



General Assembly

Substitute Bill No. 6462

January Session, 2011

* _____HB06462HSG___031011_____*

AN ACT ESTABLISHING A PRIORITY CATEGORY FOR THE RENTAL HOUSING REVOLVING LOAN FUND.

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

1 Section 1. Section 8-37vv of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2011*):

3 (a) As used in this section, (1) "eligible building" means a structure
4 located in a distressed municipality, as defined in section 32-9p, that
5 contains not more than twenty residential units, and may contain an
6 owner-occupied unit, and (2) "eligible costs" means costs incurred to
7 make renovations and repairs to bring an eligible building into
8 compliance with the State Building Code or state or municipal health
9 or safety codes, or otherwise to make an eligible building suitable for
10 rental to tenants.

11 (b) There is established a revolving loan fund to be known as the
12 "Rental Housing Revolving Loan Fund". The fund may be funded from
13 moneys allocated to the program established by section 8-37pp or from
14 any moneys available to the Commissioner of Economic and
15 Community Development or the fund from other sources. Investment
16 earnings credited to the fund shall become part of the assets of the
17 fund. Any balance remaining in the fund at the end of any fiscal year
18 shall be carried forward in the fund for the next fiscal year. Payments

19 of principal or interest on a low interest loan made pursuant to this
20 section shall be paid to the State Treasurer for deposit in the Rental
21 Housing Revolving Loan Fund. The fund shall be used to make low
22 interest loans pursuant to subsection (c) of this section and to pay
23 reasonable and necessary expenses incurred in administering loans
24 under this section. The Commissioner of Economic and Community
25 Development may enter into contracts with nonprofit corporations to
26 provide for the administration of the Rental Housing Revolving Loan
27 Fund by such nonprofit corporations, provided no low interest loan
28 shall be made from the fund without the authorization of the
29 commissioner as provided in subsection (c) of this section.

30 (c) (1) The state, acting by and in the discretion of the Commissioner
31 of Economic and Community Development, may enter into contracts
32 to provide financial assistance in the form of low interest loans to
33 owners of eligible buildings for eligible costs. The commissioner may
34 require owners of eligible buildings who apply for a low interest loan
35 pursuant to this section to submit a copy of the report filed by the
36 building inspector listing code violations, and an estimate of the cost of
37 repairs to correct such violations. The commissioner may establish
38 priorities for the low cost loans provided pursuant to this program,
39 including, but not limited to, types of repairs financed, the location of
40 the eligible building, ability of owners to repay such loans, and the
41 extent to which any repairs will extend the useful life of the eligible
42 building.

43 (2) The commissioner shall establish a priority for low interest loans
44 pursuant to this section for owner-occupants of buildings containing at
45 least two but not more than four residential units, including the unit
46 occupied by the owner. Low interest loans made within such priority
47 category may, at the discretion of such commissioner, include interest-
48 free loans, deferred payment loans payable at the time that the
49 building is sold or otherwise transferred, and forgivable loans for
50 which the principal balance is reduced based upon the length of time
51 that the owner continues to occupy the building.

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

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>October 1, 2011</i>	8-37vv
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HSG *Joint Favorable Subst.*