



House of Representatives

File No. 773

General Assembly

February Session, 2016

(Reprint of File No. 144)

Substitute House Bill No. 5340
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
April 30, 2016

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2 statutes is repealed and the following is substituted in lieu thereof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

50 application and a revitalization plan that includes at least the one-for-
51 one replacement of low and moderate income units, Fairfield Court in
52 Stamford.

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

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.

House "A" modifies when the Department of Housing may approve a proposed sale, lease, transfer, or destruction of a housing facility and has no fiscal impact.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 5340 (as amended by House "A")******AN ACT CONCERNING THE REPLACEMENT OF HOUSING PROJECTS BY HOUSING AUTHORITIES.*****SUMMARY:**

The law generally prohibits housing authorities that receive or 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 (see BACKGROUND).

This bill requires the commissioner, in deciding whether to grant such an approval, to consider the extent to which the project's housing units will be replaced with housing that is affordable to households with incomes less than (1) 25% of the area median income (AMI) and (2) 50% of the AMI.

*House Amendment "A" eliminates provisions in the underlying bill that (1) expand the requirements under one of the conditions required to approve a housing project action; (2) require the commissioner, in deciding whether to grant an approval, to 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; and (3) define "income groups."

EFFECTIVE DATE: October 1, 2016

BACKGROUND

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

The law authorizes the housing commissioner to approve the sale, lease, transfer, or destruction of a housing project upon finding that:

1. an adequate supply of low- or moderate-income rental housing exists in the municipality where the project is located;
2. the action is in the best interest of the state and the municipality;
3. the housing authority developed the plan in consultation with the project's residents and municipal representatives and made adequate provision for the residents' and representatives' participation in the plan; and
4. 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)