

OFFICE OF LEGISLATIVE RESEARCH  
PUBLIC ACT SUMMARY



**PA 11-168**—SB 1047

*Planning and Development Committee*

*Commerce Committee*

*Housing Committee*

*Finance, Revenue and Bonding Committee*

**AN ACT CONCERNING CHANGES TO CERTAIN HOUSING  
STATUTES**

**SUMMARY:** This act modifies several Department of Economic and Community Development (DECD) housing programs. It:

1. makes “housing partnerships” eligible for DECD grants or loans to build and operate congregate housing and hire resident service coordinators (RSCs);
2. expands uses of DECD-administered Housing Trust Fund Program funding, authorizing (a) the trust fund to provide financial assistance as a revolving loan and (b) a DECD-selected third-party contract administrator to receive funds to establish or maintain a revolving loan fund or undertake some of DECD’s program duties;
3. authorizes (a) the Housing Trust Fund to accept local, state, or federal funds if not otherwise prohibited by federal or state law and (b) DECD to deposit these funds in the trust fund if the money is received for purposes that do not conflict with those of the trust fund;
4. requires DECD’s database of handicapped accessible and adaptable housing to contain certain information specified in existing law and the act only when it is practicable; and
5. changes various requirements for the State-Assisted Housing Sustainability Fund.

It also makes technical and conforming changes.

EFFECTIVE DATE: Upon passage

**CONGREGATE PUBLIC HOUSING FOR THE ELDERLY**

By law, a “housing partnership” is any partnership, limited partnership, joint venture, trust, or association consisting of a:

1. housing authority, nonprofit corporation, or both and
2. (a) for-profit business corporation, partnership, limited partnership, joint venture, trust, limited liability company, or association that has as one of its purposes the construction, rehabilitation, ownership, or operation of housing whose basic organizational documents DECD approves in accordance with its regulations for public housing developers or (b) combination of these entities.

The act makes these partnerships, and thus for-profit entities, eligible to

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receive DECD financial assistance for congregate housing and to hire RSCs. By law, among other things, RSCs (1) assist residents in state-assisted elderly housing projects to live independently and (2) facilitate conflict resolution between residents, including between seniors and younger residents. Under existing law, housing authorities, municipal developers, and nonprofit corporations can receive funds to hire RSCs.

The act subjects the partnerships to existing law governing housing authorities and DECD congregate housing state assistance contracts and specifies that the provisions also apply to municipal developers and nonprofit corporations.

### HOUSING TRUST FUND PROGRAM

The act (1) allows the DECD commissioner to select a third-party contract administrator to establish or maintain a revolving loan fund or carry out some of DECD's duties under this program and (2) requires that the administrator be selected through a competitive process when the contract costs more than \$50,000. It (1) allows the administrator to be paid from the trust's funds and (2) prohibits him or her from spending more than 15% of the contract cost for administrative expenses.

Under the act, all outstanding loans are assigned to DECD when the third-party contract administrator is (1) no longer establishing or maintaining the revolving loan fund, (2) in default of its obligations to the department, or (3) no longer functioning as an entity.

By law, DECD administers the Housing Trust Fund program, which, among other things, encourages housing development that low- and moderate-income families can afford while paying no more than 30% of gross household income on it.

### DATABASE OF ACCESSIBLE OR ADAPTABLE HOUSING UNITS

The law requires DECD to establish a database of housing units that are accessible or adaptable for people with disabilities. Prior law required the database to include unit information such as (1) location, rent, and number of bedrooms; (2) housing type and neighborhood; (3) vacancy and availability, if applicable; and (4) features making it accessible or adaptable for people with disabilities. The act requires the database to state when a waiting list for such units may open. It also requires DECD to include the specified information only "to the extent practicable." It eliminates a requirement that DECD's commissioner use computer-assisted mass appraisal systems, when feasible.

### STATE-ASSISTED HOUSING SUSTAINABILITY FUND

The law requires DECD, in consultation with the State-Assisted Housing Sustainability Fund Advisory Committee, to establish and maintain the State-Assisted Housing Sustainability Fund. The purpose of the fund is to preserve "eligible housing," which means housing in the housing loan portfolio that DECD transferred to the Connecticut Housing Finance Authority (CHFA) (CGS § 8-

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37uu). (In 2003, DECD transferred the housing portfolio to CHFA, and CHFA gave \$85 million to the state in return, as authorized by law.) The act requires DECD to award financial assistance in consultation with the Housing Committee instead of the advisory committee (as under prior law, DECD and the Housing Committee must consider the long-term viability of eligible housing in reviewing applications and providing financial assistance). It eliminates a requirement for the advisory committee to approve DECD's administrative budget for the fund.

The act allows, rather than requires, DECD to adopt regulations for the fund and makes related technical changes. By law, the regulations must include guidelines for grants and loans. The act eliminates a requirement that the guidelines provide for an advisory committee-approved deferral of principal and interest payments.

It also eliminates the requirement that the advisory committee advise DECD and the CHFA on establishing criteria, priorities, and procedures for financial assistance under the fund. The advisory committee must still advise DECD on the administration, management, procedure, and objectives of the financial assistance, including the adoption of regulations for such assistance.

The act also (1) eliminates the requirement that DECD's annual report on fund operation be completed in consultation with the advisory committee and (2) makes the report part of DECD's department-wide annual report, rather than a separate report.

OLR Tracking: JRH:VR:CR:ts