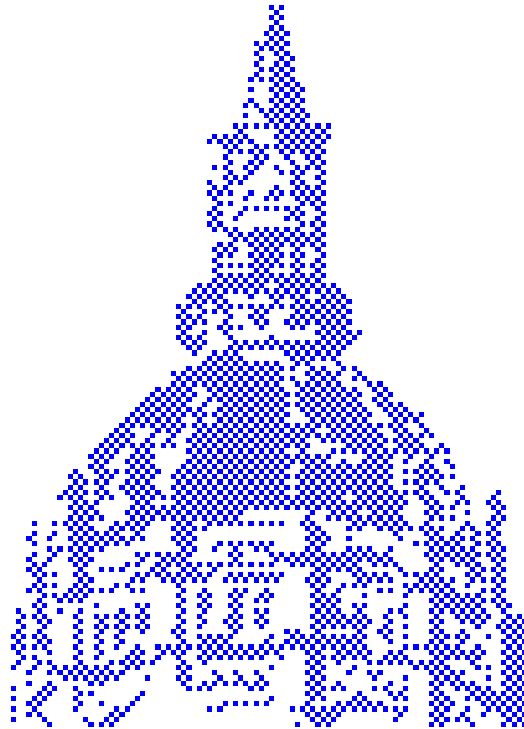




## ACTS AFFECTING HOUSING



2014-R-0154

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June 13, 2014

## NOTICE TO READERS

This report provides brief highlights of new laws affecting housing enacted during the 2014 regular session. It does not include vetoed acts. Each summary indicates the public act (PA) or special act (SA) number and effective date. In some cases, these acts have other effective dates for their provisions that are not related to housing.

Not all provisions of the acts are included here. Complete summaries of all 2014 public acts will be available when OLR publishes its Public Act Summary book; some are already on OLR's website ([www.cga.ct.gov/olr/OLRPASums.asp](http://www.cga.ct.gov/olr/OLRPASums.asp)).

Readers are encouraged to obtain the full text of acts that interest them from the Connecticut State Library, House Clerk's Office, or General Assembly's website ([www.cga.ct.gov/](http://www.cga.ct.gov/)).

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## **AFFORDABLE HOUSING**

### ***Exemption from Affordable Housing Land Use Appeals Procedure***

A new law suspends the applicability of the affordable housing land use appeals procedure (CGS § [8-30g](#)), for a period beginning January 1, 2014 and ending December 31, 2014, in any municipality in which:

1. at least 6% of the housing stock is classified as affordable and
2. the planning and zoning commission (a) approved an affordable housing development application on or after November 1, 2013 (b) denied such an application and it was the subject of an appeal that was pending as of April 1, 2014 and (c) was considering an application as of April 15, 2014.

Under the new law, the suspension applies as of January 1, 2014 to any application filed, or appeal pending, in a municipality meeting the above criteria ([PA 14-217 § 222](#), effective upon passage).

### ***Exemption from Law Prohibiting Removal of Public Housing Units from Rental Market***

Existing law generally prohibits housing authorities that receive, or have received, state financial assistance from selling, leasing, transferring, or destroying a housing project, or any

part of it, if doing so would remove it from the low- or moderate-income rental market. A new law exempts the William V. Begg Apartments in Waterbury from this prohibition. Several other housing projects are also, by law, exempt ([PA 14-49](#), effective October 1, 2014).

### ***Priority for Veterans under the Security Deposit Guarantee Program***

A new law requires the DOH commissioner to prioritize providing security deposit guarantees to eligible veterans. DOH, through its Security Deposit Guarantee Program, makes security deposit guarantees (in lieu of security deposits) to landlords on behalf of financially eligible individuals living in emergency housing or receiving a government rental subsidy ([PA 14-217 § 72](#), effective July 1, 2014).

### ***Rental Rebate Program***

PA 13-234, among other things, (1) transferred administration of the state's rental rebate program for the elderly and individuals with total and permanent disabilities from the Office of Policy and Management (OPM) to the Department of Housing (DOH) and (2) limited eligibility to individuals who received rebates in calendar year 2011 and continued to receive them in subsequent years. A new law restores the program to its status prior to July 1, 2013, the date the applicable sections

of PA 13-234 took effect, by (1) returning program administration to OPM and (2) lifting the restriction on new applications, thus allowing anyone to apply.

In addition, under the new law, if the OPM secretary determines a renter was overpaid, he must reduce the amount of subsequent rebates to recoup the amount of the overpayment ([PA 14-217 §§ 48-54 & 258](#), effective upon passage and applicable to rebate applications made on or after April 1, 2014).

## **BANKING AND INSURANCE**

### ***Foreclosure by Market Sale***

Under existing law, in a foreclosure proceeding involving real property, the court may issue a judgment of (1) foreclosure by sale or (2) strict foreclosure. A new law adds another option for certain residential properties, called "foreclosure by market sale," which is a court-approved sale on the open market upon the lender's request and with the borrower's consent. The new law limits this option to the first mortgage on a one- to four-family residential property that is the borrower's principal residence ([PA 14-84](#), effective January 1, 2015, pursuant to [PA 14-217 §§ 207 & 249](#)).

### ***Foreclosure Mediation Program***

A new law extends the Judicial Branch's foreclosure mediation program by two years, until July 1, 2016. This extension applies to foreclosure actions

with return dates on or after (1) July 1, 2008 for residential real property and (2) October 1, 2011 for religious organizations' real property.

The mediation program brings together Judicial Branch mediators, borrowers, and lenders. Participation is mandatory for all eligible foreclosure cases where the borrower has filed an appearance ([PA 14-89 §§ 37 & 38](#), effective upon passage).

### ***Property and Casualty Insurance***

A new law makes several changes to property and casualty insurance laws. Among other things, it:

1. bars insurers from refusing to issue or renew a homeowners' policy solely because the insured failed to (a) install any type of storm shutters on a residential dwelling, rather than just permanent shutters, or (b) have storm shutters on the premises of the dwelling,
2. expands the scope of the law prohibiting insurers from taking certain steps solely because an insured homeowner incurs losses due to a catastrophic event, and
3. allows certain insurers to provide flood insurance on a less-than-statewide basis ([PA 14-175](#), various effective dates).

### ***Reverse Mortgage Task Force***

A new law establishes a task force to study the reverse mortgage industry, including:

1. statewide best practices, including consumer protection practices;
2. existing and proposed federal regulations governing consumer protections applicable to reverse mortgage transactions; and
3. any federal or state court decisions impacting the industry and its transactions in Connecticut.

The task force must report its findings and recommendations to the Banks and Aging committees by January 1, 2015 ([PA 14-89 § 51](#), effective upon passage).

## **BOND AUTHORIZATIONS**

### ***Bonds for Housing Programs***

The bond act authorizes for FY 15 (1) \$500,000 in general obligation (GO) bonds to the Department of Veterans' Affairs for a planning and feasibility study on additional veterans' housing at the Rocky Hill campus and (2) \$25 million in GO bonds to DOH for the Shoreline Resiliency Fund.

The act increases, from \$70 to \$90 million, a GO bond authorization for DOH's housing development and rehabilitation programs. It eliminates a \$30 million earmark under this authorization for revitalizing moderate rental housing units in the Connecticut Housing Finance Authority's (CHFA) state housing portfolio, thus allowing DOH to use any portion of the bond funds for this purpose. Finally, it requires that DOH use a minimum of

\$20 million to promote homeownership through new home construction or home conversion in Bridgeport, Hartford, New Britain, New Haven, New London, Norwalk, and Stamford.

The act also cancels prior Department of Economic and Community Development (DECD) bond authorizations to provide \$500,000 grants to the (1) Metropolitan Economic Development Commission to create elderly housing and (2) Catholic Charities of Hartford to create affordable housing with supportive services ([PA 14-98 §§ 2, 84, 85, & 99](#), effective July 1, 2014).

## **CONSTRUCTION AND REHABILITATION**

### ***Certified Historic Structure Rehabilitation Tax Credit***

A new law (1) sunsets two DECD programs that provide tax credits to people and business entities for rehabilitating certain historic structures and (2) creates a new, broader program that contains elements of the existing programs. The new law provides credits for rehabilitating any historic structure, including those that are used for residential purposes. It caps the total amount of tax credits DECD may reserve under the new program at \$31.7 million per year, and caps at \$4.5 million the amount of tax credits a project may receive ([PA 14-217 §§ 165-168](#), effective July 1, 2014 and

the tax credits are applicable to income years starting on or after January 1, 2014).

### ***Funding for the Healthy Homes Initiative***

A new law requires the public health commissioner, in consultation with the housing, energy and environmental protection, and insurance commissioners to submit a report by January 2, 2015 to the Public Health, Housing, Environment, and Insurance committees detailing (1) the availability and location of state funds for homeowners remediating hazardous health conditions and (2) recommendations for consolidating such funding within a single agency to better implement the Department of Public Health's Healthy Homes Initiative ([SA 14-14](#), effective upon passage).

### ***Historic Homes Rehabilitation Tax Credit***

Existing law caps the aggregate amount of tax credits for rehabilitating historic homes at \$3 million per year. A new law requires the DECD commissioner to reserve 70% of that amount for tax credits for rehabilitating historic homes in the 24 municipalities designated as "regional centers" in the state's plan of conservation and development (Ansonia, Bridgeport, Bristol, Danbury, East Hartford, Enfield, Groton, Hartford, Killingly, Manchester, Meriden, Middletown, New Britain, New Haven, New London, Norwalk, Norwich, Stamford, Torrington, Vernon,

Waterbury, West Hartford, West Haven, and Windham) ([PA 14-217 § 139](#), effective July 1, 2015).

## **DEPARTMENT OF HOUSING**

### ***Agency Responsibilities***

In 2012, legislation established DOH and made it the lead state agency responsible for all housing matters. Two new laws make changes to conform to PA 13-234, which transferred the administration of certain housing-related matters from DECD to DOH. Responsibilities transferred from DECD to DOH by the new laws include: (1) ensuring that residential anti-displacement and relocation assistance plans are properly implemented in connection with housing and community development projects that receive state assistance and (2) awarding grants to nonprofit housing organizations to plan, develop, construct, and manage housing developments ([PA 14-26](#) and [PA 14-35](#), effective October 1, 2014, except for the provisions concerning grants to nonprofit housing organizations, which are effective July 1, 2014).

### ***Community Investment Account***

A new law redirects to DOH all community investment account (CIA) funds that CHFA received under prior law. By law, the CIA is a separate, non-lapsing account in the General Fund capitalized through a \$40 land recording fee that provides funding for open space, farmland preservation, historic



preservation, affordable housing, and promoting agriculture ([PA 14-45](#), effective upon passage).

## **HOMEOWNERSHIP AND PROPERTY TAXES**

### ***Common Interest Communities***

A new law makes various changes to the Common Interest Ownership Act (CIOA) and related laws affecting condominiums and other common interest communities. Among other things, it:

1. provides for the termination of certain master associations and transfer of their assets to new nonstock corporations, upon the consent of 25% of the unit owners;
2. requires the minutes of executive board meetings to indicate how each board member voted on any final action the board proposed to take, unless the board approved the action unanimously or without any member objecting; and
3. exempts dues, assessments, or other amounts payable to associations of common interest communities organized before CIOA was enacted from restrictions on private transfer fees ([PA 14-215](#), effective October 1, 2014, except the provisions on master associations are effective January 1, 2015 and certain technical changes are effective upon passage).

### ***Homeownership Incentive Program***

A new law requires Hartford to establish a homeownership incentive program for two designated census blocks that meet specified criteria. It establishes property tax abatements and state income tax exemptions for homeowners and eligible renters who live in the designated area. The exemptions and abatements last until the ownership rate in the area reaches a specified level, at which point they are phased out ([PA 14-174 § 3](#), effective July 1, 2015).

### ***Local Option Property Tax Relief Program for Senior or Disabled Homeowners***

Existing law authorizes municipalities to provide qualifying homeowners who are seniors or have disabilities property tax relief for real property they own and occupy as their principal residence. A new law allows them to offer the tax relief to a qualifying resident who occupies, as his or her principal residence, a property held in trust for him or her ([PA 14-124](#), effective October 1, 2014, and applicable to assessment years starting on or after that date).

### ***Property Tax Assessment Adjustments for Owner-Occupied Residences in Hartford***

A new law authorizes Hartford to adopt an ordinance that provides property tax relief to residents who own and reside in their homes by keeping

the assessment ratio for their homes lower than the ratio for nonowner-occupied residences ([PA 14-174 § 4](#), effective October 1, 2014).

### ***Revaluation Delay***

A new law allows municipalities to delay a revaluation scheduled to be implemented in the 2013 or 2014 assessment year until, at the latest, the 2015 assessment year. It allows a similar delay for municipalities phasing in assessment increases from an earlier revaluation ([PA 14-19](#), effective upon passage).

## **HOUSING COURT**

### ***Connecticut Advisory Council on Housing Matters***

A new law renames the Advisory Council to the Superior Court Housing Session as the Connecticut Advisory Council on Housing Matters. It increases the council's membership from 12 to 18 by increasing, from three to five, the number of residents representing the judicial districts of (1) Hartford or New Britain; (2) Ansonia-Milford, New Haven, or Waterbury; and (3) Fairfield or Stamford-Norwalk. It does not increase the number of residents representing the judicial districts of Danbury, Litchfield, Middlesex, New London, Tolland, or Windham, which combined have three council members. The council, among other things, reviews housing docket proceedings, assists in making the public aware of

the housing docket's existence, and reports to the legislature biennially ([PA 14-4](#), effective July 1, 2014).

### ***Venue in Housing Matters***

A new law gives the chief court administrator discretion to determine venue in housing matters based on judicial district, rather than geographic area, when he determines that the prompt and proper administration of judicial business requires it. Prior law determined venue in housing matters based on the courts' geographical areas, with certain exceptions. Under existing law, unchanged by the new law, venue is determined by judicial district in the judicial districts of Fairfield, Hartford, Middlesex, New Britain, New Haven, Stamford-Norwalk, Tolland, and Waterbury ([PA 14-207 § 5](#), effective October 1, 2014).

## **SUPPORTIVE HOUSING AND GROUP HOMES**

### ***Permanent Supportive Housing Initiative***

A new law adds the departments of Developmental Services (DDS) and Veterans' Affairs to the entities with which the Department of Mental Health and Addiction Services must collaborate in administering the state's permanent supportive housing initiative. It also gives the entities administering the initiative more discretion in determining individuals' eligibility for supportive housing by eliminating a requirement that services be directed to certain

individuals. Instead, it specifies that all individuals and families are eligible if they (1) are homeless, (2) are at-risk of becoming homeless, or (3) have special needs ([PA 14-46](#), effective July 1, 2014).

### ***Residential Facility Revolving Loan Program***

A new law allows DDS to enter a memorandum of understanding with CHFA to administer DDS' residential facility revolving loan program. Under the program, DDS makes loans to private nonprofit organizations for purchasing, building, and renovating community-based facilities for individuals with intellectual disabilities or autism spectrum disorder. Existing law already allows DDS to administer the program through a contract with a state-wide private nonprofit housing development corporation organized for the purpose of expanding independent living opportunities for individuals with disabilities ([PA 14-231 § 66](#), effective July 1, 2014).

## **MISCELLANEOUS**

### ***Carbon Monoxide (CO) and Smoke Detectors***

By law, before transferring title to a one- or two-family dwelling issued a new occupancy building permit before October 1, 2005, the transferor must give the transferee an affidavit stating whether the dwelling is equipped with smoke and CO detectors. A new law specifies that the affidavit does not

constitute a warranty beyond the transfer of title. It also eliminates certain requirements concerning the type of CO detector installed in a dwelling subject to the affidavit requirement ([PA 14-219](#), effective July 1, 2014).

### ***Livable Communities Initiative***

A new law requires the Aging Commission, by January 1, 2015, as part of its "Livable Communities" initiative, to recognize communities that have implemented initiatives allowing individuals to age in place and stay in the home setting they choose. Recognized initiatives must include (1) affordable and accessible housing, (2) community and social services, (3) planning and zoning regulations, (4) walkability, and (5) transportation-related infrastructure ([PA 14-73 § 1](#), effective July 1, 2014).

### ***State Marshals' Hourly Wage in an Eviction Proceeding***

By law, if an eviction judgment is entered for the landlord and the tenant does not voluntarily vacate the premises, the landlord can hire a state marshal to physically remove the tenant or occupant and his or her belongings. A new law increases, from \$75 to \$100 per hour, the maximum hourly rate state marshals receive for performing this service in an eviction proceeding ([PA 14-87](#), effective October 1, 2014).

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