such contract is hereby made  
102 and the State Treasurer shall pay such amounts as the same become  
103 due. The Connecticut Housing Finance Authority may pledge such  
104 state assistance as security for the payment of such bonds or refunding  
105 bonds issued by said authority. Any bonds so issued for [the  
106 Supportive Housing Initiative] permanent supportive housing  
107 initiatives by the Connecticut Housing Finance Authority and at any  
108 time outstanding may, at any time or from time to time, be refunded,  
109 in whole or in part, by the Connecticut Housing Finance Authority by  
110 the issuance of its refunding bonds in such amounts as the authority  
111 may deem necessary or appropriate, but not exceeding an amount  
112 sufficient to refund the principal amount of the bonds to be so  
113 refunded, any unpaid interest thereon, and any premiums,  
114 commissions and costs of issuance necessary to be paid in connection  
115 therewith. The state, acting by and through the Office of Policy and

116 Management and the State Treasurer and without further  
117 authorization, may execute an amendment to any contract providing  
118 state assistance as required in connection with such refunding bonds.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	17a-485c
Sec. 2	<i>from passage</i>	8-395(h)
Sec. 3	<i>from passage</i>	17a-485e(b)

**PH**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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***OFA Fiscal Note******State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill makes changes regarding permanent supportive housing initiatives, which reflect current practice and have no fiscal impact.

***The Out Years******State Impact:*** None***Municipal Impact:*** None

**OLR Bill Analysis****sSB 852*****AN ACT CONCERNING PERMANENT SUPPORTIVE HOUSING INITIATIVES.*****SUMMARY:**

This bill amends the Department of Mental Health and Addiction Services (DMHAS) supportive housing initiative by eliminating references to its “Pilot” and “Next Steps” phases, and instead uses the term “permanent” to reflect the program’s ongoing status. It also (1) adds two state entities to those already collaborating with DMHAS on the supportive housing initiative and (2) establishes a process for development of scattered site housing. Finally, the bill makes technical and conforming changes.

EFFECTIVE DATE: Upon passage

**SUPPORTIVE HOUSING INITIATIVE*****Designation as “Permanent”***

By law, DMHAS is responsible for a supportive housing initiative that provides housing units mainly to individuals with mental illness. To date, the initiative has operated under two phases—a “Pilot” phase and the “Next Steps” phase. Under the pilot, DMHAS was required to provide up to 650 housing units and support services to eligible persons. Subsequently, the law was amended to authorize an additional 1,000 units under the Next Steps initiative. The bill eliminates references to the Pilot and Next Step initiatives and instead refers to the initiative as “permanent supportive housing.”

By law, those eligible for the initiative are:

1. people or families affected by psychiatric disabilities, chemical dependencies, or both and who are homeless or at risk of

becoming homeless;

2. families who qualify for the temporary assistance for needy families program;
3. 18- to 23-year olds who are homeless or at risk for becoming homeless because they are transitioning out of foster care or other residential programs; and
4. community-supervised offenders with serious mental health needs who are under Judicial Branch or Correction Department jurisdiction.

The bill clarifies that individuals and families with special needs and those at risk for homelessness are eligible for supportive housing.

#### ***Agency Collaboration***

Currently, DMHAS establishes and operates the supportive housing initiative in collaboration with the departments of Social Services (DSS), Children and Families (DCF), and Economic and Community Development; and the Connecticut Housing Finance Authority (CHFA). The bill adds the Department of Correction and the Court Support Services Division of the Judicial Branch to this collaboration.

#### ***Development and Scattered Site-Model***

Under existing law, CHFA must issue requests for proposals (RFPs) for those interested in participating in the supportive housing initiative to applicants including organizations deemed by DMHAS, DSS, and DCF as qualified to provide services. CHFA must then review and underwrite projects developed under the supportive housing initiative.

The bill limits CHFA's review and underwriting to "development projects" and creates a new RFP process for scattered-site models of supportive housing.

The bill requires DMHAS and DSS to issue, within available appropriations, RFPs in a scattered-site model for homeless

individuals with psychiatric disabilities and substance abuse disorders.

**COMMITTEE ACTION**

Public Health Committee

Joint Favorable Substitute

Yea 25 Nay 0 (02/16/2011)