

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 16-1, May 2016 Special Session—SB 504
Emergency Certification

AN ACT CONVEYING CERTAIN PARCELS OF STATE LAND

SUMMARY: This act does the following:

1. authorizes (a) conveyances of state property in Beacon Falls, Manchester, and Middletown; (b) a lease of state property in Greenwich; and (c) property exchanges in Glastonbury and Waterbury;
2. amends (a) prior conveyances in New Britain, New Haven, and Southbury and (b) an existing lease of state property in Ridgefield; and
3. allows the Department of Housing (DOH) commissioner to dispose of a property owned by a nonprofit organization that received financial assistance from the Community Housing Land Bank and Land Trust Fund.

EFFECTIVE DATE: Upon passage

§§ 1, 4, 5 & 7 — NEW CONVEYANCES AND LEASE

The act authorizes the following conveyances and lease of state property from the agencies to the towns named for the purposes specified:

1. a conveyance from the Board of Regents for Higher Education to Manchester (.314 acre at no cost, for highway and traffic purposes);
2. a conveyance by the Department of Mental Health and Addiction Services to Middletown (the Shepard Home and the parcel containing it for administrative costs, to be used for permanent supportive housing with a focus on veterans (see below));
3. a conveyance from the Department of Transportation (DOT) to Beacon Falls (approximately .22 acre for administrative costs, to be used for open space; DOT must determine the precise area to be conveyed); and
4. a lease by DOT to Greenwich for the Bruce Museum (.35 acre under terms to be negotiated by DOT and the town, for open space and public parking for the museum).

The conveyances and lease are subject to the State Properties Review Board's (SPRB) approval within 30 days after the board receives the agency's proposed agreement. The Greenwich lease is also subject to Federal Highway Administration approval. Each property remains under the care and control of the state agency until the conveyance or lease is completed. Except as noted below for Middletown, the conveyances and lease revert to the state if the recipient (1) does not use the property for the specified purpose, (2) does not retain ownership of the entire property (in the case of conveyed property), or (3) leases all or part of the property.

Under the act, the Middletown conveyance is contingent upon the city

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entering into an agreement with an organization to convey to it the Shepard Home and the parcel containing it. The agreement must require the recipient organization to assume all costs and liabilities relating to separating the parcel and buildings from any connected mechanical systems, including water, heating, and cooling systems but excluding sewerage systems. The parcel and any building on it revert to the state if at any point they are used for a purpose other than permanent supportive housing with a focus on veterans.

§§ 3, 8 & 13 — EXCHANGES

Glastonbury (§§ 3 & 13)

The act allows the Department of Developmental Services (DDS) commissioner to enter into an agreement with Carpionato Group, LLC under which Carpionato constructs or obtains a fully accessible, code-compliant community living arrangement for six or fewer individuals with intellectual disability. Carpionato must convey the living arrangement to DDS upon the commissioner's written affirmation that the arrangement complies with the agreement and the act.

Under the act, DDS may, in return, convey to Carpionato a .75-acre parcel in Glastonbury, and the structures on it, by July 1, 2019. The exchange is subject to SPRB's approval within 30 days after the board receives the agency's proposed agreement. The act prohibits DDS from conveying the parcel after July 1, 2019.

The act also repeals an obsolete provision that allowed DDS to enter into a similar agreement with a different private entity concerning the same parcel of land.

Waterbury (§ 8)

The act requires DOT to convey to Waterbury a 2.87-acre parcel in exchange for (1) a .87-acre parcel and two drain easements and (2) administrative costs. It also requires DOT to retain a .52-acre easement for transportation purposes on the parcel it conveys to Waterbury. The exchange of the parcels (1) must be made simultaneously and each in consideration of the other and (2) is subject to SPRB's approval within 30 days of receiving an agreement from DOT.

§§ 2, 6 & 9-11 — AMENDED CONVEYANCES AND LEASE

Southbury (§ 2)

The act amends a conveyance, passed in 2013, of a 45-acre parcel from the Department of Administrative Services (on behalf of DDS) to Southbury. Under existing law, the town must use the parcel for housing purposes but may lease it to a nonprofit organization for senior housing. The act allows the nonprofit lessee to sublease the parcel to another entity formed to develop, construct, and manage low-income senior housing. The sublease must be for the purpose of enabling state financing or allocating certain federal tax credits (e.g., Low Income Housing Tax Credits) and subsequent investment.

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New Britain (§ 6)

The act amends a conveyance, first passed in 2012, of a .32-acre parcel from the Department of Economic and Community Development to New Britain for economic development purposes. Under prior law, New Britain had to transfer, to the state treasurer for deposit in the Special Transportation Fund, any funds it received from selling or leasing the parcel. The act instead requires that these funds go to the General Fund.

New Haven (§§ 9 & 10)

The act amends a conveyance, passed in 1992, of a .33-acre parcel from the state to the Fair Haven Community Health Center in New Haven. It eliminates a provision requiring that the parcel revert to the state if it is not used for health care services. It requires the (1) state, notwithstanding a deed restriction, to release the reverter right and (2) state treasurer to execute and deliver a quit claim deed releasing the right.

Ridgefield (§ 11)

The act amends a lease agreement, first passed in 2009, between the Department of Energy and Environmental Protection and Ridgefield for a 2.146-acre parcel to be used for recreational purposes. It allows the town to install and maintain lighting on the athletic field located on the parcel.

§ 12 — COMMUNITY HOUSING LAND BANK AND LAND TRUST FUND

The act allows the DOH commissioner to have the state assume control of a property owned by a nonprofit organization that received financial assistance from the Community Housing Land Bank and Land Trust Fund (see BACKGROUND). To do so, DOH must first determine, by January 1, 2017 and based on a full examination of the circumstances, that the nonprofit organization that owns the property is not capable of developing or managing it. Upon making such a determination, the commissioner may have the state assume control of the property through foreclosure, voluntary transfer, or other similar voluntary or compulsory action.

With the approval of the Office of Policy and Management secretary, the commissioner may take whatever steps are necessary to convey the property, including (1) modifying or removing deed restrictions before conveyance, (2) transferring the property to the low- or moderate-income families that occupy the housing units, or (3) establishing terms or conditions for the conveyance. Under the act, DOH may authorize the conveyance of only one property.

BACKGROUND

Community Housing Land Bank and Land Trust Fund

DOH uses this fund to provide grants and loans to nonprofit organizations that develop and maintain affordable housing. The nonprofits may transfer the title of structures on the property to other individuals. However, the new owners must use

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the structures for affordable housing. If a nonprofit receiving financial support from the fund does not maintain affordable housing, DOH may transfer the property to the municipality where the property is located. The municipality must then use the property for a DOH program.

OLR Tracking: TA; KS; PF; bs