



Senate Bill No. 1047

Public Act No. 11-168

AN ACT CONCERNING CHANGES TO CERTAIN HOUSING STATUTES.

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

Section 1. Section 8-37yy of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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(7) Four appointed by the Governor;

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

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

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

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

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

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

(a) The Commissioner of Economic and Community Development shall award grants-in-aid to housing authorities, municipal developers, [and] nonprofit corporations and housing partnerships operating elderly housing projects pursuant to this part to hire resident services coordinators to (1) facilitate conflict resolution between residents,

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including between seniors and younger residents, (2) establish and maintain relationships with community service providers and link residents to appropriate community services, (3) act as a liaison to assist in problem solving, (4) assist residents of such housing to maintain an independent living status, (5) assess the individual needs of residents of such housing for the purpose of establishing and maintaining support services, (6) provide orientation services to new residents and maintain regular contact with residents of such housing, (7) monitor the delivery of support services to residents of such housing, (8) organize resident activities and meetings that promote socialization among all residents, and (9) advocate changes in services sought or required by residents of such housing. The commissioner shall award grants-in-aid based on demonstration of need and availability of matching funds. A joint application made by more than one housing authority, municipal developer, [or] nonprofit corporation or housing partnership shall have the same preference as an application made by one housing authority, municipal developer, [or] nonprofit corporation or housing partnership.

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

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

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

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Upon preliminary approval by the State Bond Commission pursuant to the provisions of section 3-20, the state, acting by and through the Commissioner of Economic and Community Development, may enter into a contract or contracts with an authority, a municipal developer, [or] a nonprofit corporation or a housing partnership for state financial assistance for a congregate housing project, in the form of capital grants, interim loans, permanent loans, deferred loans or any combination thereof for application to the development cost of such project or projects. A contract with an authority, a municipal developer, a nonprofit corporation or a housing partnership may provide that in the case of any loan made in conjunction with any housing assistance funds provided by an agency of the United States government, if such housing assistance funds terminate prior to complete repayment of a loan made pursuant to this section, the remaining balance of such loan may be converted to a capital grant or decreased loan. Any such state assistance contract with an authority, a municipal developer, a nonprofit corporation or a housing partnership for a capital grant or loan entered into prior to the time housing assistance funds became available from an agency of the United States government, may, upon the mutual consent of the commissioner and the authority, municipal developer, nonprofit corporation or housing partnership, be renegotiated to provide for a loan or increased loan in the place of a capital grant or loan or a part thereof, consistent with the above conditions. Such capital grants or loans shall be in an amount not in excess of the development cost of the project or projects, including, in the case of grants or loans financed from the proceeds of the state's general obligation bonds issued pursuant to any authorization, allocation or approval of the State Bond Commission made prior to July 1, 1990, administrative or other cost or expense to be incurred by the state in connection therewith, as approved by said commissioner. In anticipation of final payment of such capital grants or loans, the state, acting by and through said commissioner and in accordance with such contract, may make

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temporary advances to the authority, municipal developer, [or] nonprofit corporation or housing partnership for preliminary planning expense or other development cost of such project or projects. Any loan provided pursuant to this section shall bear interest at a rate to be determined in accordance with subsection (t) of section 3-20. Any such authority, municipal developer, [or] nonprofit corporation or housing partnership may, subject to the approval of the Commissioner of Economic and Community Development, contract with any other person approved by the Commissioner of Economic and Community Development for the operation of a project undertaken pursuant to this part. As used in this section, "housing partnership" has the same meaning as provided in subsection (n) of section 8-113a.

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

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

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

The Commissioner of Economic and Community Development shall, in consultation with the Department of Social Services, the State

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

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

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

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

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

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

(4) "Eligible applicant" means: (A) A nonprofit entity; (B) a municipality; (C) a housing authority; (D) a business corporation incorporated pursuant to chapter 601 or any predecessor statutes

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thereto or authorized to do business pursuant to said chapter 601 having as one of its purposes the construction, financing, acquisition, rehabilitation or operation of affordable housing, and having a certificate or articles of incorporation approved by the commissioner; (E) any partnership, limited partnership, limited liability company, joint venture, sole proprietorship, trust or association having as one of its purposes the construction, financing, acquisition, rehabilitation or operation of affordable housing; (F) the Connecticut Housing Finance Authority; (G) a municipal developer; (H) any community development financial institution; or (I) any combination thereof.

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) There is established the Housing Trust Fund program which shall be developed and administered by the Department of Economic and Community Development. The purpose of the program is to: (1) Encourage the creation of housing for homeownership at a cost that will enable low and moderate income families to afford quality housing while paying no more than thirty per cent of gross household income on housing, (2) promote the rehabilitation, preservation and production of quality, well-designed rental and homeownership housing affordable to low and moderate income families or persons, (3) maximize the leveraging of state and federal funds by encouraging private sector investment in housing developments receiving

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assistance, (4) encourage housing that maximizes housing choices of residents, (5) enhance economic opportunity for low and moderate income individuals and their families, (6) promote the application of efficient land use that utilizes existing infrastructure and the conservation of open spaces, and (7) encourage the development of housing which aids the revitalization of communities.

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

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

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

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

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

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

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

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

(2) Any contract with a third-party contract administrator selected for the purpose of establishing or maintaining a revolving loan fund

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shall provide that all outstanding loans are assigned to the department when the third-party administrator is (A) no longer establishing or maintaining the revolving loan fund; (B) in default of its obligations to the department; or (C) no longer functioning as an entity.

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

Approved July 13, 2011