



# House of Representatives

General Assembly

**File No. 41**

February Session, 2014

House Bill No. 5131

*House of Representatives, March 19, 2014*

The Committee on Housing reported through REP. BUTLER of the 72nd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

***AN ACT TRANSFERRING CERTAIN POWERS AND FUNCTIONS OF THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT TO THE DEPARTMENT OF HOUSING.***

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

1 Section 1. Section 8-37x of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2014*):

3 (a) As used in this section, "authority" or "housing authority" means  
4 any of the public corporations created by section 8-40 and the  
5 Connecticut Housing Authority when exercising the rights, powers,  
6 duties or privileges of, or subject to the immunities or limitations of,  
7 housing authorities pursuant to section 8-121, and "housing project"  
8 means a project developed or administered pursuant to chapter 128.

9 (b) The Commissioner of [Economic and Community Development]  
10 Housing may: (1) Collect and correlate information regarding housing  
11 projects of authorities in the state and upon request to furnish the  
12 authorities, in matters of common interest, information, advice and the

13 services of expert personnel; (2) study state-wide needs for the  
14 elimination of substandard housing to stimulate state and city  
15 planning involving housing, and otherwise to study housing needs,  
16 both rural and urban, and to formulate proposals for meeting these  
17 needs; (3) study methods of encouraging investment of private capital  
18 in low rent housing; (4) study the necessity, feasibility and advantage  
19 of the use of state credit by way of loan or subsidy to assist the  
20 financing of housing projects for persons of low income; and (5) accept  
21 grants-in-aid of any of said commissioner's powers made pursuant to  
22 the provisions of any state or federal law and, for the purpose of  
23 complying with the requirements or recommendations of any such  
24 law, to prepare such plans and specifications and to make such  
25 studies, surveys, reports or recommendations concerning existing or  
26 contemplated housing conditions or projects in the state as may be  
27 necessary or appropriate.

28 (c) Notwithstanding any other provision of the general statutes, the  
29 Commissioner of [Economic and Community Development] Housing  
30 may, after conducting a public bidding process as provided in section  
31 8-44, enter into a master contract or contracts with local, regional or  
32 state-wide suppliers of labor, supplies, materials, services or personal  
33 property on behalf of one or more housing authorities operating state-  
34 financed housing programs or projects. The commissioner may, in said  
35 commissioner's discretion, with respect to partially completed state-  
36 financed programs or projects or in the event of emergencies affecting  
37 human health, safety, welfare and life or endangering property, waive  
38 the bidding requirement and threshold of said section 8-44.

39 (d) The Commissioner of [Economic and Community Development]  
40 Housing may designate as said commissioner's agent any deputy  
41 commissioner or any employee to exercise such authority of the  
42 commissioner as said commissioner delegates for the administration of  
43 any applicable statute or regulation.

44 (e) As used in this subsection, "troubled loan" means a loan in which  
45 payments of interest or principal, or both interest and principal, (1) are

46 delinquent under the terms of a loan agreement, or (2) may become  
47 delinquent under conditions which exist which would reasonably lead  
48 the Commissioner of [Economic and Community Development]  
49 Housing to believe that a borrower would be unable to repay the loan.  
50 Said commissioner may authorize the deferred payments of interest or  
51 principal, or both interest and principal, or a portion thereof, in the  
52 case of a troubled loan made by the commissioner under any provision  
53 of the general statutes or special acts if said commissioner determines  
54 the deferral to be in the best interests of the state. Such determination  
55 shall be in writing and shall include a statement of the reasons why the  
56 deferral is in the best interests of the state. Any deferral made under  
57 the provisions of this section shall be subject to the approval of the  
58 State Bond Commission.

59 (f) Upon an action by the Commissioner of [Economic and  
60 Community Development] Housing to preserve the state's interest in  
61 any contract for financial assistance that results in the state acquiring  
62 title to any housing property, the commissioner shall be deemed to be  
63 an eligible developer, as defined in section 8-39, for the purposes of  
64 operating the property and receiving state or federal financial  
65 assistance on behalf of the property or the operation of the property.

66 (g) The Commissioner of [Economic and Community Development]  
67 Housing, in consultation with the executive director of the Connecticut  
68 Housing Finance Authority, upon the lawful dissolution of any eligible  
69 developer of property financed with a loan, grant or any combination  
70 thereof from the state, may (1) accept ownership of property owned by  
71 such a developer in the name of the state and dispose of such property  
72 to an eligible developer for a price and upon terms that the  
73 commissioner deems proper, provided such action shall preserve the  
74 property as housing for very low, low or moderate income persons; or  
75 (2) after approval by the Secretary of the Office of Policy and  
76 Management, allow such property to participate in any programs that  
77 the commissioner operates, in order to preserve the property as  
78 housing for very low, low or moderate income persons. For purposes  
79 of this subsection, "housing" includes facilities and amenities incidental

80 and pertinent to the provision of affordable housing and intended  
81 primarily to serve the residents of the affordable housing  
82 development, including, but not limited to, a community room, a  
83 laundry room, day care space, a computer center, a management  
84 center or playground.

85 (h) Notwithstanding the provisions of subsection (g) of this section,  
86 the Commissioner of [Economic and Community Development]  
87 Housing shall allow the continued use of: (1) The Saint Joseph's  
88 Residence for Mothers and Children, located in Bridgeport, which is  
89 utilized as a day care center; (2) the House of Bread, located in  
90 Hartford, which is utilized as a community day care center and  
91 corporate offices; and (3) the Rainbow Court Cooperative, located in  
92 Middletown, which is utilized as rental units for lower income  
93 persons.

94 (i) The Commissioner of [Economic and Community Development]  
95 Housing may adopt regulations, in accordance with the provisions of  
96 chapter 54, to carry out the purposes of the Department of [Economic  
97 and Community Development] Housing as established by statute.

98 Sec. 2. Section 8-13x of the general statutes is repealed and the  
99 following is substituted in lieu thereof (*Effective July 1, 2014*):

100 Within available appropriations, the Commissioner of [Economic  
101 and Community Development, in consultation with the Commissioner  
102 of Housing,] Housing may make grants to nonprofit housing  
103 assistance or nonprofit housing development organizations in order to  
104 support technical assistance planning, predevelopment, development,  
105 construction and management of housing developments. The  
106 [Commissioner of Economic and Community Development]  
107 commissioner may adopt regulations, in accordance with the  
108 provisions of chapter 54, to implement the provisions of this section.

This act shall take effect as follows and shall amend the following sections:
---

Section 1	<i>October 1, 2014</i>	8-37x
Sec. 2	<i>July 1, 2014</i>	8-13x

**HSG**      *Joint Favorable*

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.

---

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

The bill results in no net fiscal impact by transferring various housing-related powers from the Department of Economic and Community Development to the Department of Housing. The bill reflects current practice as intended under PA 13-234.

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

**OLR Bill Analysis****HB 5131*****AN ACT TRANSFERRING CERTAIN POWERS AND FUNCTIONS OF THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT TO THE DEPARTMENT OF HOUSING.*****SUMMARY:**

This bill transfers various housing-related powers from the Department of Economic and Community Development (DECD) commissioner to the Department of Housing (DOH) commissioner.

EFFECTIVE DATE: October 1, 2014, except the provisions concerning incentive housing zones are effective July 1, 2014.

**TRANSFERRED POWERS**

The bill authorizes the DOH commissioner, rather than the DECD commissioner, to (1) award grants to nonprofit housing organizations under the incentive housing zone program and (2) adopt regulations concerning such grants (CGS § 8-13x).

It also transfers from the DECD commissioner to the DOH commissioner, the authority to, among other things:

1. accept federal and state grants;
2. defer payments due on a loan made by DOH which is, or may become, delinquent;
3. acquire and convey, or place in a DOH program, state-financed housing owned by a legally dissolved developer;
4. operate and accept state and federal funds on behalf of, or to operate, housing projects that the state acquires to preserve its interest under the contract that initially funded it;

5. enter into contracts on housing authorities' behalf;
6. provide technical assistance to public housing authorities;
7. collect information on public housing projects;
8. study, and develop plans to meet, housing needs;
9. study public housing financing options; and
10. adopt regulations to carry out the department's purposes (CGS § 8-37x).

**BACKGROUND**

***Department of Housing***

In 2012, legislation established DOH and made it the lead state agency responsible for all housing matters, including housing and neighborhood policy, development, redevelopment, preservation, maintenance, and improvement. PA 13-234 transferred many housing-related responsibilities to DOH from DECD, the Office of Policy and Management, and the Department of Social Services.

**COMMITTEE ACTION**

Housing Committee

Joint Favorable  
Yea 7      Nay 0      (03/06/2014)