

File No. 598

(Reprint of File No. 214)

Substitute House Bill No. 5450
As Amended by House Amendment
Schedules "A" and "C"

Approved by the Legislative Commissioner
April 24, 1998

AN ACT CONCERNING AN INCOME EXCLUSION FOR CERTAIN
HOUSING TENANTS AND EVICTIONS FROM HOUSING
PROJECTS FOR THE ELDERLY.

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

1 Section 1. Section 8-72 of the general
2 statutes is repealed and the following is
3 substituted in lieu thereof:
4 Each developer or housing authority shall
5 manage and operate its housing projects in an
6 efficient manner so as to enable it to fix the
7 rentals for dwelling accommodations at the lowest
8 possible rates consistent with providing decent,
9 safe and sanitary dwelling accommodations, and no
10 housing authority or nonprofit corporation shall
11 construct or operate any such project for profit.
12 To this end an authority or a nonprofit
13 corporation shall fix the rentals for dwelling in
14 its projects at no higher rates than it finds to
15 be necessary in order to produce revenues which,
16 together with all other available money, revenues,
17 income and receipts of the authority or nonprofit
18 corporation from whatever sources derived, will be
19 sufficient (a) to pay, as the same become due, the
20 principal and interest on the bonds of the

21 authority or nonprofit corporation; (b) to meet
22 the cost of, and to provide for, maintaining and
23 operating the projects, including the cost of any
24 insurance, and the administrative expenses of the
25 authority or nonprofit corporation; provided
26 nothing in this section shall be construed as
27 prohibiting any authority or nonprofit corporation
28 from providing for variable rentals based on
29 family income. In the operation or management of
30 housing projects an authority or nonprofit
31 corporation shall, at all times, rent or lease the
32 dwelling accommodations therein at rentals within
33 the financial reach of families of low income. The
34 Commissioner of Economic and Community Development
35 may establish maximum income limits for admission
36 and continued occupancy of tenants, provided such
37 maximum income limits and all revisions thereof
38 for housing projects operated pursuant to any
39 contract with any agency of the federal government
40 shall be subject to the prior approval of such
41 federal agency. The Commissioner of Economic and
42 Community Development shall define the income of a
43 family to provide the basis for determining
44 eligibility for the admission, rentals and for the
45 continued occupancy of families under the maximum
46 income limits fixed and approved. The definition
47 of family income, by the Commissioner of Economic
48 and Community Development, may provide for the
49 exclusion of all or part of the income of family
50 members which, in the judgment of said
51 commissioner, is not generally available to meet
52 the cost of basic living needs of the family. No
53 housing authority or developer shall refuse to
54 rent any dwelling accommodation to an otherwise
55 qualified applicant on the ground that one or more
56 of the proposed occupants are children born out of
57 wedlock. Each housing authority and developer
58 shall provide a receipt to each applicant for
59 admission to its housing projects stating the time
60 and date of application and shall maintain a list
61 of such applications, which shall be a public
62 record as defined in section 1-18a, AS AMENDED.
63 The Commissioner of Economic and Community
64 Development shall, by regulation, provide for the
65 manner in which such list shall be created,
66 maintained and revised. No provision of this part
67 shall be construed as limiting the right of the
68 authority to vest in an obligee the right, in the

69 event of a default by such authority, to take
70 possession of a housing project or cause the
71 appointment of a receiver thereof or acquire title
72 thereto through foreclosure proceedings, free from
73 all the restrictions imposed by this chapter with
74 respect to rental rates and tenant selection. The
75 Commissioner of Economic and Community Development
76 shall approve an operation or management plan of
77 each housing project, which shall provide an
78 income adequate for debt service, if any,
79 administration, including a state service charge,
80 other operating costs and establishment of
81 reasonable reserves for repairs, maintenance and
82 replacements, vacancy and collection losses. Said
83 commissioner shall have the right of inspection of
84 any housing during the period between the date on
85 which construction thereof begins and the date the
86 state loan is fully paid or, in the case of a
87 grant, during the period for which any housing
88 project built pursuant to such grant is used for
89 housing for families of low and moderate income.
90 An authority or developer shall semiannually
91 submit to said commissioner a sworn statement
92 setting forth such information with respect to the
93 tenants and rentals for each housing project
94 hereunder and the costs of operating each housing
95 project under its jurisdiction as said
96 commissioner requires. Any person who makes a
97 false statement concerning the income of the
98 family for which application for admission to or
99 continued occupancy of housing projects is made
100 may be fined not more than five hundred dollars or
101 imprisoned not more than six months or both. WITH
102 REGARD TO A FAMILY WHO, SINCE THE LAST ANNUAL
103 RECERTIFICATION, RECEIVED ANY PUBLIC OR GENERAL
104 ASSISTANCE AND RECEIVED EARNINGS FROM EMPLOYMENT,
105 THE AUTHORITY OR DEVELOPER SHALL NOT REQUIRE ANY
106 INTERIM RECERTIFICATION DUE TO AN EARNINGS
107 INCREASE. AT THE ANNUAL RECERTIFICATION, THE
108 AUTHORITY OR DEVELOPER SHALL BASE RENT LEVELS ON
109 SUCH FAMILY'S AVERAGE INCOME THROUGHOUT THE
110 PRECEDING TWELVE MONTHS. DURING THE SUBSEQUENT
111 TWELVE-MONTH PERIOD, THE AUTHORITY OR DEVELOPER
112 SHALL NOT REQUIRE ANY INTERIM RECERTIFICATIONS DUE
113 TO INCREASED EARNINGS FROM EMPLOYMENT. HOWEVER, IF
114 A FAMILY'S INCOME HAS DECREASED, NOTHING IN THIS
115 SECTION SHALL PRECLUDE AN INTERIM RECERTIFICATION

116 OR RECERTIFICATION BASED ON THE REDUCED INCOME
117 LEVEL.

118 Sec. 2. Subsection (m) of section 8-113a of
119 the general statutes is repealed and the following
120 is substituted in lieu thereof:

121 (m) "Elderly persons" means persons sixty-two
122 years of age and over who lack the amount of
123 income which is necessary, as determined by the
124 authority or nonprofit corporation, subject to
125 approval by the Commissioner of Economic and
126 Community Development, to enable them to live in
127 decent, safe and sanitary dwellings without
128 financial assistance as provided under this part,
129 or persons who have been certified by the Social
130 Security Board as being totally disabled under the
131 federal Social Security Act or certified by any
132 other federal board or agency as being totally
133 disabled. [, except persons (1) currently using
134 illegal drugs, (2) currently abusing alcohol and
135 who have a recent history of disruptive or
136 dangerous behavior whose tenancy constitutes a
137 direct threat to the health or safety of another
138 individual or whose tenancy would result in
139 substantial physical damage to the property of
140 another or (3) with a recent history or disruptive
141 or dangerous behavior whose tenancy would
142 constitute a direct threat to the health and
143 safety of another individual or whose tenancy
144 would result in substantial physical damage to the
145 property of another.]

146 Sec. 3. (NEW) (a) An elderly person, as
147 defined in subsection (m) of section 8-113a of the
148 general statutes, as amended by section 2 of this
149 act, shall not be eligible to move into a housing
150 project, as defined in subsection (f) of section
151 8-113a of the general statutes, if the person (1)
152 is currently using illegal drugs, (2) is currently
153 abusing alcohol and has a recent history of
154 disruptive or dangerous behavior and whose tenancy
155 (A) would constitute a direct threat to the health
156 or safety of another individual or (B) would
157 result in substantial physical damage to the
158 property of another, (3) has a recent history of
159 disruptive or dangerous behavior and whose tenancy
160 (A) would constitute a direct threat to the health
161 and safety of another individual or (B) would
162 result in substantial physical damage to the
163 property of another, or (4) was convicted of the

164 illegal sale or possession of a controlled
165 substance, as defined in section 21a-240 of the
166 general statutes, as amended, within the prior
167 twenty-four-month period.

168 (b) Any authority, municipal developer,
169 nonprofit corporation or other lessor may evict
170 any individual from such housing project who is
171 convicted of the illegal sale or possession of a
172 controlled substance as defined in section 21a-240
173 of the general statutes, as amended, during the
174 period of time the individual is residing in such
175 housing. Such eviction shall be in accordance with
176 the provisions of chapter 832 of the general
177 statutes, as amended. Nothing in this section
178 shall be construed to limit the remedies of any
179 such authority, municipal developer, nonprofit
180 corporation or lessor under chapter 832 of the
181 general statutes, as amended.

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"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF 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 HOUSE THEREOF FOR ANY PURPOSE."

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FISCAL IMPACT STATEMENT - BILL NUMBER SHB 5450

STATE IMPACT	None
MUNICIPAL IMPACT	See Explanation Below
STATE AGENCY(S)	Department of Economic and Community Development

EXPLANATION OF ESTIMATES:

MUNICIPAL IMPACT: To the extent that the individuals that are barred or evicted lack the resources to obtain housing in the private market, additional costs could result for municipalities. The degree of the additional cost, if any, would vary by municipality, as it is contingent upon the number of individuals and magnitude of services which the municipality would need to provide to these individuals until other suitable housing arrangements can be made.

Housing Authorities

The lower a tenant's income, the greater the amount of the subsidy which Housing Authorities must provide. If Housing Authorities are prohibited from recertifying tenant income during the year under certain conditions, Housing Authorities would have to continue the subsidy longer than would otherwise be the case.

Typically, Housing Authorities use tenant rents to maintain the properties. If tenant rents are lower than the amount of revenue that is available to the authority, maintenance and repair would not be allowed to increase.

The debts and liabilities of a Housing Authority are not those of the municipality, therefore, this aspect of the bill is not expected to have a direct fiscal impact on the municipality within which the Housing Authority is located.

Since it is not clear how Housing Authorities that operate elderly housing would obtain information about past convictions on prospective applicants, the fiscal impact of this aspect of the bill cannot be determined. If Housing Authorities obtain police background checks from the State Police, no additional costs would result as they would be provided "free of charge". However, it should be noted that because of the backlog in this area the state could potentially incur additional costs in trying to meet the increased demand.

On the other hand, if the Housing Authority's contracted with a private entity, then additional costs would result directly to the authority. The extent of the additional costs, if any, is indeterminate, as it is contingent upon the specific contractual arrangement which the Authority has with the firm.

In addition, to the extent that there is an increase in the number of evictions, a workload increase and additional costs could potentially result. The additional costs are associated with preparing and participating in the eviction process.

House "A" made a technical change that did not alter the fiscal impact of the original bill.

House "C" added the provisions related to acceptance and continued tenancy in public housing which resulted in potential additional costs for municipalities and Housing Authorities.

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OLR AMENDED BILL ANALYSIS

sHB 5450 (as amended by House "A" and "C")*

AN ACT CONCERNING AN INCOME EXCLUSION FOR CERTAIN HOUSING TENANTS

SUMMARY: This bill allows housing authorities and developers operating state-assisted elderly housing projects to evict any occupant who is convicted of selling or possessing illegal drugs anywhere while residing in the project. The developers must comply with the eviction statutes when evicting occupants for these reasons, and they can use the other remedies those statutes provide.

The bill also bars anyone from moving into state-assisted elderly housing who has been convicted of selling or possessing illegal drugs in the past two years. The law already bars people who (1) currently use illegal drugs, (2) currently abuse alcohol and have a recent history of behaving in ways that threaten others or would seriously damage property, or (3) otherwise have a recent history of the latter.

The bill limits the extent to which housing authorities and nonprofit developers operating state-assisted multi-family projects can increase the rents for those families whose incomes increase due to employment while receiving general or public assistance. It specifies the time period during which this limitation applies.

*House Amendment "A" applies the limitation on rent increases to other developers besides housing authorities operating state-assisted multi-family housing projects and makes technical changes.

*House Amendment "C" adds the grounds for evicting and excluding people from state-assisted elderly housing projects.

EFFECTIVE DATE: October 1, 1998

FURTHER EXPLANATION**Limitations on Rent Increases**

The bill limits the extent to which housing authorities

and nonprofit organizations operating state-assisted multi-family projects can raise the rents for certain families during a specified period. State regulations require these operators to adjust a family's rent annually or during the year if its income goes up. The operators can do this as part of an annual or interim recertification, during which they also determine the family's general eligibility for continued occupancy.

The bill prohibits the operators from conducting an interim recertification for a family because its income increased during the year while receiving general or public assistance. This prohibition applies only if the increase was due to employment. At the next annual recertification, the operators must base the new rent on the family's average income for the prior year. They cannot conduct an interim recertification during the subsequent year based on the family's earnings.

The bill specifies that the operators can still conduct an interim or annual recertification based on income if the family's income decreased.

BACKGROUND

Related Bill

sSB 326 (File 385) also bars anyone from moving into state-assisted elderly housing who has been convicted of selling or possessing illegal drugs during the past two years.

COMMITTEE ACTION

Housing Committee

Joint Favorable Substitute Change of Reference
Yea 9 Nay 0

Planning and Development Committee

Joint Favorable Report
Yea 19 Nay 0