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## Community Housing Development Corporations

### Sec. 8-218c-1. Definitions

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

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

(c) “Eligible Low and Moderate Income Persons” means any persons or group of persons whose income fall within limits for family size and geographic location within the state, which have been prescribed by the Commissioner.

(d) “Community Housing Development Corporation,” hereinafter referred to as the CHDC, means a nonprofit corporation organized pursuant to the requirements of Chapter 600 and Section 8-217 of the Connecticut General Statutes and whose articles of incorporation have been approved by the Commissioner.

(e) “Financial Resources” means those funds available to a project sponsored by and/or assisted in part by a CHDC.

(f) “Private Sector” means any profit or nonprofit non-governmental entity.

(g) “Project” means any residential or predominantly residential building or buildings identified by a CHDC in its application or any amendment thereof, in which, after construction or rehabilitation, all units will be rented and/or sold to eligible low and moderate income persons.

(Effective May 23, 1986)

### Sec. 8-218c-2. Eligibility

The Commissioner shall, from time to time, receive applications from CHDC’s for state assistance in the form of grants and loans for the purposes described in Sections 8-218a and 8-218b of the Connecticut General Statutes. The application shall include evidence that the CHDC has financial resources from the private sector equal to or greater than the amount of the proposed loan or grant for the purpose of making low interest loans, loan guarantees or interest subsidies for the construction or rehabilitation of dwelling units for low and moderate income persons.

(Effective May 23, 1986)

### Sec. 8-218c-3. Procedures

#### (a) Use of funds

The CHDCs shall use funds provided pursuant to Sections 8-218a and 8-218b to establish a fund from which loans, loan guarantees, or interest subsidies can be made which will assist in the construction and rehabilitation of dwelling units for eligible low and moderate income persons. Any project receiving assistance from the loan fund established by the CHDC must derive at least 50% of its funding from sources other than state grants or loans. The Corporation shall notify the Commissioner in writing of all financial contributions to each project from any agency of the State of Connecticut other than the Department of Housing.

#### (b) Applications

As part of an application for funding, the Commissioner may require that the CHDC provide documentation which may include, but is not limited to, the following: a demonstration that the CHDC has been properly designated as a CHDC by the legislative body of the municipality or municipalities in which it is operating or has been designated as a state-wide Community Housing Development Corporation by an act of the General Assembly; and description of the project or projects as defined herein, to be assisted with funds provided pursuant to this Section; a demonstration that there are financial resources from private sector sources available

to projects assisted by it which are equal to or greater than the amount of the funding requested; a demonstration that each project to be assisted with funds provided pursuant to this Section derive no more than 50% of its total funds from state grants or loans; and a description of how the CHDC intends to administer its funds. Upon approval of the application by the Commissioner, the Commissioner may request that the State Bond Commission authorize the issuance of bonds of the state for the purposes described in Sections 8-218a and 8-218b.

**(c) CHDC contracts**

Upon approval of funding by the State Bond Commission, the CHDC and the Department of Housing shall enter into a contract which enumerates the specific obligations of each party, including, but not limited to, requirements for a feasibility analysis for each property, requirements for the preparation of work specifications and cost estimates, the time allowed for completion of the rehabilitation work, the type of security required for each loan, and the income levels permitted for the tenants of the projects.

**(d) Project recommendations**

Upon execution of a contract, the CHDC shall recommend to the Commissioner individual projects which will benefit from a loan, loan guarantee or interest subsidy. The Commissioner shall review the CHDC's recommendation and based on its compliance with these regulations, notify the CHDC of his approval or rejection of each project.

(Effective May 23, 1986)

**Sec. 8-218c-4. Underwriting criteria**

The following requirements shall apply to all projects funded pursuant to these regulations:

**(a) Rental properties**

Prior to approving a loan, interest subsidy, or loan guarantee and recommending its approval to the Commissioner, the CHDC shall ensure that the rental income from the housing units will provide sufficient funds to pay the following expenses: all property taxes, fire district taxes, water and sewer taxes, and other municipal and state taxes which may apply (taxes which are based on the value of the property shall be estimated based on the after-rehabilitation value); all outstanding loan and/or mortgage payments chargeable against the property (including the loan being provided by the CHDC pursuant to Sections 8-218a and 8-218b); a "debt service coverage ratio" of at least 1.10; all utility payments which are not payable directly by the tenants; insurance costs; management and routine maintenance; project reserves equal to 5% of the items listed above, and a return on investment not to exceed 10% of the difference between the appraised value of the property and the pre-existing indebtedness on the property as determined by the Commissioner. In addition, the outstanding indebtedness on the property (including the CHDC's loan) shall not exceed 90% of the appraised after rehabilitation value of the building.

**(b) Ownership properties**

Prior to approving a loan, loan guarantee, or interest subsidy and recommending its approval to the Commissioner, the CHDC shall ensure that the income from the sale of the project, whether as a whole or as individual units, will be sufficient to pay all outstanding loans and liens against the property, including the loan provided by the CHDC, and all costs associated with the sale of the project or its individual units.

(Effective May 23, 1986)

**Sec. 8-218c-5. Eligible costs****(a) Eligible costs**

The CHDC may provide loans, loan guarantees and interest subsidies for the construction or rehabilitation of projects from available state and private resources. Eligible costs which may be included are those rehabilitation costs necessary to bring the units into conformance with State Building Code standards, as determined by the CHDC and approved by the Commissioner. Eligible costs may also include, but are not limited to, the following: appraisal fees; building permits; costs of processing and closing the loan; and, architectural, engineering, or related professional services, if required.

**(b) Appraisals**

Fee appraisals must be made for all properties to be assisted and will be made on the after-rehabilitation value of the property.

(Effective May 23, 1986)

**Sec. 8-218c-6. Terms and conditions of rehabilitation loans****(a) Interest rates**

Interest rates shall be recommended by the CHDC to the Commissioner and should not be less than 5% unless the CHDC demonstrates that a lower rate is necessary to make the project feasible. The interest rate requested will be based on the loan amount needed to construct or rehabilitate the property, the operating costs of the building (including all debt service), and the potential income derived from the property after construction or rehabilitation.

**(b) Terms of loan**

The CHDC may make interim construction or rehabilitation loans and/or permanent loans from their allocation. The term of the interim construction loan shall not exceed one year. However, in the event that it is determined and can be demonstrated by the CHDC that the best interests of the project will be served by extending this one year period, such an extension may be requested by the CHDC, and may be granted by the Commissioner. The term of the permanent financing shall not exceed twenty years, unless it can be demonstrated by the CHDC that the best interests of the project will be served by extending the term. In this instance, the Commissioner may extend the term to not more than thirty years.

**(c) Security**

All loans made by the CHDC out of its allocation shall be secured by a mortgage on the property which will be immediately assigned to the Commissioner. In the event of default, the Commissioner may foreclose on the property, or take any steps deemed necessary to protect the financial interests of the State.

**(d) Repayment**

Repayment of interim loans shall be due in one lump sum payment at the time of the closing of the permanent financing. Such lump sum payment shall include all principal and interest. For projects which involve the sale of individual units, the interim loan shall be repaid as each unit is sold. Interest and principal payments shall be prorated based on the value of the unit to the value of the whole project and the length of time the loan was outstanding for each unit. Repayment of permanent loans shall be based on a monthly repayment schedule over the life of the loan. The interim loan may either be converted to a permanent loan or repaid directly to the Commissioner. Payments on any permanent loan shall be made directly to the Commissioner.

(Effective May 23, 1986)

**Sec. 8-218c-7. Interest subsidies****(a) Applications**

The CHDC may use the funds provided pursuant to Sections 8-218a and 8-218b to administer an interest subsidy program. Pursuant to an interest subsidy the CHDC may provide up to 50% of the total financing needed to construct or rehabilitate an eligible project at whatever interest rate is necessary to make the project financially feasible. As part of a preliminary application for funding under this section, the Commissioner may require that the CHDC provide documentation, in addition to that required by Section 8-218c-2, which demonstrates that one or more lenders have agreed in writing to participate in the program, defines the terms and conditions of the lender's participation, and demonstrates that each participating lender will not charge borrowers an interest rate higher than that charged by it for similar non-subsidized loans.

**(b) Procedures**

The repayment of any loans provided pursuant to this Section shall be in the same manner as that provided for in Section 8-218c-6 (d).

(Effective May 23, 1986)

**Sec. 8-218c-8. Loan guarantees****(a) Applications**

The CHDC may use the funds provided pursuant to Sections 8-218a and 8-218b to make loan guarantees on behalf of eligible borrowers for the purpose of insuring the repayment of interim and/or permanent loans. As part of an application for funding under this Section, the Commissioner may require that the CHDC provide documentation, in addition to that required by Section 8-218c-2, which demonstrates that one or more lenders have agreed in writing to participate in the program, describes the terms and conditions of their participation, and certifies that the lending institution will not pay less interest on the State funds deposited as the guarantee than it is paying for other investments of like amount and term.

**(b) Procedures**

The CHDC may deposit funds provided pursuant to this Section in an interest bearing account in a financial lending institution approved by the Commissioner for the purpose of guaranteeing loans to eligible borrowers for eligible projects. At no time shall the amount deposited in such an account exceed the outstanding principal balance of the guaranteed loans.

**(c) Payments on default**

The CHDC shall, upon notification by a lender that a borrower is in default of his or her loan payments, contact the borrower and attempt to develop a repayment schedule which resolves the default to the satisfaction of the lender. If such a repayment schedule cannot be worked out, the CHDC must notify the Commissioner in writing that it has made a payment against a guaranteed loan. It must also document at that time the efforts it made to resolve the default prior to making payment against the loan guarantee.

(Effective May 23, 1986)

**Secs. 8-218c-9—8-218c-12.**

Repealed, December 17, 1987.

**Sec. 8-218c-13. Definitions**

The following definitions apply to Sections 8-218c-13 through 8-218c-24 of the Regulations of Connecticut State Agencies:

- (a) “Commissioner” means the Commissioner of Housing.
- (b) “Department” means the Connecticut Department of Housing.
- (c) “Developer” means

(1) A community housing development corporation (CHDC) incorporated and organized pursuant to the requirements of Chapter 600 and Section 8-217 of the Connecticut General Statutes, having as one of its purposes the financing, acquisition, construction or rehabilitation of housing, and having articles of incorporation approved by the Commissioner;

(2) A nonprofit corporation; incorporated pursuant to Chapter 600 of the Connecticut General Statutes, having as one of its purposes the construction, rehabilitation, ownership, or operation of housing, and having articles of incorporation approved by the Commissioner;

(3) A business corporation incorporated pursuant to Chapter 599 of the Connecticut General Statutes, having as one of its purposes the construction, rehabilitation, ownership, or operation of housing, and having articles of incorporation approved by the Commissioner;

(4) A housing partnership, limited partnership, joint venture, trust or association having basic documents of organization approved by the Commissioner, and having as one of its purposes the construction, rehabilitation, ownership, or operation of housing;

(5) A housing authority established in accordance with Section 8-40 of the Connecticut General Statutes;

(6) A family or person approved by the Commissioner as qualified to own, construct, rehabilitate, or operate housing under a mortgage loan made or insured under an agreement entered into pursuant to the provisions of Chapter 128 of the Connecticut General Statutes and these regulations;

(7) A municipal developer, which means a municipality which has not declared by resolution a need for a housing authority pursuant to Section 8-40 of the Connecticut General Statutes, acting by and through its legislative body, except that in any town in which a town meeting or representative town meeting is the legislative body, “Municipal Developer” means the governing body authorized to act as the Municipal Developer by the town meeting or representative town meeting.

(d) “Families of Low and Moderate Income” means families who lack the amount of income necessary to rent or purchase decent, safe and sanitary housing without financial assistance, as determined by the Commissioner.

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

(f) “Financial Assistance” means any grant, loan, deferred loan, advance or any combination thereof provided for the purpose of developing housing for families of low and moderate income for which a contract is entered into by the state with a developer.

(g) “Housing Development” or “Development” means any work or undertaking to provide decent, safe and sanitary dwelling units for families of low and moderate income, which may include expenses of acquisition, the planning of buildings and improvements, site preparation, the demolition of existing structures, construction, rehabilitation or renovation of existing buildings, including accessibility modifications.

(h) “Mortgage” means an interest in real property created by a written instrument providing a security on such property for repayment of a debt or obligation.

(i) “Adaptable” means those features of housing units which are constructed in accordance with the provisions of the Connecticut State Building Code and Public

Act 90-300, as well as those units constructed for first occupancy after March 1991, as required by the Federal Fair Housing Amendment Act of 1988.

(j) "Medical Expenses" means those non-reimbursable medical expenses paid in the previous twelve (12) months for: (1) services of physicians and other health care professionals; (2) services of health care facilities; (3) medical insurance premiums; (4) prescription and nonprescription medicines; (5) transportation to and from treatment; (6) dental expenses; (7) eyeglasses or other corrective eyewear; (8) hearing aides and batteries; (9) prosthetic devices; (10) attendant care and auxiliary apparatus; (11) periodic medical attendant care; (12) home health care services; (13) payments on accumulated medical bills; (14) medical care of a permanently institutionalized family member if his or her income is included in family's gross annual income; and (15) other medical expenses, as determined by the commissioner.

(Effective August 19, 1992)

#### **Sec. 8-218c-14. Program description**

(a) The Community Housing Development Corporation Program has five components: predevelopment activities, large bedroom units, loan fund, accessibility modification, and adaptability conversion, which provide financial assistance to develop and rehabilitate housing for low and moderate income families.

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

(Effective August 19, 1992)

#### **Sec. 8-218c-15. Predevelopment activities**

(a) The Commissioner may provide financial assistance to developers, equal to the cost of predevelopment activities financed by a mortgage loan under any federal or state housing statute.

(b) Eligible expenses are limited to the following: appraisals, title searches, legal fees, option agreements, architectural, engineering and consultants' fees, financing fees, closing costs and such other expenses as may be financed by a mortgage loan under any federal or state housing statute.

(c) Financial assistance shall be in the form of a loan and may only be repaid if such expenses are to be recovered by the developer from the mortgage loan or the proceeds of the sale of the housing development.

(d) Preference for predevelopment activities shall be given to developers who have applied for housing construction or rehabilitation funding under the Community Housing Development Corporations Program.

(e) Developers shall be required to submit evidence of a conditional commitment of financing from a federal or state housing program in conjunction with their application for financial assistance under this section.

(f) Income limits shall be those established by the state and/or federal program being utilized. However, a preference will be given to those developments which propose to serve a mixed income population.

(Effective November 30, 1990)

#### **Sec. 8-218c-16. Large bedroom units**

(a) The Commissioner may provide financial assistance to developers who have received financial assistance under Section 8-218c-15 of these regulations, for the development or rehabilitation of housing which the Commissioner has determined contains a substantial number of dwelling units of three or more bedrooms; and in

accordance with Section 8-218 (a) (2) (A) and (B) of the Connecticut General Statutes.

(b) Eligible expenses include but are not limited to: the following: site preparation, construction or rehabilitation, architect's fees, and administrative or other costs or expenses incurred by the state.

(c) Financial assistance shall be in the form of a grant or loan. For those developers selected for combination grants and loans, grant funds shall be limited to only those expenses which cannot feasibly be financed by the loan.

(Effective November 30, 1990)

### **Sec. 8-218c-17. Loan fund**

(a) The Commissioner may provide loans to eligible developers to establish and administer a loan fund from which eligible developers may make loans or deferred loans to eligible borrowers for the development and rehabilitation of housing for low and moderate income families.

(b) For purposes of this section, eligible borrowers shall be eligible developers as defined in Section 8-218c-13 (d) except for the developer administering the same loan fund.

(c) Eligible expenses include but are not limited to: appraisals, title searches, legal fees, option agreements, architectural, and engineering fees, financing fees, closing costs, construction, rehabilitation, renovation, and such other expenses as the Commissioner shall deem to be reasonable and necessary.

(d) The incomes of occupants of assisted units must not exceed one hundred percent (100%) of the area median income, adjusted for family size, as determined from time to time by the United States Department of Housing and Urban Development.

(Effective November 30, 1990)

### **Sec. 8-218c-18. Accessibility modification**

(a) The Commissioner may provide financial assistance to community housing development corporations which in turn will assist eligible applicants for the purpose of making structural or interior or exterior modifications to any dwelling unit which may be necessary to make the dwelling units accessible to and usable by persons with physical or mental disabilities.

(b) Financial assistance shall be in the form of a grant to be used by the Community Housing Development Corporation to make grants, loans, or deferred loans to eligible applicants.

(c) For purposes of this section, eligible applicants shall be those individuals who meet income limits as set forth below:

For grants, (1) any owner of a single-family or multi-family dwelling whose income does not exceed eighty percent (80%) of the area median income, adjusted for family size, as determined from time to time by the United States Department of Housing and Urban Development and adjusted for medical expenses; (2) any tenant whose income does not exceed eighty percent (80%) of such area median income, adjusted for family size and medical expenses, and who furnishes satisfactory evidence that the owner of the dwelling in which the tenant resides has approved the intended structural or interior or exterior modifications.

For loans or deferred loans (1) any owner of a single-family or multi-family dwelling unit whose income does not exceed one hundred and fifty percent (150%) of the area median income, adjusted for family size, as determined from time to time by the United States Department of Housing and Urban Development and

adjusted for medical expenses; or (2) any tenant whose income does not exceed one hundred percent (100%) of the area median income, adjusted for family size and medical expenses, and who furnishes satisfactory evidence that the owner of the dwelling in which the tenant resides has approved the intended structural or interior or exterior modifications.

(d) In the absence of sufficient assets, the Commissioner may provide an unsecured loan in an amount not to exceed ten thousand dollars (\$10,000).

(e) Eligible modification costs shall be those accessibility features required by the American National Standards Institute (ANSI) and any other features which the Commissioner determines are necessary to accommodate persons having physical or mental disabilities.

(Effective August 19, 1992)

### **Sec. 8-218c-18a. Adaptability conversion**

(a) The Commissioner may provide financial assistance to community housing development corporations which in turn will assist eligible applicants for the purpose of converting adaptable living units into units accessible to persons with disabilities and for the reconversion of such units back to adaptable living units.

(b) Financial assistance shall be in the form of a grant to be used by the Community Housing Development Corporation to make grants to eligible applicants.

(c) For purposes of this section, eligible applicants shall be any tenant whose income does not exceed eighty percent (80%) of the area median income adjusted for family size and medical expenses, as determined from time to time by the United States Department of Housing and Urban Development or a owner of a unit in a complex or building subject to the provisions of subsections (c) and (d) of Section 29-273.

(d) Eligible modification costs shall be those adaptability conversion features required to convert an adaptable unit. Such adaptability features must meet the Connecticut Building Code, and may include, but are not limited to, grab bars, door hardware and adjustments to kitchen and bathroom fixtures and equipment.

(Effective August 19, 1992)

### **Sec. 8-218c-19. Eligibility**

(a) A Community Housing Development Corporation must, in addition to the requirements in subsection (f) below:

(1) Be in good standing with the Department;

(2) Submit a statement, except for those corporations specially chartered by the general assembly, showing designation by the governing body of a municipality or by a joint resolution of the governing bodies of two or more municipalities to enter into contracts with the state as provided for in Section 8-218 of the Connecticut General Statutes;

(3) Submit documentation of tax exempt status, if applicable;

(4) Submit an endorsed certificate of incorporation, which includes the articles of incorporation, certified by the Secretary of The State;

(5) Submit a certificate of good standing certified by the Secretary of The State; and

(6) Inform the Department, in writing, of the corporation's principal place of business.

(b) A housing authority must, in addition to the requirements in subsection (f) below:

(1) Be in good standing with the Department;

(2) Submit a statement from the legal counsel of the housing authority that verifies that the housing authority is recognized and continues to be properly constituted by the municipality in accordance with Section 8-40 of the Connecticut General Statutes.

(c) A nonprofit corporation must, in addition to the requirements in subsection (f) below:

(1) Submit documentation of tax exempt status, if applicable;

(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.

(d) A business corporation must, in addition to the requirements in subsection (f) below:

(1) Submit a copy of their organizational documents;

(2) Submit an endorsed certificate of incorporation, which includes the articles of incorporation, certified by the Secretary of The State;

(3) Submit a certificate of good standing certified by the Secretary of The State;

(4) Inform the Department, in writing, of the corporation's principal place of business.

(e) A housing partnership must, in addition to the requirements in subsection (f) below:

(1) Submit a copy of their organizational documents;

(2) Submit for each entity comprising the partnership an endorsed certificate of incorporation, which includes articles of incorporation, certified by the Secretary of the State, or a copy of each entity's documents of organization, as appropriate;

(3) Submit remaining information required in subsection (a), (b), or (e), as appropriate, for each member of the partnership; and

(4) A statement in writing of the partnership's principal place of business.

(f) All community housing development corporations, housing authorities, nonprofit corporations, business corporations or housing partnerships must:

(1) Submit a list of housing developments which they have developed, owned, or managed; and

(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; and

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

(g) A person or family approved by the Commissioner must:

(1) Submit their social security number(s);

(2) Inform the Department, in writing, of their principal place of business and the telephone numbers of the person or the family members;

(3) Show financial ability to undertake the development of the project through the provision of financial statements of the person or family;

(4) Submit a resume of previous participation in housing programs;

(5) Supply a statement authorizing the Commissioner to apply for a credit report for the person or family for consideration in determining their financial capability and reliability.

(h) A municipal developer must submit a notarized copy of its legislative body's resolution designating their governing body as a municipal developer.

(Effective November 30, 1990)

**Sec. 8-218c-20. Application process**

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

(b) Applications shall be approved or disapproved by the Commissioner based on but not limited to the following:

(1) Evidence of the developer's eligibility as defined in Section 8-218c-19 of these regulations;

(2) Housing need and marketability;

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

(4) Commitment for funding from other sources, if applicable;

(5) Evidence of the developer's ability to establish and administer a loan fund, if applicable;

(6) The apparent capability of the developer to plan complete and manage the housing development; and

(7) Financial information on projected expenses.

(c) If an application is disapproved, the developer shall be notified in writing of the reasons for the disapproval.

(d) If an application is approved, the Commissioner shall notify the developer, in writing, that the housing development may proceed and inform the developer of the terms and conditions of the contract(s) for the state financial assistance to be entered into with the developer.

(Effective November 30, 1990)

**Sec. 8-218c-21. Contract for financial assistance**

(a) Contract(s) shall include, but not be limited to: the amount of the financial assistance to be provided, the terms and conditions, the rights and obligations of the parties under the contract(s), and any other special provisions agreed upon between the parties.

(b) Permanent financing shall be repayable within thirty (30) years from the date of completion of the housing development as determined by the Commissioner.

(c) A legal instrument, as approved by the Commissioner, shall be filed governing the long term use and resale of the property for which the state has provided financial assistance. The Commissioner may subordinate the state's mortgage(s) if the level of state financial assistance warrants.

(Effective November 30, 1990)

**Sec. 8-218c-22. Prepayment**

(a) The developer shall, no later than one year prior to prepayment, provide written notice to the Commissioner, chief executive officer of the municipality in which such housing is located and to all tenants residing in such housing of its intent to prepay the state's financial assistance.

(b) A loan shall not be prepaid for a period of twenty years without the express written consent of the Commissioner. The Commissioner may grant such consent if he finds that: (1) the prepayment of the loan will not result in a material escalation of rents charged to occupants of the housing development; (2) the developer intends to provide relocation benefits, as required; (3) liens on the property will remain in full force and effect for the remainder of the original mortgage provided by the state; and (4) on sale or prepayment of the mortgage, whichever is sooner, the eligible borrower may be required to repay the difference between the interest rate paid by the state to borrow the funds and the rate paid by the eligible borrower.

(Effective November 30, 1990)

**Sec. 8-218c-23. Reporting and access to records**

(a) Developers shall maintain complete and accurate books and records 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, as well as the families being served, in such detail and at such times as he may require.

(Effective November 30, 1990)

**Sec. 8-218c-24. Fiscal compliance and examination**

Developers 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 performed in accordance with procedures established by the Department.

(Effective November 30, 1990)

**Secs. 8-218c-25—8-218c-29. Reserved****Sec. 8-218c-30. Definitions**

The following definitions apply to Sections 8-218c-30 through 8-218c-32 of the Regulations of Connecticut State Agencies:

(a) “Developers’ Fee” means a bonus earned by developers that have, as determined by the commissioner, demonstrated successful project performance.

(b) “Project Cost” means the amount of financial assistance approved by the state bond commission, not including the developer’s fee, for the expenses of acquisition, development, project selection, construction, rehabilitation, renovation and oversight of existing or planned low and moderate income housing or to make loans for construction, rehabilitation and renovation of such housing.

(Effective July 24, 1996)

**Sec. 8-218c-31. Terms and conditions**

(a) A developers’ fee shall be 10% of the project cost.

(b) The developer’s fee shall be paid based on the following:

(1) Determine an annual developer’s fee by dividing the total fee by the duration of the project;

(2) Twenty-five percent of the annual fee shall be paid to the developer on contract execution;

(3) The balance of the fee shall be paid in quarterly installments, upon submission by the developer of a payment request and evidence of successful project performance as determined by the commissioner.

(Effective July 24, 1996)

**Sec. 8-218c-32. Implementation**

The provisions of Section 8-68g-1, except as otherwise provided, shall govern the implementation of the Community Housing Development Corporations Program developers’ fee.

(Effective July 24, 1996)