



House of Representatives

File No. 513

General Assembly

February Session, 2014

(Reprint of File No. 41)

House Bill No. 5131
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
April 11, 2014

**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 Section 8-37x of the general statutes is repealed and the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.

109 Sec. 3. Section 32-1c of the 2014 supplement to the general statutes is
110 repealed and the following is substituted in lieu thereof (*Effective*
111 *October 1, 2014*):

112 (a) In addition to any other powers, duties and responsibilities
113 provided for in this chapter, chapter 131, chapter 579 and section 4-8
114 and subsection (a) of section 10-409, the commissioner shall have the
115 following powers, duties and responsibilities: (1) To administer and
116 direct the operations of the Department of Economic and Community
117 Development; (2) to report annually to the Governor, as provided in
118 section 4-60; (3) to conduct and administer the research and planning
119 functions necessary to carry out the purposes of said chapters and
120 sections; (4) to encourage and promote the development of industry
121 and business in the state and to investigate, study and undertake ways
122 and means of promoting and encouraging the prosperous
123 development and protection of the legitimate interest and welfare of
124 Connecticut business, industry and commerce, within and outside the
125 state; (5) to serve, ex officio as a director on the board of Connecticut
126 Innovations, Incorporated; (6) to serve as a member of the Committee
127 of Concern for Connecticut Jobs; (7) to promote and encourage the
128 location and development of new business in the state as well as the
129 maintenance and expansion of existing business and for that purpose
130 to cooperate with state and local agencies and individuals both within
131 and outside the state; (8) to plan and conduct a program of information
132 and publicity designed to attract tourists, visitors and other interested
133 persons from outside the state to this state and also to encourage and
134 coordinate the efforts of other public and private organizations or
135 groups of citizens to publicize the facilities and attractions of the state
136 for the same purposes; (9) to advise and cooperate with municipalities,
137 persons and local planning agencies within the state for the purpose of
138 promoting coordination between the state and such municipalities as
139 to plans and development; (10) by reallocating funding from other
140 agency accounts or programs, to assign adequate and available staff to
141 provide technical assistance to businesses in the state in exporting,
142 manufacturing and cluster-based initiatives and to provide guidance
143 and advice on regulatory matters; (11) to aid minority businesses in
144 their development; (12) to appoint such assistants, experts, technicians
145 and clerical staff, subject to the provisions of chapter 67, as are
146 necessary to carry out the purposes of said chapters and sections; (13)

147 to employ other consultants and assistants on a contract or other basis
148 for rendering financial, technical or other assistance and advice; (14) to
149 acquire or lease facilities located outside the state subject to the
150 provisions of section 4b-23; (15) to advise and inform municipal
151 officials concerning economic development and collect and
152 disseminate information pertaining thereto, including information
153 about federal, state and private assistance programs and services
154 pertaining thereto; (16) to inquire into the utilization of state
155 government resources and coordinate federal and state activities for
156 assistance in and solution of problems of economic development and
157 to inform and advise the Governor about and propose legislation
158 concerning such problems; (17) to conduct, encourage and maintain
159 research and studies relating to industrial and commercial
160 development; (18) to prepare and review model ordinances and
161 charters relating to these areas; (19) to maintain an inventory of data
162 and information and act as a clearinghouse and referral agency for
163 information on state and federal programs and services relative to the
164 purpose set forth herein. The inventory shall include information on all
165 federal programs of financial assistance for defense conversion projects
166 and other projects consistent with a defense conversion strategy and
167 shall identify businesses which would be eligible for such assistance
168 and provide notification to such business of such programs; (20) to
169 conduct, encourage and maintain research and studies and advise
170 municipal officials about forms of cooperation between public and
171 private agencies designed to advance economic development; (21) to
172 promote and assist the formation of municipal and other agencies
173 appropriate to the purposes of this chapter; (22) to require notice of the
174 submission of all applications by municipalities and any agency
175 thereof for federal and state financial assistance for economic
176 development programs as relate to the purposes of this chapter; (23)
177 with the approval of the Commissioner of Administrative Services, to
178 reimburse any employee of the department, including the
179 commissioner, for reasonable business expenses, including but not
180 limited to, mileage, travel, lodging, and entertainment of business
181 prospects and other persons to the extent necessary or advisable to

182 carry out the purposes of subdivisions (4), (7), (8) and (11) of this
183 subsection and other provisions of this chapter; (24) to assist in
184 resolving solid waste management issues; (25) (A) to serve as an
185 information clearinghouse for various public and private programs
186 available to assist businesses, (B) to identify specific micro businesses,
187 as defined in section 32-344, whose growth and success could benefit
188 from state or private assistance and contact such small businesses in
189 order to (i) identify their needs, (ii) provide information about public
190 and private programs for meeting such needs, including, but not
191 limited to, technical assistance, job training and financial assistance,
192 and (iii) arrange for the provision of such assistance to such businesses;
193 (26) to enhance and promote the digital media and motion picture
194 industries in the state; (27) by reallocating funding from other agency
195 accounts or programs, to develop a marketing campaign that promotes
196 Connecticut as a place of innovation; and (28) by reallocating funding
197 from other agency accounts or programs, to execute the steps
198 necessary to implement the knowledge corridor agreement with
199 Massachusetts to promote the biomedical device industry.

200 (b) The Commissioner of Economic and Community Development
201 may make available technical and financial assistance and advisory
202 services to any appropriate agency, authority or commission for
203 planning and other functions pertinent to economic development
204 provided any financial assistance to a regional planning agency or a
205 regional council of elected officials shall have the prior approval of the
206 Secretary of the Office of Policy and Management or his designee.
207 Financial assistance shall be rendered upon such contractual
208 arrangements as may be agreed upon by the commissioner and any
209 such agency, authority or commission in accordance with their
210 respective needs, and the commissioner may determine the
211 qualifications of personnel or consultants to be engaged for such
212 assistance.

213 (c) The Commissioner of Economic and Community Development
214 shall do all things necessary to apply for, qualify for and accept any
215 federal funds made available or allotted under any federal act for

216 planning or any other projects, programs or activities which may be
 217 established by federal law, for any of the purposes, or activities related
 218 thereto, of the Department of Economic and Community Development
 219 and said Commissioner of Economic and Community Development
 220 shall administer any such funds allotted to the department in
 221 accordance with federal law. The commissioner may enter into
 222 contracts with the federal government concerning the use and
 223 repayment of such funds under any such federal act, the prosecution
 224 of the work under any such contract and the establishment of any
 225 disbursement from a separate account in which federal and state funds
 226 estimated to be required for plan preparation or other eligible activities
 227 under such federal act shall be kept. Said account shall not be a part of
 228 the General Fund of the state or any subdivision of the state. The
 229 commissioner shall report on activities to apply for, qualify for and
 230 accept funds under this subsection in its annual report submitted
 231 pursuant to section 32-1m.

232 (d) The Commissioner of Economic and Community Development
 233 may designate any deputy commissioner or employee of the
 234 department to exercise the authority of the commissioner for the
 235 purpose of administering any statutory or regulatory responsibility.

236 ~~[(d)]~~ (e) The powers and duties enumerated in this section shall be
 237 in addition to and shall not limit any other powers or duties of the
 238 Commissioner of Economic and Community Development contained
 239 in any other law.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2014	8-37x
Sec. 2	July 1, 2014	8-13x
Sec. 3	October 1, 2014	32-1c

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.

House "A" alters the original bill by adding the delegation authority of the Commissioner of Economic and Community Development to economic development statutes. This reflects current practice and therefore has no fiscal impact.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**HB 5131 (as amended by House "A")******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.

*House Amendment "A" makes a technical change that transfers the DECD commissioner's existing delegation authority currently codified elsewhere to the section that lists the commissioner's specific powers.

EFFECTIVE DATE: October 1, 2014, except for the provisions concerning incentive housing zones, which 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)