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State Housing/Community Development Program

Sec. 8-216b-1. Definitions

The following definitions apply to Sections 8-216b-1 through 8-216b-11 of the Regulations of Connecticut State Agencies:

(a) “Commissioner” means the Commissioner of Housing.

(b) “Community Facilities” means facilities made available for public use which are clearly intended to support adjacent activities that develop or improve housing opportunities for families of low and moderate income.

(c) “Department” means the Connecticut Department of Housing.

(d) “Developer” means:

(1) a housing site development agency which means any economic development agency, human resource development agency, redevelopment agency, community development agency, housing authority or municipal developer designated by ordinance of the legislative body of a municipality to carry out housing and community development projects within the municipality; or

(2) a nonprofit corporation incorporated pursuant to Chapter 600 of the Connecticut General Statutes, and having as one of its purposes the construction, rehabilitation, ownership or operation of housing and having articles of incorporation approved by the Commissioner and such corporation must have secured a commitment for mortgage financing from the U.S. Department of Housing and Urban Development or the Farmer’s Home Administration.

(e) “Family” means a household consisting of one or more persons.

(f) “Families of Low and Moderate Income” means families who lack the amount of income which is necessary, as determined by the Commissioner, to enable them, without financial assistance, to rent or purchase decent, safe and sanitary dwellings, without overcrowding.

(g) “Financial Assistance” means grants authorized under Section 8-216b of the Connecticut General Statutes.

(h) “Housing and Community Development Plan” means the coordinated neighborhood rehabilitation and revitalization effort prepared by a housing site development agency in accordance with Section 8-216b of the Connecticut General Statutes and approved by the Commissioner.

(i) “Housing and Community Development Project” or “Project” means any work or undertaking to provide decent safe and sanitary dwelling units for families of low and moderate income, or any work or undertaking which will support activities to develop such housing.

(j) “Major Building Component” means roof structures, ceilings, wall or floor structures, foundations or plumbing, heating or electrical systems.

(k) “Predominantly Residential Area” means an area in a municipality consisting of one or two contiguous United States census tracts in which more than fifty percent (50%) of the area is zoned or allows for residential dwellings.

(l) “Rehabilitation” means repairs, replacements or improvements:

(1) The cost of which exceeds 15% of the property’s value after completion of all repairs, replacements and improvements; or

(2) that include the replacement of at least one major building component.

(Effective June 26, 1989)

Sec. 8-216b-2. Program description

(a) The Commissioner is authorized to extend financial assistance in the form of a grant to developers to enable them to undertake community development

activities in predominately residential areas to assist in producing housing which is affordable to families of low and moderate income.

(b) Developers may receive state financial assistance to carry out a project in accordance with a housing and community development plan. The plan must be drawn up in accordance with Section 8-216b of the Connecticut General Statutes and approved by the Commissioner before any financial assistance is awarded under this program. The amount of state financial assistance shall not exceed two-thirds of the net project cost as determined by the Commissioner with the approval of the State Bond Commission.

(c) Developers shall be required to comply with all rules and orders promulgated from time to time by the Commissioner and consistent with the Connecticut General Statutes, and these regulations.

(Effective June 26, 1989)

Sec. 8-216b-3. Eligibility

(a) **A housing site development agency shall:**

- (1) Be in good standing with the Department of Housing; and
- (2) Be designated by ordinance of the legislative body of the municipality for the purpose of carrying out housing and community development projects.

(b) **A nonprofit corporation shall:**

- (1) Submit an endorsed certificate of incorporation certified by the Secretary of the State; which includes the articles of incorporation.
- (2) Submit a certificate of good standing certified by the Secretary of the State; and
- (3) Inform the Department, in writing, of the corporation's principal place of business.

(c) **Both housing site development agencies and nonprofit corporations shall:**

- (1) Submit a list of any housing project(s) which they have developed, owned or managed;
- (2) Submit a statement authorizing the Commissioner to apply for a credit report from any appropriate credit reporting agency covering the developer for consideration in determining the financial capability of the developer.

(Effective June 26, 1989)

Sec. 8-216b-4. Eligible activities

Any developer undertaking a housing and community development project shall use any financial assistance received for one or more of the following activities:

(1) Acquisition of real property for housing or community facilities, including but not limited to, the costs associated with the acquisition or disposition of property through sale, lease, donation or otherwise, where the real property was or will be part of a housing and community development project;

(2) Rehabilitation of building(s) for use as housing or community facilities;

(3) Improvements supporting the development of low and moderate income housing, including but not limited to, site assemblage and preparation, demolition and removal of buildings, including movement of structures to other sites, site and public improvements and pre-construction costs;

(4) Development of community facilities through acquisition, construction, rehabilitation, renovation or installation of community facilities, including but not limited to, neighborhood centers, centers for the handicapped, senior centers, historic properties, public utilities, streets, street lighting, parking facilities, sewer and drainage facilities, parks, playgrounds, and recreation facilities. Such community facilities are eligible activities only when they are clearly intended to support adjacent activi-

ties that develop or improve housing opportunities for families of low or moderate income;

(5) Removal of material and architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons to buildings, facilities and improvements;

(6) Relocation payments and assistance to individuals, families, business, or farms, as required under the federal or state Uniform Relocation Assistance Act, as applicable;

(7) Activities to support enforcement of and compliance with building, health and housing codes;

(8) Reasonable administrative costs incurred by the developer in connection with the project;

(9) Related costs which may include:

(A) Labor, materials and other costs of rehabilitation of properties, including repairs directed toward an accumulation of deferred maintenance, replacement of principal fixtures and components of existing structures, installation of security devices, and renovation through alterations, additions to or enhancement of existing structures, which may be undertaken singly or in combination;

(B) Improvements to increase the efficient use of energy;

(C) Improvements to increase the efficient use of water; and

(D) Connection of residential structures to water lines or local sewer collection lines.

(Effective June 26, 1989)

Sec. 8-216b-5. Application process

(a) The Commissioner may solicit and/or accept applications from developers for financial assistance.

(b) As part of the application and approval process, the developer shall be required to furnish the following:

(1) Certification of the developer's eligibility as defined in Section 8-216b-3 above;

(2) A housing and community development plan which shall be prepared in accordance with Section 8-216b of the Connecticut General Statutes and approved by the Commissioner;

(3) Evidence of housing need and marketability;

(4) Evidence that the project is part of a coordinated neighborhood revitalization effort in a predominantly residential area;

(5) Evidence that the project will be serving the target income groups of low and moderate income families; and

(6) Submit names, addresses and telephone numbers of its current directors or officers and statutory agent for service.

(c) The Commissioner may, from time to time, request additional information of the applicant.

(Effective June 26, 1989)

Sec. 8-216b-6. Selection process

(a) Applications shall be approved or disapproved by the Commissioner based on the factors listed in Sections 8-216b-3, -4, and -5 above, the availability of financial assistance and the following:

(1) Any needs outlined in the Five Year Housing Advisory Plan;

(2) Preference to low income families to the extent financially possible;

(3) Certification that the housing and community development plan conforms with the Local Housing Assistance Plan, if in existence or such other plans as may be applicable;

(4) Any other statistical data on housing need and marketability and community development needs;

(5) Suitability of the proposed site and project; and

(6) The administrative and financial capability of the developer to plan, complete and manage a project, including past experience and staffing.

(b) If an application is disapproved, the developer shall be notified in writing of the reason(s) for the rejection.

(c) If an application is approved, the Commissioner shall notify the developer, in writing, that the project may proceed and indicate the expected terms and conditions of the contract for financial assistance under this program.

(Effective June 26, 1989)

Sec. 8-216b-7. Contract for financial assistance

(a) Following application approval, the Commissioner shall request that the State Bond Commission provide financial assistance in the form of a grant.

(b) Following approval by the State Bond Commission pursuant to the provisions of Section 3-20 of the Connecticut General Statutes, the State, acting by and through the Commissioner, may enter into a contract(s) with a housing site development agency or nonprofit corporation for financial assistance for a project(s) in the form of grant(s) in an amount not in excess of two-thirds of the cost of the project(s) as approved by the Commissioner.

(c) Such contract(s) shall include, but not be limited to, the amount of the financial assistance to be provided and the rights and obligations of the parties under the contract(s).

(Effective June 26, 1989)

Sec. 8-216b-8. Restrictions on the sale or use of property

(a) Any real property acquired with the use of a grant under this program may be transferred for consideration which is less than cost or fair market value to:

(1) a housing authority; or

(2) a person, firm, or corporation who the Commissioner determines is subject to the regulation or supervision of operations, rents, charges, income, or sales price with respect to such real property under a regulatory agreement or other instrument which restricts occupancy of such housing predominantly to persons and families whose income does not exceed one hundred percent of the area median income, as determined by the United States Department of Housing and Urban Development.

(b) In addition to whatever remedies exist in the contract, the developer shall, upon demand by the Commissioner, transfer title to the State for any land or interests in land acquired with the grant, if the Commissioner determines that:

(1) reasonable progress in the development of the property has not been made from the date of acquisition of the land or interests in land;

(2) the property has been developed or used for purposes other than for those enumerated in the housing and community development plans as submitted and approved; or

(3) the developer has amended its purpose so that it no longer conforms with that originally submitted and approved.

(c) A lien shall be filed, unless the Commissioner determines that a waiver is in the best interest of the State, on all property for which the State has provided

financial assistance. The Commissioner may subordinate the State's lien if the level of State financial assistance so warrants.

(d) If a developer dissolves its organization, the developer shall convey its interests in the property to the Department or to the Department's designated receiver. (Effective June 26, 1989)

Sec. 8-216b-9. Income limits

(a) At least 51% (fifty-one percent) of all residents residing in a project under this program must be low and moderate income.

(b) Income limits for low and moderate income residents shall not exceed 100% (one-hundred percent) of the area median income as determined from time to time by the U.S. Department of Housing and Urban Development.

(Effective June 26, 1989)

Sec. 8-216b-10. Financial reporting and access to records

(a) Each developer shall maintain complete and accurate books and records, insofar as they pertain to state housing and community development projects, and they shall be set up and maintained in accordance with the latest procedures approved by the Commissioner.

(b) Each developer shall furnish the Commissioner with financial statements and other reports relating to the development and operation of the project in such detail and at such times as he may require.

(c) At any time during regular business hours, and as often as the Commissioner may require, the Commissioner or his representatives shall be entitled to full and free access to the accounts, records and books of the developer relative to the project, said permission to include the right to make or require the developer to provide excerpts or transcripts from such accounts, records and books.

(Effective June 26, 1989)

Sec. 8-216b-11. Fiscal compliance and examination

Each developer receiving financial assistance shall be subject to examination of all books and records. Examinations shall be performed by independent public accountants registered to practice in the State of Connecticut, or by qualified Department personnel. All examinations shall be in accordance with procedures established by the Department.

(Effective June 26, 1989)