

# STATE OF CONNECTICUT

## OFFICE OF POLICY AND MANAGEMENT

### FACT SHEET

2013 LEGISLATIVE SESSION

#### HOUSE BILL NO. 6366 – AN ACT CONCERNING THE ESTABLISHMENT OF THE DEPARTMENT OF HOUSING

##### **SUMMARY OF THE PROPOSAL:**

The proposed bill conforms statute to the establishment of the Department of Housing (DOH), on January 1, 2013 and makes related changes:

**Section 1** establishes DOH as a department within the executive branch of government.

**Section 2** allows the Commissioner of Housing to appoint a Deputy Commissioner.

**Section 3** transfers housing-related programs, responsibilities, and duties from the Office of Policy and Management (OPM), the Department of Economic and Community Development (DECD), and the Department of Social Services (DSS) to DOH. See attached Appendix for a more detailed overview.

Note: JFS language from 3/ 14/ 13 adds 8-37w (model ordinance and model procedures for municipalities), 8-68h (housing authority housing purchase escrow accounts), 8-68j (transfer of financially-distressed public housing to CHFA), and 17b-814 (project-based RAPs) to this section to reflect the transfer of these programs to the Department on Housing. Technical corrections regarding the order in which the statutes were listed were also made.

Additional amendment language is needed to add 8-37ww (window replacement program) to this section – it was an accidental omission in JFS language.

**Sections 4 through 7** make conforming changes to agency successor language to reflect the re-establishment of the Department of Housing and its assumed duties.

**Sections 8 through 10** transfer powers and duties relating to housing from DECD to DOH.

**Section 11** makes a conforming change to transfer the Predevelopment Costs Program from DOH from DECD, as enacted by Section 3.

**Section 12** transfers responsibility for providing regulatory and technical assistance in the Affordable Land Use Appeals process from DECD to DOH.

**Section 13** removes the designation of DSS as a public housing agency for the purpose of administering the Section 8 existing certificate program and the housing voucher program pursuant to the Housing Act of 1937, since DOH is assuming that role.

**Section 14** transfers responsibility for the monitoring of housing needs and the publishing of annual data on housing production from DECD to DOH.

*Contact Person: Kelly Sinko*  
OPM Capitol Office     Hartford, Connecticut 06106  
*Telephone: (860) 524-7329*

**Section 15** requires DOH, rather than DECD, to prepare the state’s consolidated plan for housing and community development.

**Section 16** transfers responsibility for the Section 8 New Construction/ Substantial Rehabilitation program from DECD to DOH. The proposed language also replaces an outdated reference to the “five-year plan” with the “consolidated plan for housing and community development”.

**Section 17** adds the Commissioners of Education and Developmental Services and one member of the Connecticut National Association of Housing and Redevelopment Officials to the Interagency Council on Affordable Housing.

Note: The following change is required in this section (JFS to floor, 3/14/13):

Lines 429 through 432 – delete “(7) one member, appointed by the members specified in subdivisions (1) to (6), inclusive, of this subsection, who shall be a member of the Connecticut National Association of Housing and Redevelopment Officials;” and replace with “(7) the president of the Connecticut Chapter of the National Association of Housing and Redevelopment Officials, or his or her designee;”

In addition, a technical correction when adding the Commissioners of Education and Developmental Services was made – deleted an “and” and inserted a comma in lieu thereof.

**Section 18** transfers responsibility for the involuntary displacement of residents of single-family or multifamily dwellings that occurs in connection with any housing or community development project from DECD to DOH. If this displacement occurs in connection with any economic development project, DECD maintains responsibility.

**Section 19** exempts DOH, rather than DECD, from the required duty of a designated housing agency to submit an annual report on the promotion of fair housing.

**Section 20** requires DOH, rather than DECD, to maintain a comprehensive inventory of all assisted housing.

**Section 21** requires DOH, in addition to DECD and the Connecticut Housing Finance Authority (CHFA), to give preferences to loans for energy efficient projects in all grant and loan programs.

**Section 22** clarifies the authority of DOH and DECD in the provision of state financial assistance for certain projects. Under current law, no state financial assistance can be provided to housing, community development, or economic development projects unless a residential anti-displacement and relocation assistance plan has been approved. The proposed language identifies the authority of DOH over housing or community development projects and the authority of DECD over economic development projects for this purpose.

**Section 23** requires DOH, rather than DECD, to maintain the State-Assisted Housing Sustainability Fund.

**Section 24** authorizes DOH, rather than DECD, to grant approval to housing authorities to dispose of housing projects.

**Section 25** requires owners of federally assisted multifamily rental housing for persons and families of low and moderate income to give notice of certain actions to DOH, rather than DECD. The reference to the date has been deleted since it is a current obligation.

**Section 26** makes a conforming change to transfer the Moderate Rental Housing Program to DOH from DECD, as enacted by Section 3. “United States” is added to the name of the federal Department of Housing and Urban Development to conform to other existing references.

**Sections 27 and 28** make conforming changes to transfer the Congregate Housing Program to DOH from DECD, as enacted by Section 3. A reference to the Commissioner of Social Services is changed to the Commissioner on Aging since the new Department on Aging will be correct entity to consult regarding congregate housing services for the physically disabled. In addition, section 28 changes the word “establish” to “maintain” to ensure continued operation of an existing facility. Subsection (b) of section 28 is deleted because it references a one-time report that was completed.

**Section 29** requires DOH, rather than DECD, to provide grants-in-aid to state-wide, nonprofit housing development corporations in order to encourage the development of independent living opportunities for low and moderate income handicapped and developmentally disabled persons. Language regarding adopting regulations is made permissive.

**Section 30** transfers responsibility for the Elderly Rental Assistance Program from DECD to DOH. The last sentence of subsection (g) is eliminated since new regulations now exist.

**Section 31** requires DOH, rather than DECD, to conduct a comprehensive assessment of current and future needs for elderly rental assistance. References to dates are eliminated.

**Section 32** makes conforming changes to transfer the Land Bank/ Land Trust program to DOH from DECD, as enacted by Section 3. Subsection (h) is deleted because its provisions terminated on October 1, 2000.

**Section 33** adds the Commissioner of Housing or the Commissioner’s designee as a member of Task Force on Building Accessibility as of July 1, 2013.

**Section 34** adds the Commissioner of Housing to the Board of Directors of the Connecticut Housing Finance Authority. The Governor is made the appointing authority for the chair of the Board. In addition, the Commissioners and the OPM Secretary are permitted to appoint designees.

Note: This section needs a minor correction - it needs to be made effective from passage rather than 7/ 1/ 13. (JFS to floor, 3/ 14/ 13)

**Section 35** makes conforming changes to transfer the authority to designate housing development zones from the DECD to DOH, as enacted in Section 3. In addition, a reference to chapter 138 is deleted, since that chapter has been repealed.

**Section 36** makes conforming changes to require DOH, rather than the DECD, to review applications for tax credits for the rehabilitation of certified historic structures for mixed-used or affordable housing, an enacted by Section 3.

**Section 37 through 42** transfer responsibility for the Tax Relief for Elderly Renters program, including the rental rebate appeals process, from OPM to DOH.

Note: The following change is required in this section (JFS, 3/ 14/ 13):

Line 1707 – delete “ninety” and replace with “one hundred and twenty” Claimants of the rental rebate have been given additional time to submit applications pursuant to P.A. 12-69. This proposed change gives OPM additional time to process claims as well as time to adjust the availability of funds for payment of these claims in a timely fashion.

**Section 43** separates the homeowner and rental tax relief programs into separate annual reporting requirements for OPM and DOH, respectively. The DOH reporting requirement is added to the new DOH annual report, as enacted in Section 56.

**Section 44** changes the portion of the definition of “growth-related project” that relates to affordable housing, reflecting that DOH, rather than DECD, will administer affordable housing programs. It also adds the Commissioner of Housing to the list of commissioners that the OPM Secretary should consult when developing recommendations for delineating the boundaries of priority funding areas in the states.

**Section 45** exempts DOH from the provisions of the section in order to maintain the exempt status of affordable housing projects currently funded by DECD but are being transferred to DOH. It also clarifies that DOH, rather than DECD, will be responsible for the publication of the Affordable Housing Appeals list.

**Section 46** includes language that is necessary to allow DSS to share confidential information with DOH in order to administer the Tax Relief for Elderly Renters program.

Note: The following technical corrections are required in this section (JFS, 3/ 14/ 13):

Line 1967 – delete “or (12) to any authorized representative of the”

Lines 1968 and 1969 – delete in their entirety

Line 1973 – after “chapter 32” insert “, or (12) to any authorized representative of the Commissioner of Housing for the purpose of administering the renters rebate program established by section 12-170d, as amended by this act”.

Amendment language will be requested to clarify the scope of this information sharing: “, or (12) to any authorized representative of the Commissioner of Housing for the purpose of verifying whether an applicant for the renters rebate program established by section 12-170d, as amended by this act, is a recipient of cash assistance from the Department of Social Services and the amount of such assistance”.

**Section 47** transfers responsibility for the Subsidized Assisted Living Demonstration rental assistance grants from DECD to DOH.

Note: Amendment language is needed to add the changes from File Co. 29 to HB 6366. This would expand eligibility for the subsidized assisted living services demonstration project to include people (1) age 65 or older with persistent and severe psychiatric disabilities and (2) eligible for the home and community-based program operated by the Department of Mental Health and Addiction Services (DMHAS), otherwise known as the mental health waiver program.

Section 1. Subsection (a) of section 17b-347e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2013*):

(a) The Commissioner of Social Services, in collaboration with the Commissioner of Economic and Community Development and the Connecticut Housing Finance Authority, shall establish a demonstration project to provide subsidized assisted living services, as defined in section 19-13-D105 of the regulations of Connecticut state agencies, for persons residing in affordable housing, as defined in section 8-39a. The demonstration project shall be conducted in at least three municipalities to be determined by the Commissioner of Social Services. The demonstration project shall be limited to a maximum of three hundred subsidized dwelling units. [Applicants] An applicant shall be eligible for such subsidized assisted living services [shall be subject to the same eligibility requirements as] if such applicant is (1) eligible for the Connecticut home care program for the elderly pursuant to section 17b-342, or (2) sixty-five years of age or older and eligible for the home and community-based program for persons with severe and persistent psychiatric disabilities established pursuant to section 17b-602a.

**Section 48** authorizes DOH, rather than DSS, to provide grants to develop and maintain programs for homeless individuals, including emergency shelter services, transitional housing services, on-site social services for available permanent housing, and the prevention of homelessness.

**Section 49** requires DOH, rather than DSS, to allocate existing funding and resources for shelters and services for homeless children and families. DSS remains the agency that is charged with seeking relief from income garnishment orders if it is in the best interest of children and families.

**Section 50** transfers responsibility for the homefinders program from DSS to DOH, in consultation with DSS.

**Section 51** requires DOH in consultation with DSS, rather than DSS, to provide emergency rental assistance for families eligible for assistance under the temporary family assistance program in hotels and motels.

**Section 52** adds the Commissioner of Housing to the board membership of the Capital Region Development Authority, increasing the number of members from thirteen to fourteen.

**Section 53** allows the Capital Region Development Authority to enter memoranda of understanding as it deems appropriate to carry out its responsibilities.

**Section 54** gives DOH the authority to use bond funds for 6 Pillars Housing and demolition and redevelopment activities.

**Section 55 and 56** splits the current DECD annual report into housing and non-housing components so that DOH and DECD, respectively, submit their own annual report. The Tax Relief for Elderly Renters reporting requirement is added to the DOH annual report.

**Section 57** adds the Commissioner of Housing to the list of department heads who are consulted on various activities of the OPM Secretary. This addition is relevant because the section discusses housing plans.

**Section 58** adds the Commissioner of Housing or the Commissioner's designee to the Interagency Council for Ending the Achievement Gap.

**Section 59** transfers responsibility for the Connecticut Housing Partnership from DECD to DOH.

**Section 60** replaces the member from DECD on the Mobile Manufactured Home Advisory Council with a member from DOH. It removes the appointed member from the Housing Advisory Committee, since this committee is defunct and is repealed in Section 67.

**Section 61** makes conforming changes by removing references to a terminated program that is repealed in Section 67

**Sections 62 through 66** remove statutory references to a terminated program, which is repealed in Section 67.

**Section 67** repeals the following: (1) a waiver of regulations for a single case that was completed in 2003 and is no longer needed; (2) a pilot program that was statutorily created in 1988 but never implemented, and can currently be completed under other existing statutes; (3) the creation of the Housing Advisory Committee, which is defunct and has not met since the mid-1990s; (4) an obsolete Septic Tank Repair program that was eliminated in 1991, and re-established under other statutes; (5) an obsolete program that was terminated on July 15, 1985; and (6) an obsolete pilot program for affordable housing for families with children with serious, chronic medical conditions.

Note – JFS language (3/ 14/ 13) removed five of the original eleven programs designated for repeal. These programs include: (1) 8-37w, model ordinance and model procedures for municipalities; (2) 8-37ww, window replacement program; (3) 8-68h, housing authority housing purchase escrow accounts; (4) 8-68j, transfer of financially-distressed public housing to CHFA; and (5) 17b-814, project-based RAPs.

**REASON FOR PROPOSAL:**

This proposal implements the Governor's budget recommendations. It transfers relevant responsibilities, duties, and programs to the Department of Housing from other state agencies.

**SIGNIFICANT IMPACTS:**

*Contact Person: Kelly Sinko*  
**OPM Capitol Office     Hartford, Connecticut 06106**  
*Telephone: (860) 524-7329*

The proposed biennial budget provides \$98.7 million in FY 14 and \$104.4 million in FY 15 in General Fund dollars to support the operation of the Department of Housing. The budget also provides \$168,639 in each year from the Banking Fund to support fair housing.

The following general fund programs are transferred to the Department of Housing:

*From DECD:*

- Elderly Rental Registry and Counselors
- Fair Housing
- Subsidized Assisted Living Demonstration
- Congregate Facilities Operation Costs
- Housing Assistance and Counseling Program
- Elderly Congregate Rent Subsidy

*From DSS:*

- Emergency Shelter for Homeless
- Residences for Person with AIDS
- Transitional Living
- Rental Assistance Program
- Special Projects
- Housing / Mediation Services
- Rent Bank
- Security Deposit Program

*From OPM:*

- Tax Relief for Elderly Renters - Renters' Rebate Program

*From DMHAS:*

- 130 Units of Rental Assistance Program Certificates

The proposed budget also transfers 8 General Fund positions from DECD and 5 General Fund positions from DSS to support these programs.