



General Assembly

January Session, 2011

Raised Bill No. 1047

LCO No. 3684

* SB01047CE 041311 *

Referred to Committee on Planning and Development

Introduced by:
(PD)

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 Section 8-37yy of the general statutes is repealed and the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

3 (a) The Department of Economic and Community Development
4 shall, in consultation with the State-Assisted Housing Sustainability
5 Advisory Committee, established pursuant to section 8-37zz, as
6 amended by this act, establish and maintain the State-Assisted
7 Housing Sustainability Fund for the purpose of the preservation of
8 eligible housing. The moneys of the fund shall be available to the
9 department to provide financial assistance to the owners of eligible
10 housing for the maintenance, repair, rehabilitation, and modernization
11 of eligible housing and for other activities consistent with preservation
12 of eligible housing, including, but not limited to, (1) emergency repairs
13 to abate actual or imminent emergency conditions that would result in
14 the loss of habitable housing units, (2) major system repairs or
15 upgrades, including, but not limited to, repairs or upgrades to roofs,
16 windows, mechanical systems and security, (3) reduction of vacant
17 units, (4) remediation or abatement of hazardous materials, including

18 lead, (5) increases in development mobility and sensory impaired
19 accessibility in units, common areas and accessible routes, (6)
20 relocation costs and alternative housing for not more than sixty days,
21 necessary because of the failure of a major building system, and (7) a
22 comprehensive physical needs assessment. Financial assistance shall
23 be awarded to applicants consistent with standards and criteria
24 adopted in consultation with the [recommendations of the State-
25 Assisted Housing Sustainability Advisory Committee] joint standing
26 committee of the General Assembly having cognizance of matters
27 relating to housing.

28 (b) In each of the fiscal years ending June 30, 2008, and June 30,
29 2009, the department may expend not more than seven hundred fifty
30 thousand dollars from the fund for reasonable administrative costs
31 related to the operation of the fund, including the expenses of the
32 State-Assisted Housing Sustainability Advisory Committee, the
33 development of analytic tools and research concerning the capital and
34 operating needs of eligible housing for the purpose of advising the
35 General Assembly on policy regarding eligible housing and the study
36 required by section 107 of public act 07-4 of the June special session.
37 Thereafter, the department shall prepare an administrative budget,
38 [which shall be effective upon the approval of said committee.]

39 (c) [(1)] The department [shall] may adopt regulations, in
40 accordance with chapter 54, to implement the provisions of this section
41 and sections 8-37xx, 8-37zz, as amended by this act, and 8-37aaa. Such
42 regulations shall establish [(A)] guidelines for grants and loans, and
43 [(B)] a process for certifying an emergency condition in not more than
44 forty-eight hours and for committing emergency funds, including costs
45 of resident relocation, if necessary, not more than five business days
46 after application by the owner of eligible housing for emergency repair
47 financial assistance. [The guidelines under subparagraph (A) of this
48 subdivision shall provide for deferred payment of principal and
49 interest upon approval of the committee.

50 (2) The department shall adopt written policies and procedures to
51 implement such provisions while in the process of adopting such
52 policies and procedures in regulation form, and the commissioner shall
53 print a notice of intention to adopt the regulations in the Connecticut
54 Law Journal not later than twenty days prior to implementing such
55 policies and procedures. The department shall submit final regulations
56 to implement said sections to the legislative regulation review
57 committee not later than October 1, 2009. Policies and procedures
58 implemented pursuant to this subdivision shall be valid until the time
59 final regulations are effective.]

60 (d) In reviewing applications and providing financial assistance
61 under this section, the department, in consultation with the [State-
62 Assisted Housing Sustainability Advisory Committee] joint standing
63 committee of the General Assembly having cognizance of matters
64 relating to housing, shall consider the [long term] long-term viability
65 of the eligible housing and the likelihood that financial assistance will
66 assure such long term viability. As used in this section, "viability"
67 includes, but is not limited to, continuous habitability and adequate
68 operating cash flow to maintain the existing physical plant and any
69 capital improvements and to provide basic services required under the
70 lease and otherwise required by local codes and ordinances.

71 (e) On or before February 1, 2009, and annually thereafter, the
72 department [, in consultation with the State-Assisted Housing
73 Sustainability Advisory Committee,] shall submit a report on the
74 operation of the fund, for the previous calendar year, to the General
75 Assembly, in accordance with section [11-4a] 32-1m. The report shall
76 include an analysis of the distribution of funds and an evaluation of
77 the performance of said fund and may include recommendations for
78 modification to the program.

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

81 (a) There is established a State-Assisted Housing Sustainability

82 Advisory Committee. The committee shall consist of the following
83 members:

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

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

88 (3) One appointed by the majority leader of the House of
89 Representatives, who shall represent a housing authority with one
90 hundred or more but less than two hundred fifty units of eligible
91 housing and be appointed from a list submitted by the Connecticut
92 Chapter of the National Association of Housing and Redevelopment
93 Officials;

94 (4) One appointed by the majority leader of the Senate, who shall
95 represent a housing authority with fewer than one hundred units of
96 eligible housing and be appointed from a list submitted by the
97 Connecticut Chapter of the National Association of Housing and
98 Redevelopment Officials;

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

104 (6) One appointed by the minority leader of the Senate, who shall
105 represent a housing authority with fewer than one hundred units of
106 eligible housing and be appointed from a list submitted by the
107 Connecticut Chapter of the National Association of Housing and
108 Redevelopment Officials;

109 (7) Four appointed by the Governor;

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

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

112 (b) The committee shall meet at least quarterly and shall advise the
113 Commissioner of Economic and Community Development and the
114 Connecticut Housing Finance Authority on the administration,
115 management, procedures and objectives of the financial assistance
116 provided pursuant to section 8-37yy, as amended by this act,
117 including, but not limited to, the [establishment of criteria, priorities
118 and procedures for such financial assistance and the] adoption of
119 regulations pursuant to section 8-37yy, as amended by this act.

120 (c) The chairperson and vice-chairperson of the committee shall be
121 selected by the committee from among its members. The chairperson,
122 or the vice-chairperson in the absence of the chairperson, may establish
123 subcommittees and working groups of the members as needed and
124 designate a chairperson of each such subcommittee.

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

130 Sec. 3. Section 8-114d of the general statutes is repealed and the
131 following is substituted in lieu thereof (*Effective from passage*):

132 (a) The Commissioner of Economic and Community Development
133 shall award grants-in-aid to housing authorities, municipal developers,
134 [and] nonprofit corporations and housing partnerships operating
135 elderly housing projects pursuant to this part to hire resident services
136 coordinators to (1) facilitate conflict resolution between residents,
137 including between seniors and younger residents, (2) establish and
138 maintain relationships with community service providers and link
139 residents to appropriate community services, (3) act as a liaison to
140 assist in problem solving, (4) assist residents of such housing to
141 maintain an independent living status, (5) assess the individual needs

142 of residents of such housing for the purpose of establishing and
 143 maintaining support services, (6) provide orientation services to new
 144 residents and maintain regular contact with residents of such housing,
 145 (7) monitor the delivery of support services to residents of such
 146 housing, (8) organize resident activities and meetings that promote
 147 socialization among all residents, and (9) advocate changes in services
 148 sought or required by residents of such housing. The commissioner
 149 shall award grants-in-aid based on demonstration of need and
 150 availability of matching funds. A joint application made by more than
 151 one housing authority, municipal developer, [or] nonprofit corporation
 152 or housing partnership shall have the same preference as an
 153 application made by one housing authority, municipal developer, [or]
 154 nonprofit corporation or housing partnership.

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

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

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

167 Upon preliminary approval by the State Bond Commission
 168 pursuant to the provisions of section 3-20, the state, acting by and
 169 through the Commissioner of Economic and Community
 170 Development, may enter into a contract or contracts with an authority,
 171 a municipal developer, [or] a nonprofit corporation or a housing
 172 partnership for state financial assistance for a congregate housing
 173 project, in the form of capital grants, interim loans, permanent loans,

174 deferred loans or any combination thereof for application to the
175 development cost of such project or projects. A contract with an
176 authority, a municipal developer, a nonprofit corporation or a housing
177 partnership may provide that in the case of any loan made in
178 conjunction with any housing assistance funds provided by an agency
179 of the United States government, if such housing assistance funds
180 terminate prior to complete repayment of a loan made pursuant to this
181 section, the remaining balance of such loan may be converted to a
182 capital grant or decreased loan. Any such state assistance contract with
183 an authority, a municipal developer, a nonprofit corporation or a
184 housing partnership for a capital grant or loan entered into prior to the
185 time housing assistance funds became available from an agency of the
186 United States government, may, upon the mutual consent of the
187 commissioner and the authority, municipal developer, nonprofit
188 corporation or housing partnership, be renegotiated to provide for a
189 loan or increased loan in the place of a capital grant or loan or a part
190 thereof, consistent with the above conditions. Such capital grants or
191 loans shall be in an amount not in excess of the development cost of
192 the project or projects, including, in the case of grants or loans financed
193 from the proceeds of the state's general obligation bonds issued
194 pursuant to any authorization, allocation or approval of the State Bond
195 Commission made prior to July 1, 1990, administrative or other cost or
196 expense to be incurred by the state in connection therewith, as
197 approved by said commissioner. In anticipation of final payment of
198 such capital grants or loans, the state, acting by and through said
199 commissioner and in accordance with such contract, may make
200 temporary advances to the authority, municipal developer, [or]
201 nonprofit corporation or housing partnership for preliminary planning
202 expense or other development cost of such project or projects. Any
203 loan provided pursuant to this section shall bear interest at a rate to be
204 determined in accordance with subsection (t) of section 3-20. Any such
205 authority, municipal developer, [or] nonprofit corporation or housing
206 partnership may, subject to the approval of the Commissioner of
207 Economic and Community Development, contract with any other
208 person approved by the Commissioner of Economic and Community

209 Development for the operation of a project undertaken pursuant to this
210 part. As used in this section, "housing partnership" has the same
211 meaning as provided in subsection (n) of section 8-113a.

212 Sec. 5. Section 8-119l of the general statutes is repealed and the
213 following is substituted in lieu thereof (*Effective from passage*):

214 The state, acting by and through the Commissioner of Economic
215 and Community Development, may enter into a contract or contracts
216 with an authority, a municipal developer, [or] a nonprofit corporation
217 or a housing partnership for state financial assistance in the form of a
218 grant-in-aid for an operating cost subsidy for state-financed congregate
219 housing projects developed pursuant to this part. In calculating the
220 amount of the grant-in-aid, the commissioner shall use adjusted gross
221 income of tenants. As used in this section, "adjusted gross income"
222 means annual aggregate income from all sources minus fifty per cent
223 of all unreimbursable medical expenses. As used in this section,
224 "housing partnership" has the same meaning as provided in subsection
225 (n) of section 8-113a.

226 Sec. 6. Section 8-119x of the general statutes is repealed and the
227 following is substituted in lieu thereof (*Effective from passage*):

228 The Commissioner of Economic and Community Development
229 shall, in consultation with the Department of Social Services, the State
230 Building Inspector, the Office of Protection and Advocacy for Persons
231 with Disabilities, the Department of Information and Technology and
232 the Office of Policy and Management, establish a state-wide electronic
233 database of information on the availability of dwelling units in the
234 state which are accessible to or adaptable for persons with disabilities.
235 [Such] To the extent practicable, such database shall include such
236 information as: (1) The location of, the monthly rent for and the
237 number of bedrooms in each such dwelling unit, (2) the type of
238 housing and neighborhood in which each such dwelling unit is
239 located, (3) the vacancy status of each such dwelling unit, (4) if a unit is
240 unavailable, the date such unit is expected to become available or the

241 date when a waiting list is expected to open, and (5) any feature of
242 each such unit that makes it accessible to or adaptable for persons with
243 disabilities. [To the extent feasible, the Commissioner of Economic and
244 Community Development shall use information from the computer-
245 assisted mass appraisal systems.]

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

248 As used in this [section] chapter the following terms shall have the
249 following meanings, unless the context clearly indicates a different
250 meaning or intent:

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

252 (2) "Commissioner" means the Commissioner of Economic and
253 Community Development.

254 (3) "Department" means the Department of Economic and
255 Community Development.

256 (4) "Eligible applicant" means: (A) A nonprofit entity; (B) a
257 municipality; (C) a housing authority; (D) a business corporation
258 incorporated pursuant to chapter 601 or any predecessor statutes
259 thereto or authorized to do business pursuant to said chapter 601
260 having as one of its purposes the construction, financing, acquisition,
261 rehabilitation or operation of affordable housing, and having a
262 certificate or articles of incorporation approved by the commissioner;
263 (E) any partnership, limited partnership, limited liability company,
264 joint venture, sole proprietorship, trust or association having as one of
265 its purposes the construction, financing, acquisition, rehabilitation or
266 operation of affordable housing; (F) the Connecticut Housing Finance
267 Authority; (G) a municipal developer; (H) any community
268 development financial institution; or (I) any combination thereof.

269 (5) "Housing", "housing development" or "development" means a
270 work or undertaking having as its primary purpose the provision of

271 safe, well-designed and adequate housing and related facilities for low
272 and moderate income families and persons and includes existing
273 housing for low and moderate income families and persons and
274 housing whose primary purpose is to provide dwelling
275 accommodations for low and moderate income families and persons
276 but has dwelling accommodations for others.

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

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

282 (8) "Low and moderate income families and persons" means families
283 and persons whose income falls within the income levels set by the
284 commissioner pursuant to regulations adopted under subsection (a) of
285 section 8-336q, except that the commissioner may establish income
286 levels up to and including one hundred twenty per cent of the area
287 median income, as determined by the United States Department of
288 Housing and Urban Development.

289 (9) "Municipal developer" means a municipality acting by and
290 through its legislative body, except that in any town in which a town
291 meeting or representative town meeting is the legislative body,
292 "municipal developer" means the board of selectmen if such board is
293 authorized to act as the municipal developer by the town meeting or
294 representative town meeting.

295 (10) "Secretary" means the Secretary of the Office of Policy and
296 Management.

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

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

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

303 (a) There is established the "Housing Trust Fund" which shall be a
304 nonlapsing fund held by the Treasurer separate and apart from all
305 other moneys, funds and accounts. The following funds shall be
306 deposited in the fund: (1) Proceeds of bonds authorized by section 8-
307 336n; (2) all moneys received in return for financial assistance awarded
308 from the Housing Trust Fund pursuant to the Housing Trust Fund
309 program established under section 8-336p, as amended by this act;
310 [and] (3) all private contributions received pursuant to section 8-336p,
311 as amended by this act; and (4) to the extent not otherwise prohibited
312 by state or federal law, any local, state or federal funds received
313 pursuant to section 8-336p, as amended by this act. Investment
314 earnings credited to the assets of said fund shall become part of the
315 assets of said fund. The Treasurer shall invest the moneys held by the
316 Housing Trust Fund subject to use for financial assistance under the
317 Housing Trust Fund program.

318 (b) Any moneys held in the Housing Trust Fund may, pending the
319 use or application of the proceeds thereof for an authorized purpose,
320 be (1) invested and reinvested in such obligations, securities and
321 investments as are set forth in subsection (f) of section 3-20, in
322 participation certificates in the Short Term Investment Fund created
323 under sections 3-27a and 3-27f and in participation certificates or
324 securities of the Tax-Exempt Proceeds Fund created under section 3-
325 24a, (2) deposited or redeposited in such bank or banks at the direction
326 of the Treasurer, or (3) invested in participation units in the combined
327 investment funds, as defined in section 3-31b. Unless otherwise
328 provided pursuant to subsection (c) of this section, proceeds from
329 investments authorized by this subsection shall be credited to the
330 Housing Trust Fund.

331 (c) The moneys of the Housing Trust Fund shall be used to fund the
332 Housing Trust Fund program established under section 8-336p and are
333 in addition to any other resources available from state, federal or other

334 entities that support the program goals established in said section 8-
335 336p.

336 Sec. 9. Section 8-336p of the general statutes is repealed and the
337 following is substituted in lieu thereof (*Effective from passage*):

338 (a) There is established the Housing Trust Fund program which
339 shall be developed and administered by the Department of Economic
340 and Community Development. The purpose of the program is to: (1)
341 Encourage the creation of housing for homeownership at a cost that
342 will enable low and moderate income families to afford quality
343 housing while paying no more than thirty per cent of gross household
344 income on housing, (2) promote the rehabilitation, preservation and
345 production of quality, well-designed rental and homeownership
346 housing affordable to low and moderate income families or persons,
347 (3) maximize the leveraging of state and federal funds by encouraging
348 private sector investment in housing developments receiving
349 assistance, (4) encourage housing that maximizes housing choices of
350 residents, (5) enhance economic opportunity for low and moderate
351 income individuals and their families, (6) promote the application of
352 efficient land use that utilizes existing infrastructure and the
353 conservation of open spaces, and (7) encourage the development of
354 housing which aids the revitalization of communities.

355 (b) Financial assistance shall be provided under subsection (a) of
356 this section to eligible applicants, as defined in section 8-336m, for
357 development of quality rental housing and homeownership for low
358 and moderate income families or persons. The financial assistance
359 made under the Housing Trust Fund program shall be paid from the
360 Housing Trust Fund established under section 8-336o, and may be in
361 the form of no interest and low interest loans, loan guarantees,
362 revolving loans, grants and appraisal gap financings and other similar
363 financings necessary to make rents or home prices affordable.
364 Financial assistance provided under this section shall supplement (1)
365 existing loan and tax credits programs available under state and
366 federal law, and (2) grants, loans or financial assistance from any

367 nonprofit or for-profit entity.

368 (c) The resources of the program shall be made available, at least
369 semiannually, on a competitive basis in accordance with the written
370 program guidelines and criteria adopted pursuant to subsection (a) of
371 section 8-336q.

372 (d) (1) The Commissioner of Economic and Community
373 Development may, with the approval of the Secretary of the Office of
374 Policy and Management, solicit and accept contributions from private
375 entities, nonprofit and for-profit corporations, philanthropic
376 organizations and financial institutions, to support and expand the
377 resources available through the Housing Trust Fund. All such funds
378 shall be deposited in the Housing Trust Fund.

379 (2) The Commissioner of Economic and Community Development
380 may deposit any local, state or federal funds received by said
381 commissioner into the Housing Trust Fund, provided such funds are
382 received for purposes that do not conflict with the purposes of the
383 Housing Trust Fund program.

384 (e) (1) Any contribution to the Housing Trust Fund made pursuant
385 to subsection (d) of this section shall be distributed as designated by its
386 contributor, except that not more than fifty per cent of the contribution
387 may be designated. If no designation is specified, such funds shall be
388 used by the commissioner to further the purposes of sections 8-336m to
389 8-336q, inclusive.

390 (2) In each fiscal year that the Housing Trust Fund has funds
391 available for distribution, the commissioner shall allocate from said
392 fund three hundred thousand dollars for funding matching grants to
393 be dedicated to funding purchases of primary residences pursuant to
394 the provisions of sections 31-51ww to 31-51eee, inclusive.

395 (3) Any unexpended or unallocated amounts in the Housing Trust
396 Fund for any fiscal year may be carried over to the succeeding fiscal
397 year and adjustments may be made for short fiscal periods.

398 (f) (1) The commissioner may select a third-party contract
 399 administrator to establish or maintain a revolving loan fund or to carry
 400 out some of the duties of the department under the Housing Trust
 401 Fund program. For any contract having a cost of more than fifty
 402 thousand dollars, the third-party administrator shall be selected
 403 through a competitive process and may be paid from the moneys in
 404 the Housing Trust Fund. Such administrator may not spend more than
 405 fifteen per cent of the contract cost on administrative expenses.

406 (2) Any contract with a third-party contract administrator selected
 407 for the purpose of establishing or maintaining a revolving loan fund
 408 shall provide that all outstanding loans are assigned to the department
 409 when the third-party administrator is (A) no longer establishing or
 410 maintaining the revolving loan fund; (B) in default of its obligations to
 411 the department; or (C) no longer functioning as an entity.

412 ~~[(f)]~~ (g) The commissioner shall include in the report required
 413 pursuant to section 32-1m, an annual report concerning the activities
 414 for the prior fiscal year of the Housing Trust Fund and the Housing
 415 Trust Fund program and the efforts of the department to obtain
 416 private support for the Housing Trust Fund and the Housing Trust
 417 Fund program.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	8-37yy
Sec. 2	<i>from passage</i>	8-37zz
Sec. 3	<i>from passage</i>	8-114d
Sec. 4	<i>from passage</i>	8-119h
Sec. 5	<i>from passage</i>	8-119l
Sec. 6	<i>from passage</i>	8-119x
Sec. 7	<i>from passage</i>	8-336m
Sec. 8	<i>from passage</i>	8-336o
Sec. 9	<i>from passage</i>	8-336p

PD Joint Favorable

CE *Joint Favorable*