



House of Representatives

General Assembly

File No. 144

February Session, 2016

Substitute House Bill No. 5340

House of Representatives, March 23, 2016

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

AN ACT CONCERNING THE REPLACEMENT OF HOUSING PROJECTS BY HOUSING AUTHORITIES.

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

1 Section 1. Section 8-64a of the 2016 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2016*):

4 (a) No housing authority that receives or has received any state
5 financial assistance may sell, lease, transfer or destroy, or contract to
6 sell, lease, transfer or destroy, any housing project or portion thereof in
7 any case where such project or portion thereof would no longer be
8 available for the purpose of low or moderate income rental housing as
9 a result of such sale, lease, transfer or destruction, except the
10 Commissioner of Housing may grant written approval for the sale,
11 lease, transfer or destruction of a housing project if the commissioner
12 finds, after a public hearing, that (1) the sale, lease, transfer or
13 destruction is in the best interest of the state and the municipality in
14 which the project is located, (2) an adequate supply of low or moderate

15 income rental housing exists in the municipality in which the project is
16 located that is affordable to households of the same income group, as
17 defined in section 8-37aa, as those households which most recently
18 occupied the housing project or portion thereof being sold, leased,
19 transferred or destroyed, (3) the housing authority has developed a
20 plan for the sale, lease, transfer or destruction of such project in
21 consultation with the residents of such project and representatives of
22 the municipality in which such project is situated and has made
23 adequate provision for said residents' and representatives'
24 participation in such plan, and (4) any person who is displaced as a
25 result of the sale, lease, transfer or destruction will be relocated to a
26 comparable dwelling unit of public or subsidized housing in the same
27 municipality or will receive a tenant-based rental subsidy and will
28 receive relocation assistance under chapter 135. The commissioner
29 shall consider the extent to which the housing units that are to be sold,
30 leased, transferred or destroyed will be replaced with housing that is
31 affordable to households of the same income group, as defined in
32 section 8-37aa, as those households which most recently occupied the
33 housing project or portion thereof being sold, leased, transferred or
34 destroyed, in ways that may include, but need not be limited to, newly
35 constructed housing, rehabilitation of housing that is abandoned or
36 has been vacant for at least one year, or new federal, state or local
37 tenant-based or project-based rental subsidies. The commissioner shall
38 give the residents of the housing project or portion thereof that is to be
39 sold, leased, transferred or destroyed written notice of said public
40 hearing by first class mail not less than ninety days before the date of
41 the hearing. Said written approval shall contain a statement of facts
42 supporting the findings of the commissioner. This section shall not
43 apply to the sale, lease, transfer or destruction of a housing project
44 pursuant to the terms of any contract entered into before June 3, 1988.
45 The commissioner shall not impose a one-for-one replacement
46 requirement on King Court in East Hartford. This section shall not
47 apply to phase I of Father Panik Village in Bridgeport, Elm Haven in
48 New Haven, Pequonnock Gardens Project in Bridgeport, Evergreen
49 Apartments in Bridgeport, Quinnipiac Terrace/Riverview in New

50 Haven, Dutch Point in Hartford, William V. Begg Apartments in
 51 Waterbury, Southfield Village in Stamford, Marina Village in
 52 Bridgeport and, upon approval by the United States Department of
 53 Housing and Urban Development of a HOPE VI revitalization
 54 application and a revitalization plan that includes at least the one-for-
 55 one replacement of low and moderate income units, Fairfield Court in
 56 Stamford.

57 (b) For purposes of this section, housing that is affordable is housing
 58 for which persons and families pay thirty per cent or less of their
 59 annual income.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2016	8-64a

HSG *Joint Favorable Subst.*

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 has no fiscal impact to the Department of Housing by clarifying when the Department may approve a proposed sale, lease transfer or destruction of a housing facility.

Under the bill, the Department may approve such an action if there is an adequate supply of housing in the same municipality that is affordable, as defined in the bill, for those households living in the housing facility proposed to be sold, leased, transferred or destroyed.

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

OLR Bill Analysis**sHB 5340*****AN ACT CONCERNING THE REPLACEMENT OF HOUSING PROJECTS BY HOUSING AUTHORITIES.*****SUMMARY:**

The law generally prohibits housing authorities that have received state assistance from selling, leasing, transferring, or destroying a housing project if the project would no longer be available for low- or moderate-income rental housing. However, the Department of Housing (DOH) commissioner may approve the action if she finds, after a public hearing, that various conditions are met. This bill expands the requirements under one of these conditions; it leaves the others unchanged (see BACKGROUND).

Currently, to approve such an action, the commissioner must find that an adequate supply of low- or moderate-income rental housing exists in the municipality where the housing project is located. The bill additionally requires that this rental housing be affordable to households in the same income groups as those that last occupied the project. Under the bill, housing is “affordable” when individuals or families pay no more than 30% of their annual income for it.

The bill similarly requires that the commissioner, in deciding whether to grant an approval, consider the extent to which the project’s housing units will be replaced with housing that is affordable to households in the same income groups as those that last occupied the project.

The bill defines “income groups” in the same way that the law on fair housing choice and racial and economic integration does. The five income groups are those with household incomes:

1. equal to 25% or less than the area median income (AMI);
2. greater than 25%, but not more than 50% of the AMI;
3. greater than 50%, but not more than 80% of the AMI;
4. greater than 80%, but not more than 100% of the AMI; and
5. greater than 100% of the AMI (CGS § 8-37aa).

EFFECTIVE DATE: October 1, 2016

BACKGROUND

Conditions Required for Approval to Sell, Lease, Transfer, or Destroy a Housing Project

In addition to finding that an adequate supply of low- or moderate-income rental housing exists in the municipality where the housing project is located, the commissioner must find that:

1. the action is in the best interest of the state and the municipality;
2. the housing authority developed the plan in consultation with the project residents and municipal representatives, and made adequate provision for the residents' and representatives' participation in the plan; and
3. anyone who is displaced by the action will receive assistance under the Uniform Relocation Assistance Act (URAA) and will (a) be relocated to a comparable public or subsidized housing dwelling unit in the municipality or (b) receive a tenant-based rental subsidy.

Subject to certain conditions, the URAA requires municipalities to pay relocation assistance benefits when they displace people from their homes.

COMMITTEE ACTION

Housing Committee

Joint Favorable Substitute

Yea 7 Nay 4 (03/08/2016)