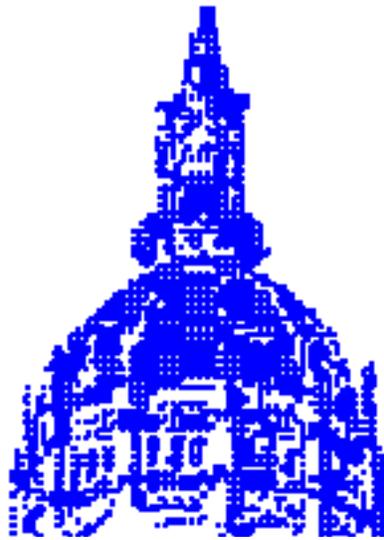


2001
ACTS AFFECTING

HOUSING

OFFICE OF LEGISLATIVE RESEARCH



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Connecticut General Assembly

by
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NOTICE TO READERS

This report provides brief summaries of the 2001 public acts affecting housing. Not all provisions of the acts are included. Readers are encouraged to obtain the full texts of acts that interest them from the Connecticut State Library, the House or Senate Clerk's Office, or online at the General Assembly's website at <http://www.cga.state.ct.us>.

For budget-related information, please consult *Highlights of 2001-03 Biennial Budget*, available from the Office of Fiscal Analysis and online at <http://www.cga.state.ct.us/ofa>.

Complete summaries of all public acts passed during the 2001 regular and special sessions will be available in book form in early fall when the Office of Legislative Research's Public Act Summary book is published. Draft public act summaries are also available on OLR's webpage at <http://www.cga.state.ct.us/olr>.

ASSISTED LIVING AND RENTAL ASSISTANCE PROGRAMS

Expansion of Federally Funded Assisted Living

This act doubles, from two to four, the number of federally funded elderly housing developments where the economic and community development commissioner can establish assisted living demonstration programs. It allows multiple properties with overlapping board membership or ownership to be considered as a single applicant.

Currently, the commissioner must establish such programs in two federally funded elderly housing developments, one in Section 202 housing and the other in Section 236 housing. The act instead allows him to establish the programs in up to four such developments and leaves to his discretion how many will be Section 202 or 236. (The Section 202 program provides low-interest federal loans for elderly and handicapped elderly housing construction. Section 236 provides rental and cooperative housing subsidies and mortgage insurance on rental units for lower-income families.) **(PA 01-2, June Special Session (JSS), effective July 1, 2001)**

State-Funded Assisted Living Demonstration Deadline Removal

This act removes a deadline that allowed the state-funded assisted living affordable housing demonstration project to accept developer applications only until June 8, 2001. The program allows up to 300 subsidized dwelling units in five locations in the state. Originally the Department of Economic and Community Development (DECD) approved five developers, but one has since withdrawn. DECD must now issue a new request for proposals to select an additional developer. **(PA 01-2, JSS, effective July 1, 2001)**

Security Deposit Guarantee Program

This law makes a number of changes in the Department of Social Services (DSS) security deposit guarantee and related security deposit grant programs. It permits the guarantee amount to be the equivalent of up to two months rent in all instances. Under prior law, the guarantee could not exceed the equivalent of one month's rent, except where there was a documented financial need.

The law allows people to receive subsequent guarantees without the DSS commissioner's approval, provided that such guarantees are not requested or

provided earlier than 18 months after the first guarantee. If someone makes a second request within 18 months of the first, the commissioner's approval must be obtained. Under prior law, the commissioner had to give her express approval for all subsequent guarantees. The act also makes several other changes in the program. **(PA 01-2, JSS, effective October 1, 2001)**

Residential Care Home (RCH) Rate Relief

This act increases state financial support to RCHs through adjustments in their State Supplement Program (SSP) rates. For the rate year beginning on July 1, 2001, it increases the allowable base salary for administrators in homes with 60 or fewer beds from \$30,000 to \$37,000. By law, these base salaries are adjusted each year for inflation. It requires DSS to base rates on this higher salary, even if the RCH did not spend this money in the 2000 cost report period, upon which the 2001-02 rate is based. It also increases the inflation adjustment by 1% for the RCH's dietary, laundry, housekeeping, and related wage costs, beginning with the rate year 2001-02. **(PA 01-2, JSS, effective July 1, 2001)**

HOMEOWNERSHIP

Urban Homeownership Program Bond Funds

This act allows DECD to grant up to \$5 million out of an existing bond authorization to the Connecticut Housing Finance Authority (CHFA) for an urban homeownership program instead of using it for CHFA's Residential Mortgage Refinancing Guarantee Program. It also allows CHFA use the grant funds to cover the administrative cost of running the homeownership program. **(PA 01-9, JSS, effective July 1, 2001)**

LANDLORD AND TENANT

Requiring Landlords to Give Receipts for Cash Payments

This law requires landlords to provide written receipts for cash rent payments. Prior law required such receipts only if requested. As under prior law, the receipt must show the date, amount, and reason for payment. **(PA 01-44, effective October 1, 2001)**

Tenant Deposits of Last Agreed Upon Rent

By law, any tenant who claims his landlord has not performed his statutory duties may file a complaint in Superior Court to seek relief. This act requires that the tenant deposit an amount equal to the last agreed-upon

rent with the court clerk within nine, instead of 10, days after the rent is due. In the case of a week-to-week tenancy, the act requires it to be deposited within four, instead of 10, days after the rent is due. **(PA 01-186**, effective October 1, 2001)

LENDING PRACTICES, MORTGAGES

Abusive Home Loan Lending Practices

This act requires lenders to make certain disclosures to prospective borrowers seeking high-cost home loans, including the interest rate and the consequences of mortgaging a home. It prohibits lenders from including certain loan provisions or from taking certain actions with respect to high-cost home loans, such as charging unwarranted or excessive fees or providing incomplete information. It creates penalties for violations. **(PA 01-34**, effective October 1, 2001)

Expansion of Mortgage Assistance Program for Certified Teachers

This law allows certified teachers employed by regional vocational-technical schools in priority or transitional school districts to qualify for the CHFA's mortgage assistance for teachers program. In order to be eligible

for the mortgage assistance, the house the teacher wants to buy must be located in the district. **(PA 01-173**, effective July 1, 2001)

Recording Mortgage Assignments

This act requires that whenever a mortgage assignment or other transfer of an interest in a mortgage is recorded in the land records, the town clerk must enter the property owner's name in the grantor index for the transaction. Each town clerk keeps an index, in alphabetical order, to help people conducting title searches. **(PA 01-74**, effective October 1, 2001)

MISCELLANEOUS

Designated Community Housing Development Corporations

This act designates the following organizations as specially chartered community housing development corporations (CHDCs):

1. Connecticut Housing Investment Fund;
2. Co-Op Initiatives, Inc;
3. Greater New Haven Community Loan Fund, Inc; and
4. Nutmeg Housing Development Corporation.

The designation allows these organizations to develop low- and moderate-income housing and provide technical assistance and training to other housing developers. It also qualifies them for state funds to develop low- and moderate-income housing and capitalize revolving loan funds for this purpose. By law, any nonprofit organization qualifies for the designation if it was organized to develop housing and was designated as a CHDC by the governing bodies of two or more towns to apply for state housing funds. (**PA 01-9, JSS**, effective July 1, 2001)

Moratorium on State Property Used for Residential Purposes

This law imposes a limited moratorium on the conveyance of state-owned property that is, or has been, used recently to house people with mental retardation or psychiatric disabilities. The moratorium lasts until July 6, 2004 or until the legislature approves Mental Retardation (DMR) and Mental Health and Addiction Services (DMHAS) department plans to address waiting list and service needs, whichever is earlier. The law creates a separate, nonlapsing General Fund account to receive any proceeds from the sale, lease, or transfer of Fairfield Hills and Norwich hospitals and any regional centers. The account funds can be used only for site acquisition, capital development,

and infrastructure costs needed to provide services to people with mental retardation and psychiatric disabilities.

Another act, PA 01-4, JSS, amends this act to permit the transfer to DMR or DMHAS of properties covered under the three-year moratorium if they continue to be used to house people with mental illness, mental retardation, or alcohol or drug dependency. (**PA 01-154**, effective upon passage, **PA 01-4, JSS**, effective July 1, 2001)

Residential Treatment Facility Discharge Plans

This act requires any licensed treatment facility receiving state funding for providing adult mental health or substance abuse treatment services to prepare discharge plans with housing referrals for its clients before their release. DMHAS can adopt regulations to implement this requirement. (**PA 01-4, JSS**, effective October 1, 2001)

NEIGHBORHOOD PRESERVATION AND REHABILITATION

Urban Rehabilitation Assessment Deferral

This act authorizes towns participating in CHFA's Urban Rehabilitation Homeownership Program (URHP) to provide a five-year deferral on property assessment increases resulting

from participation in the rehabilitation program. It authorizes the CHFA-designated towns to approve ordinances that allow them to enter into agreements with property owners who agree to rehabilitate their property with URHP assistance to defer rehabilitation-related assessment increases for five years. The agreements must provide (1) that the applying owner live in the property for the length of the deferral, (2) for local building inspection and certification that the completed rehabilitation conforms with applicable state and local building and health codes, and (3) a date for the rehabilitation completion. (**PA 01-9, JSS**, effective July 1, 2001)

Property Maintenance Rules

This law authorizes municipalities to make property maintenance regulations that include standards to determine neglect. The law already allows municipalities to make regulations preventing housing blight and to impose fines from \$10 to \$100 a day for each violation. It authorizes the same level of fines for each property maintenance violation. (**PA 01-128**, effective October 1, 2001)

Appointing Rent Receivers

By law, municipal legislative bodies can appoint a person or committee (i.e., an authority) to

act for the municipality in dealing with landlords whose property is declared a nuisance. The act allows, rather than requires, these authorities to seek to impose a rent receivership on a property owner. It also gives municipalities discretion whether to pay for remedying or removing the nuisance causing the action. (**PA 01-128**, effective October 1, 2001)

Reimbursements for Moving Buildings

This act allows any program eligible to use state funds to demolish buildings to instead fund their relocation if:

1. the building, after renovation, will contain at least one dwelling unit;
2. the relocation cost is not more than 5% higher than the total demolition cost; and
3. the entity seeking the relocation funds can show that preserving the area's character by keeping the building benefits the town or neighborhood.

The act equates building relocation with building rehabilitation for purposes of determining state rehabilitation assistance for the building or the project, making it eligible for rehabilitation funds. (**PA 01-9, JSS**, effective July 1, 2001)

NEW PROGRAMS

New Flexible Affordable Housing Program

This law creates a new program under which the DECD commissioner may provide financial assistance to fund a wide range of affordable housing projects. Under the act, the commissioner decides what form and amount of financial assistance to provide for eligible projects. The assistance can include: (1) grants, (2) loans, (3) loan guarantees, (4) deferred loans, or (5) any combination of these. Another act, SA 01-2, JSS, makes this new program eligible for more than \$30 million in funds under five existing DECD bond authorizations. (**PA 01-7, JSS**, and **SA 01-2, JSS**, effective July 1, 2001)

Supportive Housing Pilots Initiative

This act establishes a Supportive Housing Pilots Initiative to provide up to 650 units of affordable housing and support services to people with special needs such as mental illness, chemical dependency, homelessness, risk of homelessness, or who are offenders under formal supervision. The housing can be permanent or transitional and for individuals or families with or without special needs. The act (1)

allocates \$15 million from the state surplus, (2) authorizes up to \$10 million in new bonds and (3) reserves \$1 million annually from CHFA's housing tax credits for the initiative. (**PA 01-8, JSS**, effective July 1, 2001)

ZONING

Zoning Group Homes

This act requires local zoning regulations to treat as single-family homes Department of Children and Families (DCF)-licensed residences housing up to six mentally or physically disabled children and necessary staff. The law already requires this treatment for DMR-licensed residences housing up to six mentally retarded people and necessary staff. Under the act, DCF-licenses residential facilities cannot be located within 1,000 feet of each other or DMR-licensed residences, unless the local zoning commission approves. DMR-licensed residences are also subject to this restriction.

It permits any resident of a town hosting a DCF-licensed residential facility to petition the DCF commissioner to revoke the facility's license for violations of applicable statutes or regulations. (**PA 01-161**, effective July 1, 2001)

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